MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

This management's discussion and analysis ("**MD&A**") is dated March 10, 2025, and should be read in conjunction with the audited financial statements for the yeas ended December 31, 2024 and 2023 Alaris Equity Partners Income Trust ("**Alaris**" or the "**Trust**"). The Trust's condensed consolidated financial statements and the notes thereto have been prepared in accordance with IFRS Accounting Standards Board as issued by the International Accounting Standards Board 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 guaranteed 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-GAAP and Other Financial Measures, including Adjusted Earnings, components of Corporate Investments, EBITDA, Adjusted EBITDA, Alaris net distributable cash flow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, IRR and Per Unit amounts. The terms Adjusted Earnings, components of Corporate Investments, EBITDA, Adjusted EBITDA, Alaris net distributable cash flow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, IRR and Per Unit amounts (collectively, the "**Non-GAAP and Other Financial Measures**") are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards ("**IFRS**") . The Trust's method of calculating the Non-GAAP and Other Financial Measures may differ from the methods used by other issuers. Therefore, the Trust's Non-GAAP and Other Financial Measures may not be comparable to similar measures presented by other issuers.

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**"), Ohana Growth Partners, LLC ("**Ohana**"), formerly known as PF Growth Partners, LLC ("**PFGP**"), DNT Construction, LLC ("**DNT**"), Accscient, LLC ("**Accscient**"), Heritage Restoration, LLC ("**Heritage**"), Fleet Advantage, LLC ("**Fleet**"), Sono Bello, LLC ("**Sono Bello**" or "**Body Contour Centers**") formerly known as Body Contour Centers, LLC, GWM Holdings, Inc. and its subsidiaries ("**GWM**"), Amur Financial Group Inc. ("**Amur**"), Carey Electric Contracting LLC ("**Carey Electric**"), Edgewater Technical Associates, LLC ("**Edgewater**"), 3E, LLC ("**3E**"), Vehicle Leasing Holdings, LLC, dba D&M Leasing ("**D&M**"), Sagamore Plumbing and Heating, LLC ("**Sagamore**"), Federal Management Partners, LLC ("**FMP**"), The Shipyard, LLC ("**Shipyard**"), Cresa, LLC ("**Cresa**"), The Berg Demo Holdings, LLC. ("**Berg**"), and Professional Electric Contractors of Connecticut, Inc. ("**PEC**"). Former partner company names are referred to as follows: Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "**Brown & Settle**"), Falcon Master Holdings LLC, dba FNC Title Service ("**FNC**"), Sandbox Acquisitions, LLC, Sandbox Advertising LP (collectively, "**Sandbox**"), Stride Consulting LLC ("**Stride**"), and Unify Consulting, LLC ("**Unify**").

The Non-GAAP and Other Financial Measures should only be used in conjunction with the Trust's audited consolidated financial statements, excerpts of which are available below, complete versions of these statements are available on SEDAR+ at sedarplus.ca

OVERVIEW

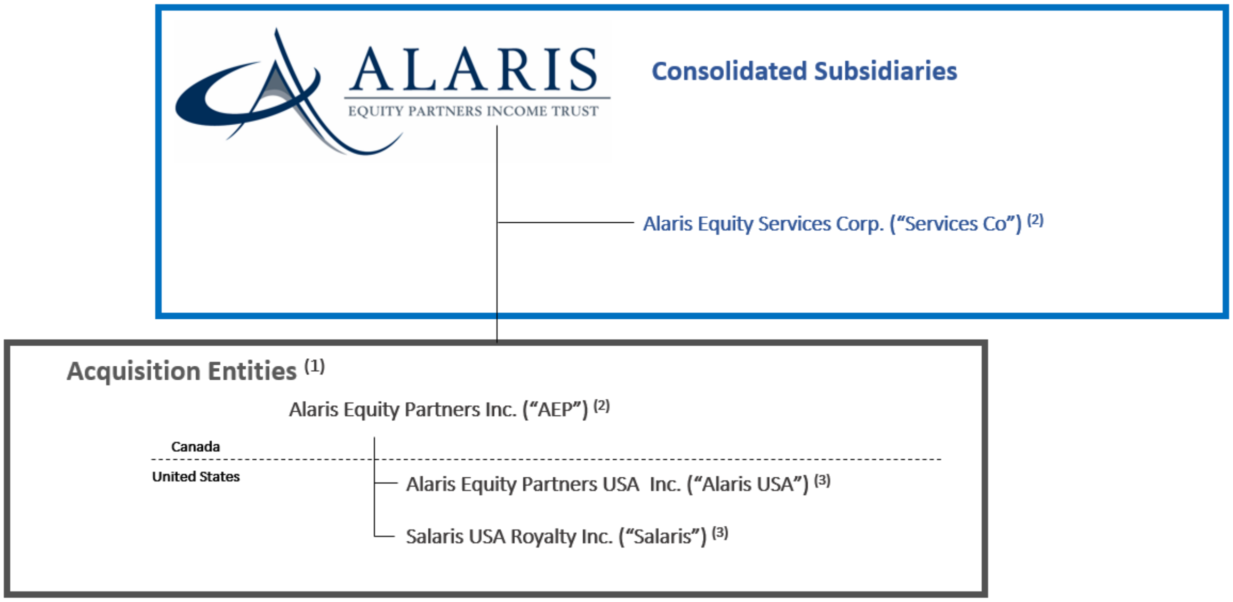
Alaris' investment and investing activity refers to providing equity to private companies to meet their business and capital objectives, which includes management buyouts, dividend recapitalization and growth and acquisitions. Alaris achieves this by investing its unitholder capital, as well as debt, through wholly-owned subsidiaries of Alaris, which are referred to as **"Acquisition Entities"**.

These investments into private businesses (individually, a "**Private Company Partner**" and collectively the "**Partners**") are primarily in the form of preferred equity, in addition to common equity, subordinated debt and promissory notes ("**Preferred Investments**"). The Acquisition Entities earn distributions, dividends and interest ("**Distributions**"), on preferred equity, subordinated debt and promissory notes that are received in regular monthly or quarterly payments that are contractually agreed to between the Acquisition Entity 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 profit, same store sales or other similar "top-line" performance measures (the reset metric). The preferred equity investments have the ability to appreciate through these reset metrics and typically include a premium upon exit or redemption.

The Acquisition Entities' minority common equity investments in Partners participate in the growth and distributions in proportion to their ownership percentage. Receipt of Distributions on the common equity is not fixed in advance, but rather paid as cash flows permit and at the direction of the Partners' board. Alaris believes that the use of common equity in certain transactions will: (a) better align the interests with those of the Partners; (b) provide higher overall returns, including capital appreciation on investments realized at exit, than preferred equity alone; and (c) enable Alaris to increase its capital investment

Based on the investment structure, the Acquisition Entities may earn additional revenue from carried interest, and other earnings related to the particular investment. In addition to these Acquisition Entities, Alaris has a service company which is focused on the management of the Acquisition Entities and Partner Investments and earns revenue from Acquisition Entities and third parties for the provision of their services. Alaris has limited general and administrative expenses with only twenty employees.

The simplified diagram below illustrates the type of subsidiaries included within Alaris' corporate structure and the basis on which they are accounted for following the change in Alaris' investment entity status in January of 2024. As denoted below, the Acquisition Entities are recorded as Corporate Investments.



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

Alaris continually evaluates its investment structure and strategies to ensure it is in a position to increase unitholder value. Alaris may adopt additional innovative investment structures and strategies that complement and enhance its existing preferred equity strategy and that increase its growth profile, diversify its revenue streams and strengthen its relationships with and available investment offerings for existing and prospective Partners. Additional investment structures and strategies may include the raising and managing of third-party capital to allow Alaris to make additional investments in existing Partners, including in common equity of existing Partners, and to earn management fees and carried interest.

In January of 2024, Alaris determined that it met the definition of an "investment entity", as defined by IFRS 10, Consolidated financial statements ("IFRS10"). While this does not represent a change in accounting standards, this change in status has fundamentally changed how Alaris prepares, presents and discusses its financial results relative to prior periods. **Accordingly, users of this annual MD&A and the audited annual consolidated financial statements to which it relates should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes.** Alaris is required to provide comparative financial statements and to discuss in the accompanying MD&A both the current and prior period information and changes therein, however, the change in Alaris' "investment entity" status and, as a result, the presentation of its financial results can cause direct comparisons between dates or across periods to be inappropriate or not meaningful if not carefully considered in this context. IFRS 10 requires that this change in accounting is made prospectively and as a result prior periods are not restated, herein or in the year ended December 31, 2024 financial statements, to reflect the change in Alaris' investment entity status.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Investment Entity Status

In January 2024, the Trust concluded that it met the definition of an "investment entity", as defined by IFRS 10. This change in status resulted from the change in how the Trust commits to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both. Over time, Alaris' investment strategy has evolved and now focuses not only on the Distributions on Preferred Investments but also combined exit returns driven by both the preferred equity exit premium and common equity capital appreciation. This conclusion will be reassessed on a continuous basis.

As a result of this change in status, the assets and liabilities of the Trust's subsidiaries that are themselves investment entities or intermediate holding companies, have been derecognized from the Trust's consolidated statement of financial position, and the Trust's investments in these subsidiaries have been recognized as Corporate Investments totaling $650.5 million as at January 1, 2024. The Trust recognized a gain on the deconsolidation of its Investment entity subsidiaries of $30.3 million on January 1, 2024. Included in this gain is the reclassification of the translation reserve into earnings, reflecting the foreign currency translation differences of certain subsidiaries. The Corporate Investments are subsequently measured at fair value through profit (loss) ("FVTPL"). The change in investment entity status is being accounted for prospectively from January 1, 2024, in accordance with IFRS 10.

As a result of this change in status, the following financial statement items are now recognized within Alaris' audited annual consolidated financial statements:

- ***Corporate Investments***

  Corporate Investments include Alaris' investments in its subsidiaries, primarily consisting of the Acquisition Entities, that meet the investment entity exception to consolidation criteria in IFRS 10. These subsidiaries primarily invest Alaris unitholder capital and debt in Alaris' Private Company Partners. Corporate Investments are measured at fair value through profit or loss in accordance with IFRS 9. The fair value of these Corporate Investments includes the fair value of intercompany loans receivable from the Acquisition Entities.

- ***Management and advisory fees***

  Management fees and advisory fees are earned for services provided directly to certain of the Trust's Acquisition Entities which are calculated as a percentage of invested capital, as well as transaction fees earned from partner investments. Revenues earned from management and advisory fees are recognized over time as the services are provided.

Assessment as investment entity

Judgment is required when making the determination of whether an entity or its subsidiaries meet the definition of an investment entity pursuant to IFRS 10.

Alaris conducts its business primarily through controlled subsidiaries (held either directly or indirectly), which consist of entities providing investment-related services as well as investment holding companies. Certain of these entities were formed for legal, tax, regulatory or similar reasons by Alaris and share a common business purpose. The assessment of whether Alaris, the parent entity, meets the definition of an investment entity was performed on an aggregate basis with these entities.

The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services.
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

When determining whether the Trust met the definition of an investment entity under IFRS 10, Alaris applied significant management judgement when assessing the entity's business purpose and how the Trust commits to its investors that its business purpose is to invest funds solely for the returns from capital appreciation, investment income or both.

Key estimates used in measuring fair value of Corporate Investments

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

An important component of the fair value within the Acquisition Entities is the valuation of the underlying Partner investments held directly or indirectly, which require significant management judgement due to the absence of quoted market values, inherent lack of liquidity and long-term nature of such investments. Investments at fair value are measured using a discounted cash flow model or capitalized cash flow. Significant assumptions used in the valuation of the preferred unit investments include the discount rate, timing of exit and changes in future Distributions. Significant assumptions used in the valuation of the common equity investments include the discount rate, terminal value growth rate, cash flow multiple and estimated future cash flows. Significant assumptions used in the valuation of the convertible preferred unit investments include the discount rate, estimated future cash flows, and cash flow multiple. See Note 3 in the accompanying audited consolidated financial statements for the year ended December 31, 2024 for related disclosure on assumptions used in fair value assessments.

The changes in fair value of Corporate Investments are further described on page 21 of this MD&A.

RESULTS OF OPERATIONS

Note where the financial information for the three months and year ended December 31, 2024 is comparable to specific information from the prior comparable periods in 2023, amounts have been provided for comparative purposes and have not been restated given the prospective nature of this change. As noted above, users of this MD&A and the audited consolidated financial statements to which it relates should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes.

Net book value (1)

$ thousands except per unit amounts	31-Dec 2024	30-Sep 2024	31-Dec 2023
Total Assets	$ 1,199,683	$ 1,130,415	$ 1,474,894
Total Liabilities	$ 97,721	$ 93,236	$ 514,071
Net book value	**$ 1,101,962**	**$ 1,037,179**	**$ 960,823**
Weighted average basic units (000's)	45,503	45,498	45,498
Net book value per unit	$ 24.22	$ 22.80	$ 21.12

(1) Net book value and net book value per unit are Non-GAAP financial measures and represents the equity value of the company or total assts less total liabilities and the same amount divided by weighted average basic units outstanding. Net book value and net book value per unit are used by management to determine the growth in assets over the period net of amounts paid out to unitholders as distributions. Management believes net book value and net book value per unit are useful measures from which to compare the Trust's growth period over period. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

During the three months ended December 31, 2024, net book value increased by $1.42 per unit to $24.22 which is driven by $1.71 basic earnings per unit, less the Q4 2024 dividend declared and paid of $0.34 per unit. During the year ended December 31, 2024, net book value increased by $3.10 per unit to $24.22. The increase in per unit net book value is the result of $5.15 basic earnings per unit in the year, less the earnings impact of the gain on reclassification of the translation reserve of $0.74 per unit, and further reduced by the quarterly dividends declared and paid which amounted to $1.36 per unit.

The following per unit results are supplementary financial measures and are provided for the three months and year ended December 31, 2024, and where comparable 2023. Revenue and other operating income, net gain on Corporate Investments, general and administrative expenses, unit-based compensation, finance costs, and cash from operations are outlined below as obtained from the Trust's accompanying audited financial statements for the year ended December 31, 2024, all divided by the weighted average basic units outstanding.

Revenue and Operating Income

$ thousands except per unit amounts	Three months ended December 31 2024	Year ended December 31 2024
Net gain on Corporate Investments	$ 7,145	$ 99,281
Management and advisory fees	$ 5,271	$ 19,613
Interest and dividend income from Acquisition Entities	$ 14,250	$ 36,095
Total revenue and operating income	**$ 26,666**	**$ 154,989**
Revenue and operating income per unit	$ 0.59	$ 3.41

The net gain on Corporate Investments was $7.1 million and $99.3 million for the three months and year ended December 31, 2024, respectively. These gains represent the current period increase in Acquisition Entities' net asset value. Revenue and operating income for three months and year ended December 31, 2024, is $26.7 million and $155.0 million in the respective periods. The drivers of Corporate Investments fair value increases are outlined in the below table and discussed by caption. Management and advisory fees include income from the Acquisition Entities and Management and advisory fee income from Partner investments. Interest and dividend income from Acquisition entities includes income from intercompany loans receivable as well as Distributions from the Acquisition Entities to the Trust. During the quarter a dividend of $11.1 million was received by the Trust from the acquisition entities the proceeds of which were used to settle the Trusts Q3 distribution in the quarter.

Net gain on Corporate Investments (2)

$ thousands except per unit amounts	**Three months ended December 31 2024**	**Year ended December 31 2024**
Partner related changes in net gain on Corporate Investments **(i)**	$ 52,168	$ 239,379
Acquisition Entities operating costs **(ii)**	$ (26,042)	$ (86,679)
Corporate Investments earnings distributed to Trust **(iii)**	$ (18,981)	$ (53,419)
Net gain on Corporate Investments	**$ 7,145**	**$ 99,281**
Net gain on Corporate Investments per unit	$ 0.16	$ 2.18

(2) Each of the components of Corporate Investments are Non-GAAP financial measures and are presented for better comparability to prior year reporting. The year ended amounts below are reconciled to information from note 3 of the audited financial statements. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

(i) Partner related changes in net gain on Corporate Investments:

	Three months ended December 31			**Year ended December 31**		
$ thousands	**2024**	**2023**	**% Change**	**2024**	**2023**	**% Change**
Partner Distribution revenue - Preferred, including realized foreign exchange **Note 1**	$ 43,618	$ 39,490	+10.5%	$ 157,554	$ 148,033	+6.4%
Partner Distribution revenue - Common	$ 2,710	$ 1,874	+44.6%	$ 34,517	$ 12,777	+170.1%
Net realized gain from Partners investments	$ 31,102	$ 758	> 500%	$ 40,107	$ 13,474	+197.7%
Net unrealized gain (loss) on Partners investments	$ (25,262)	$ 27,522	-191.8%	$ 7,201	$ 65,210	-89.0%
Partner related changes in net gain on Corporate Investments	**$ 52,168**	**$ 69,644**	**-25.1%**	**$ 239,379**	**$ 239,494**	**-0.0%**
Partner related changes in net gain on Corporate Investments per unit	$ 1.15	$ 1.53	-24.8%	$ 5.26	$ 5.27	-0.2%

Note 1 – In the year ended December 31, 2023, Partner Distribution revenue – Preferred, including realized foreign exchange and Partner Distribution revenue - Common were presented as one line on the face of the income statement titled "Revenues, including realized foreign exchange gain" in the amount of $41,861 for the three months ended and $194,064 for the year ended. Prior period Partner Distribution revenue – Preferred, including realized foreign exchange for the three months and year months ended December 31, 2023 above has been adjusted to exclude Sono Bello and Ohana's management and transaction fee income (Q4 2023 - $497, year ended 2023- $1,757) for period over period comparability, which in 2024 is recognized in the Trust's Management and advisory fee income.

In Q4 2024, Alaris completed a strategic transaction with Ohana and the Unify investment was redeemed, resulting in a Net realized gain on Partner investments of $31.1 million. These transactions created an offsetting decrease to net unrealized gain on Partner investments. The net fair value of Partner investments increased by $3.8 million in the quarter, as compared to an increase of $27.5 million in Q4 23. Notable changes in fair value included increases of $17.4 million to the new investment in Ohana and $2.8 million to the investment in Fleet, partially offset by decreases of $10.4 million to the investment in Sono Bello and $4.0 million to the investment in Heritage. Partner Distribution revenues increased compared to Q4 2023, partially due to follow on investments made during year in Shipyard and FMP as well as a new investment in Cresa. Also in the quarter, Ohana and LMS paid all outstanding deferred Distributions. The US dollar strengthened during the quarter and throughout 2024, outperforming the prior comparative periods. This contributed to an improvement in US-denominated Distribution revenue for the three months and year ended December 31, 2024.

During the year ended December 31, 2024, Partner related changes in net gain on Corporate Investments, remained relatively consistent year over year which is the result of an increase in Partner Distribution revenues and realized gains in the current year, offset by a decrease in net unrealized gains from Partner investments, both as compared to the prior year. Partner Distribution revenue increased during the year as noted above due to incremental Distributions from follow on investments and new investments made in the year. In addition, common Distributions increased by more than 170% primarily due to Distributions received from Fleet, Ohana and Edgewater. These increases were partially offset by the redemption of Brown & Settle, which occurred in April 2024, and Heritage deferring Distributions in 2024. During the year, Net realized gain from Partner investments increased more than 190% to $40.1 million, primarily made up of the following: $28.9 million gain on Ohana's strategic transaction, $7.0 million gain on the redemption of Brown & Settle, $2.0 million gain on the redemption of Unify, and $2.0 million gain on the remaining FNC indemnity. These realized gains in the year were partially offset by previously recorded fair value increases, as they were reclassified to realized. Along with the realized gain of $40.1 million, there was also a net unrealized gain on the fair value of Partner investments during 2024 of $7.2 million. See the Partner table on page 21 for a summary of fair value changes in Partner investments.

(ii) Less: Acquisition Entities operating costs

	Three months ended December 31			Year ended December 31		
$ thousands	**2024**	**2023**	**% Change**	**2024**	**2023**	**% Change**
Fair value loss on promissory notes	$ 287	$ -	+100.0%	$ 2,585	$ -	+100.0%
Transactions costs	$ 1,413	$ 1,968	-28.2%	$ 3,944	$ 5,220	-24.4%
Finance costs, senior credit facility and convertible debentures **Note 1**	$ 6,865	$ 8,507	-19.3%	$ 29,058	$ 26,972	+7.7%
Income tax expense - current	$ 7,302	$ 1,937	+277.0%	$ 17,320	$ 15,093	+14.8%
Income tax expense - deferred	$ 6,882	$ 8,928	-22.9%	$ 28,154	$ 16,674	+68.8%
Net unrealized (gain) / loss on derivative contracts	$ 2,240	$ (479)	+567.6%	$ 2,240	$ (1,880)	+219.1%
Realized (gain) / loss on foreign exchange contracts	$ 4	$ (4)	+200.0%	$ (517)	$ (3)	> -500%
Operating costs and other	$ 1,049	na		$ 3,895	na	
Acquisition Entities operating costs	**$ 26,042**	**$ 20,857**		**$ 86,679**	**$ 62,076**	

Note 1: In the three months ended December 31, 2023, the Trust's total Finance costs of $9,624 was made up of $6,007 of interest and facility fees on the senior credit facility, $2,500 of interest and accretion on the convertible debentures, and $1,117 of interest on the senior unsecured debentures. Finance costs incurred by the Acquisition Entities relate to the senior credit facility and convertible debentures. In the year ended December 31, 2023, the Trust's total Finance costs of $31,533 was made up of $17,210 of interest and facility fees on the senior credit facility, $9,762 of interest and accretion on the convertible debentures, and $4,561 of interest on the senior unsecured debentures. Finance costs incurred by the Acquisition Entities relate to the senior credit facility and convertible debentures. The 2023 comparatives have been adjusted to reflect these debt facilities for comparability.

Acquisition Entities operating costs reduce Alaris' overall net gain on Corporate Investments during the period.

During the three months ended, December 31, 2024, the Acquisition Entities recorded a provision of $0.3 million to reflect a reduction to the fair value of promissory notes, resulting in a total year to date reduction of $2.6 million to the carrying value of Heritage's US$3.0 million promissory notes. See Partner section for further details on Heritage's promissory notes receivable.

Transaction costs of $1.4 million and $3.9 million in the three months and year ended December 31, 2024, respectively, decreased compared to their respective comparable periods in 2023, largely due to the prior year including the closing of Shipyard, FMP and the strategic investment in Sono Bello. In 2024, costs relate to the closing of the new investment in Cresa and Ohana's strategic transaction, as well as investments in two new Partners, Berg and PEC, which closed subsequent to December 31, 2024.

Finance costs relate to the debt held directly by the Acquisition Entities, the senior credit facility, and prior to Q3 2024, the convertible debentures, which were redeemed on June 30, 2024. For the three months ended December 31, 2024, finance costs decreased by 19.3% as compared to the prior period primarily due to the redemption of the convertible debentures on June 30, 2024 and their related accretion expense no longer being incurred. During the year ended December 31, 2024, finance costs increased due to higher average debt outstanding in 2024, coupled with higher realized interest rates due to the redemption of the convertible debentures, as well as changes in Alaris' interest rate swap contracts. Two favorable swap contracts expired in June 2023 partially replaced with a new contract in July 2023.

Total current and deferred taxes incurred by the Acquisition Entities in the three months ended December 31, 2024, of $14.2 million (2023 – $10.9 million), and during 2024 of $45.5 million (2023 – $31.8 million) increased by 30.5% and 43.1% respectively. These increases are largely as a result of incremental taxable earnings of the Acquisition Entities in the current period and the expected tax impact on the fair value changes of the Acquisition Entities. During the year ended December 31, 2024 the Acquisition Entities paid a total of $5.0 million of net cash taxes during the year.

In both the three months and year ended December 31, 2024, there was a net realized loss on derivative contracts of $2.2 million, contributing to an overall increase in operating expenses compared to the net realized gains from derivative contracts in the same periods of the previous year. The current year's net losses on derivative contracts were primarily due to the strengthening of the US dollar and the change in the spot rate at the time of reporting.

Operating costs and other reflect administrative costs directly attributed to the Acquisition Entities and in the prior year were a component of the consolidated general and administrative costs and as such are not reflected in the prior period comparative above. In the three months and year ended December 31, 2024, operating costs and other of $1.0 million and $3.9 million respectively, are primarily related to the amortization of directly held insurance premiums and accounting and legal costs related to the entity's operations or Partner investments.

(iii) Less: Corporate Investments earnings distributed to Trust:

$ thousands	Three months ended December 31 2024	Year ended December 31 2024
Management and advisory fees paid to Trust	$ 4,674	$ 17,417
Interest on intercompany loans	$ 3,207	$ 23,514
Acquisition Entities dividends paid to Trust	$ 11,100	$ 12,488
Corporate Investments earnings distributed to Trust (iii)	**$ 18,981**	**$ 53,419**

The Acquisition Entities incur costs for services and debt provided by the Trust, and when cash flows permit, distribute income to the Trust by way of dividend. As a result, these costs and distributions decrease the net gain on Corporate Investments but increase income directly within the Trust, resulting in no impact to earnings. Management and advisory fees paid to the Trust amounted to $4.7 million in the three months ended December 31, 2024, and $17.4 million in the year ended December 31, 2024, as compared to the Trust's Management and advisory fee income of $5.3 million and $19.6 million in the above respective periods; the difference relates to management and transaction fees earned directly by the Trust from the Sono Bello and Ohana investments.

Interest on intercompany loans receivable by the Trust amounted to $3.2 million in the three months ended December 31, 2024, and $23.5 million in the year ended December 31, 2024. In Q2 2024 the Acquisition Entities made a large repayment on intercompany loans which reduced the interest received in the last half of the year. Dividends distributed by the Acquisition Entities' and paid to the Trust were $11.1 million for Q4 and $12.5 million in the year. The Acquisition Entities interest expense and dividends paid to the Trust are consistent to the amount of income the Trust recorded in the same period, the slight variance is the result of foreign exchange on US dollar revenues and the spot rate in which the Trust records this revenue.

Trust's Operating and Finance costs

$ thousands except per unit amounts	Three months ended December 31 2024	2023	% Change	Year ended December 31 2024	2023	% Change
General and administrative						
Salaries and benefits	$ 3,446	$ 1,440	+139.3%	$ 11,353	$ 7,290	+55.7%
Corporate and office	$ 1,049	$ 1,006	+4.3%	$ 4,377	$ 5,097	-14.1%
Legal and accounting fees	$ 590	$ 1,218	-51.6%	$ 2,663	$ 16,799	-84.1%
Total General and administrative	**$ 5,085**	**$ 3,664**	**+38.8%**	**$ 18,393**	**$ 29,186**	**-37.0%**
General and administrative per unit	$ 0.11	$ 0.08	+37.5%	$ 0.40	$ 0.64	-37.5%
Unit-based compensation	**$ 3,457**	**$ 1,297**	**+166.5%**	**$ 7,086**	**$ 4,188**	**+69.2%**
Unit-based per unit	$ 0.08	$ 0.03	+166.7%	$ 0.16	$ 0.09	+77.8%
Finance costs, senior unsecured debenture Note 1	**$ 1,153**	**$ 1,117**	**+3.2%**	**$ 4,598**	**$ 4,561**	**+0.8%**
Finance costs, senior unsecured debentures per unit	$ 0.03	$ 0.02	+50.0%	$ 0.10	$ 0.10	+0.0%

Note 1: In the three months ended December 31, 2023, the Trust's total Finance costs of $9,624 was made up of $6,007 of interest and facility fees on the senior credit facility, $2,500 of interest and accretion on the convertible debentures, and $1,117 of interest on the senior unsecured debentures. Finance costs incurred by the Acquisition Entities relate to the senior credit facility and convertible debentures. In the year ended December 31, 2023, the Trust's total Finance costs of $31,533 was made up of $17,210 of interest and facility fees on the senior credit facility, $9,762 of interest and accretion on the convertible debentures, and $4,561 of interest on the senior unsecured debentures. Finance costs incurred by the Acquisition Entities relate to the senior credit facility and convertible debentures. The 2023 comparatives have been adjusted to reflect these debt facilities for comparability.

In the three months ended December 31, 2024, General and administrative expense (which includes salaries and benefits, corporate and office, and legal and accounting fees), increased by 38.8% as compared to the three months ended December 31, 2023. Salaries and benefits expense of $3.4 million (2023 - $1.4 million) increased by $2.0 million primarily due to an increase in management bonus expense as a result of higher Partner Distribution revenue and realized gains in the quarter, contributing to higher earnings. Corporate and office expenses of $1.0 million (2023 - $1.0 million) remained relatively consistent compared to the prior period. Legal and accounting fees of $0.6 million (2023 – $1.2 million) decreased by 51.6% as compared to the prior period, partially due to certain legal and accounting costs being recorded within the Acquisition Entities and reflected within the net gain on Corporate Investments as discussed above, in addition to higher Trust specific legal and accounting expenses incurred in Q4 2023.

In the year ended December 31, 2024, General and administrative expense decreased by 37.0%, which is primarily due to the elimination of legal costs associated to the Sandbox litigation and settlement of that dispute in early 2023, partially offset by the amortization of certain insurance premiums that are now recorded within the Acquisition Entities and a year over year increase to the management bonus expense.

Unit-based compensation increased for both the three months and the year ended December 31, 2024, as compared to the prior year periods. In Q4 2024, Restricted Trust Units (RTUs) were issued to management and vested as Trust units. These units had been deferred from earlier in the year due to management blackout policies. As a result, of the delayed RTU issuance and vesting, in addition to an increase in the Trust's unit price, in Q4 2024 unit-based compensation increased by 166.5% as compared to Q4 2023. Year over year, the increase of 69.2% in unit-based compensation is primarily the result of the period over period change in the Trust's unit price and the nature of the RTU and PTU liability being revalued each period.

As a result of the conversion to Investment Entity Accounting and the related deconsolidation of the Acquisition Entities the above finance costs only reflect the costs related to the senior unsecured debenture held by the Trust. Costs relating to the senior credit facility and the convertible debenture are reflected in the net gain on Corporate Investments. Finance costs in the three months and year ended December 31, 2024 remained relatively consistent with the comparable period in 2023.

Adjusted Earnings (3)

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	**2024**	**2023**	**% Change**	**2024**	**2023**	**% Change**
Earnings	$ 77,940	$ 40,738		$ 234,415	$ 138,448	
Add back: Foreign exchange (gain) loss	$ (61,597)	$ 2,406		$ (80,821)	$ 2,562	
Add back: Gain on derecognition of previously consolidated entities	$ -	na		$ (30,260)	na	
Adjusted earnings	**$ 16,343**	**$ 43,144**	**-62.1%**	**$ 123,334**	**$ 141,010**	**-12.5%**
Adjusted earnings per unit	$ 0.36	$ 0.95	-62.1%	$ 2.71	$ 3.10	-12.6%

(3) Adjusted earnings and Adjusted earnings per unit are a Non-GAAP financial measure and Non-GAAP Ratio and refer to earnings determined in accordance with IFRS, before impact of the one time gain on derecognition of previously consolidated entities and foreign exchange (gain) loss and the same amount divided by weighted average basic units outstanding. Adjusted earnings and Adjusted earnings per unit are used by management to determine earnings excluding fluctuations due to unrealized changes in exchange rates that impact earnings and specifically the fair value of Corporate Investment. Management believes Adjusted earning and Adjusted earnings per unit are useful measures from which to compare the Trust's earnings period over period. The Trust's method of calculating these Non-GAAP financial measures and ratio may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

For the three months ended December 31, 2024, Adjusted earnings per unit decreased by 62.1% compared to the prior year comparable period. This decrease was mainly due to lower net gains from Partner investments, higher Acquisition Entities operating costs, notably tax expense, and higher general and administrative expenses, as well as higher unit-based compensation expenses, all of which are detailed above.

During the year ended December 31, 2024, Adjusted earnings per unit decreased by 12.6% as compared to the prior year. This per unit decrease is due to higher Operating costs incurred by the Acquisition Entities in the year, notably a $13.7 million increase in income tax expense, and a total fair value loss on promissory notes and derivative contracts of $16.7 million. Higher management bonus expense and unit-based compensation during the current year, is partially offset by lower legal and accounting fees as a result of the settlement of the Sandbox litigation and the legal costs associated to it in the year ended December 31, 2023.

Adjusted EBITDA(4)

$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2024	2023	% Change	2024	2023	% Change
Earnings	$ 77,940	$ 40,738		$ 234,415	$ 138,448	
Depreciation and amortization	149	58		545	227	
Finance costs	1,153	9,624		4,598	31,533	
Total income tax expense	479	10,865		1,033	31,767	
EBITDA	**$ 79,721**	**$ 61,285**	**+30.1%**	**$ 240,591**	**$ 201,975**	**+19.1%**
Adjustments:						
Gain on derecognition of previously consolidated entities	$ -	$ -		$ (30,260)	$ -	
Foreign exchange	(61,597)	2,406		(80,821)	2,562	
Sandbox litigation and legal costs	-	146		-	13,843	
Finance costs, senior credit facility and convertible debentures	6,865	-		29,058	-	
Acquisition Entities income tax expense - current	7,302	-		17,320	-	
Acquisition Entities income tax expense - deferred	6,882	-		28,154	-	
Net unrealized (gain) / loss on derivative contracts	2,240	(479)		2,240	(1,880)	
Adjusted EBITDA	**$ 41,413**	**$ 63,358**	**-34.6%**	**$ 206,282**	**$ 216,500**	**-4.7%**
Adjusted EBITDA per unit	$ 0.91	$ 1.39	-34.5%	$ 4.53	$ 4.76	-4.8%

(4) Adjusted EBITDA and EBITDA are Non-GAAP financial measures and refer to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Adjusted EBITDA and Adjusted EBITDA per unit, which is a non-GAAP ratio that removes the impact from unrealized fluctuations in exchange rates and their impact on the Trust's investments at fair value, as well as one time items and the impact of finance costs and taxes included within the net gain on Corporate Investments incurred by the Acquisition Entities and, on a per unit basis, is and the same amount divided by weighted average basic units outstanding. Management believes Adjusted EBITDA, EBITDA and Adjusted EBITDA per unit are useful measures from which to determine the Trust's ability to generate cash available for servicing its loans and borrowings, income taxes and distributions to unitholders. The Trust's method of calculating these Non-GAAP financial measures and ratios may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures and ratios presented by other issuers.

For the three months ended December 31, 2024, Adjusted EBITDA per unit decreased by 34.5% as compared to Q4 2023. This decrease is primarily due to the timing of net gains from Partner investments which were lower in Q4 2024, in addition to higher management bonus expense and unit- based compensation during the quarter as compared to the prior period. For the year ended December 31, 2024, Adjusted EBITDA per unit decreased by 4.8%, as a result of a $2.6 million decrease to the fair value of promissory notes receivable, and higher operating expenses as compared to the prior year once the Sandbox litigation and legal costs are adjusted out of the prior year calculation of Adjusted EBITDA.

In order to provide an overview of cash generated by Alaris and its wholly-owned subsidiaries, the Trust in combination with the Acquisition Entities presents the Alaris Net Distributable Cash flow table below which summarizes all third party cash receipts and operating cash outflows. Management believes an extended group overview provides a more transparent view of overall cash flow and distributable cash flow of the Trust.

Alaris net distributable cash flow (5)

$ thousands except per unit amounts	Three months ended December 31			Year ended December 31		
	2024	2023	% Change	2024	2023	% Change
Partner Distribution revenue - Preferred, including realized foreign exchange	$ 43,618	$ 39,490		$ 157,554	$ 148,033	
Partner Distribution revenue - Common	2,710	1,874		34,517	12,777	
Third party management and advisory fees	593	497		2,119	1,757	
Expenditures of the Trust:						
General and administrative	(5,085)	(2,647)		(18,393)	(26,123)	
Current income tax expense	(598)	-		(1,943)	-	
Third party cash interest paid by the Trust	-	-		(4,062)	(4,062)	
Expenditures incurred by Acquisition Entities:						
Operating costs and other	(1,049)	(1,017)		(3,895)	(3,063)	
Transactions costs	(1,413)	(2,016)		(3,944)	(5,220)	
Acquisition Entities income tax expense - current	(7,302)	(1,937)		(17,320)	(15,093)	
Cash interest paid, senior credit facility and convertible debentures	(7,381)	(8,431)		(25,419)	(21,017)	
Alaris net distributable cash flow, prior to changes in working capital	**$ 24,093**	**$ 25,813**		**$ 119,214**	**$ 87,989**	
Alaris' changes in net working capital	18,276	(2,991)		11,170	(10,244)	
Alaris net distributable cash flow	**$ 42,369**	**$ 22,822**	**+85.7%**	**$ 130,384**	**$ 77,745**	**+67.7%**
Alaris net distributable cash flow per unit	$ 0.93	$ 0.50	+86.0%	$ 2.87	$ 1.71	+67.8%

(5) Alaris net distributable cash flow and Alaris net distributable cash flow per unit is a non-GAAP measure and non-GAAP financial ratio that refer to all sources of external revenue in both the Trust and the Acquisition Entities less all general and administrative expenses, third party interest expense and tax expense and compare most closely to net cash from operating activities but include the net cash of the Acquisition Entities as well. Alaris net distributable cash flow is a useful metric for management and investors as it provides a summary of the total cash from operating activities that can be used to pay the Trust distribution, repay senior debt and/or be used for additional investment purposes. The Trust's method of calculating these Non-GAAP measure and ratio may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers The 2023 comparatives are presented prior to the Trust's change in status as an investment entity and have been aligned with the most comparative balance in the 2024 presentation.

Alaris net distributable cash flow per unit increased by 86.0% in the three months ended December 31, 2024 as compared to Q4 2023. Increase in distributable cash flow during the quarter is primarily due to lower cash taxes paid as compared to Q4 2024 and higher Partner Distribution revenue received.

During the year ended December 31, 2024, Alaris net distributable cash flow per unit increased by 67.8% as compared to the prior year. The increase is primarily due to the Sandbox settlement in the prior year and associated legal costs, higher cash taxes paid in 2023 as compared the current year, as well as higher Partner Distribution revenue during the current year. These increases are partially offset by higher total cash interest paid, as a result of a larger average amount of debt outstanding as compared to 2023. After adjusting the comparable prior period for costs associated to the Sandbox settlement and litigation of $13.8 million, Alaris net distributable cashflow for the year ended December 31, 2023 is $91.6 million, resulting in an adjusted increase of 42.1% in 2024 as compared to the year ended December 31, 2024 total of $130.4 million.

The Actual Payout Ratio (6) for the Trust, based on the Alaris net distributable cash flow for the year ended December 31, 2024 is 48%.

(6) Actual Payout Ratio is a non-GAAP financial ratio and refers to Trust total cash distributions paid during the period (annually or quarterly) divided by the Alaris net distributable cash flow for the period. It represents the free cash flow after distributions paid to unitholders available for either repayments of senior debt and/or to be used in investing activities. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

SUMMARY OF QUARTERLY RESULTS

Alaris' quarterly consolidated financial results following the change in Alaris' investment entity status in January 2024, are not directly comparable to the historical results.

The below tables summarize Alaris' key consolidated financial information for the last eight quarters. Amounts are in thousands except for income per unit.

Quarterly Results Summary	Q4-24	Q3-24	Q2-24	Q1-24
Revenues	$ 26,666	$ 69,514	$ 28,495	$ 30,314
Earnings	$ 77,940	$ 51,027	$ 31,675	$ 73,773
Basic earnings per unit	$ 1.71	$ 1.12	$ 0.70	$ 1.62
Diluted earnings per unit	$ 1.69	$ 1.11	$ 0.69	$ 1.52

Consolidated quarterly results prior to change in investment entity status are summarized below:

Quarterly Results Summary	Q4-23	Q3-23	Q2-23	Q1-23
Revenues	$ 41,861	$ 47,165	$ 36,853	$ 36,688
Earnings	$ 40,738	$ 63,770	$ 28,387	$ 5,553
Basic earnings per unit	$ 0.90	$ 1.40	$ 0.62	$ 0.12
Diluted earnings per unit	$ 0.86	$ 1.31	$ 0.61	$ 0.12

OUTLOOK

In Q4 2024, the Trust together with its Acquisition Entities earned $46.9 million of revenue from Partners, $46.3 million in Partner Distributions net of foreign exchange and $0.6 million of third party transaction and management fee revenue. Which was ahead of previous guidance of $38.9 million due to the following: (i) LMS' payment of all deferred Distributions; (ii) receipt of paid in-kind Distributions on Ohana's previous convertible preferred units; (iii) higher than expected common Distributions received, as well as (iv) higher realized foreign exchange rate on US denominated distributions. Common Distributions are not fixed or set in advance, but rather paid as declared and as cash flow of Partner permits. Alaris expects total revenue from its Partners in Q1 2025 of approximately $42.5 million

During the three months ended December 31, 2024, the Trust, through its Acquisition Entities exchanged $187 million of existing equity in Ohana for new equity as part of the Ohana asset under management and strategic recapitalization. Also in this period an additional $14 million was invested into Cresa, bringing Alaris' total investment to US$30.0 million. Subsequent to December 31, 2024, Alaris invested in two new Partners, Berg and PEC, and as of the date of this MD&A the total invested capital in 2025 is approximately $118 million. These transactions are reflected in Alaris' Run Rate Revenue (7) for the next twelve months, of approximately $187 million, which includes an estimated $19.4 million of common dividends.

The Run Rate Cash Flow table below outlines the Trust and its Acquisition Entities combined expectation for Partner Distribution revenue, transaction fee revenue, general and administrative expenses, third party interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow is a forward looking supplementary financial measure and outlines the net cash from operating activities, less the distributions paid, that Alaris is expecting to generate over the next twelve months. The Trust's method of calculating this measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Run rate general and administrative expenses are currently estimated at $18.5 million and include all public company costs incurred by the Trust and it's Acquisition Entities. The Trust's Run Rate Payout Ratio (8) is expected to be within a range of 55% and 60% when including Run Rate Revenue (7), overhead expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow as well as the after-tax impact of positive net investments, the impact of every 1% increase in Secure Overnight Financing Rate ("**SOFR**") based on current outstanding USD debt and the impact of every $0.01 change in the USD to CAD exchange rate.

The Trust's Run Rate Payout Ratio (8) does not include new potential investment opportunities. However, Alaris expects to maintain our track record of net positive capital investment as a result of the demand for Alaris' capital which continues to fill a niche in the private capital markets.

Run Rate Cash Flow *($ thousands except per unit)*		**Amount ($)**	**$ / Unit**
Run Rate Revenue, Partner Distribution revenue		**$ 187,400**	**$ 4.13**
General and administrative expenses		(18,500)	(0.41)
Third party Interest and taxes		(62,700)	(1.38)
Net cash from operating activities		**$ 106,200**	**$ 2.34**
Distributions paid		(61,800)	(1.36)
Run Rate Cash Flow		**$ 44,400**	**$ 0.98**
Other considerations (after taxes and interest):			
New investments	Every $50 million deployed @ 14%	+2,651	+0.06
Interest rates	Every 1.0% increase in SOFR	-3,200	-0.07
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

(7) Run Rate Revenue is a supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted Distributions from current Partners, excluding any potential Partner redemptions, it also includes an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

(8) Run Rate Payout Ratio is a forward looking supplementary financial measure that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by the net cash from operating activities per unit calculated in the Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for Alaris to track and to outline as it provides a summary of the percentage of the net cash from operating activities that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes. The Trust's method of calculating this financial ratio may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers. Run Rate Payout Ratio is comparable to Actual Payout Ratio as defined above in (6). There are no differences between Alaris' calculation of the run rate payout ratio and its actual pay out ratio as described herein.

LIQUIDITY AND CAPITAL RESOURCES

The Trust guarantees AEP's $500 million senior credit facility, which is used primarily to support capital investments in Partners. At December 31, 2024 the senior credit facility was drawn to $294.3 million net of the unamortized debt amendment and extension fees of $2.0 million. During the year, Alaris applied the proceeds from the redemption of the Brown and Settle investment to reduce drawn amounts under the senior credit facility. Alaris used its borrowing capacity available after the application of the proceeds to repay AEP's convertible debentures which matured on June 30, 2024. Subsequent to December 31, 2024, Alaris drew on senior debt to fund investments in two new Partners as well as used proceeds from excess cash flow to repay debt. Following these draws and repayments, the total drawn on the senior facility on the date of this MD&A is approximately $407 million with the capacity to draw an addition $93 million based on covenants and credit terms.

The $500 million senior credit facility with a syndicate of Canadian chartered banks has a $50.0 million accordion feature and is secured by a general security agreement on all of Alaris' assets. This credit facility has a maturity date in September 2026. The interest rate is based on a combination of the Canadian Overnight Repo Rate Average ("**CORRA**"), Canadian Prime Rate ("**Prime**"), US Base Rate ("**USBR**") and SOFR. The Trust realized an annualized blended interest rate of 7.8% (inclusive of standby fees) for the year ended December 31, 2024.

In 2022, the Trust issued senior unsecured debentures ("**Debentures**"). The Debentures have a face value of $65.0 million, annual interest rate of 6.25% payable semi-annually and maturity date of March 31, 2027. The Debentures will not be redeemable by the Trust before March 31, 2025 (the "**First Call Date**"). On and after the First Call Date and prior to March 31, 2026, the Debentures will be redeemable, in whole or in part at the Trust's option at a redemption price equal to 103.125% of the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any. On and after March 31, 2026, and prior to the Maturity Date, the Debentures will be redeemable, in whole or in part at the Trust's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Trust has the option to satisfy its obligations to repay the principal amount of and premium (if any) on the Debentures due at redemption or on maturity by issuing and delivering that number of freely tradeable trust units of the Trust to Debenture holders.

Alaris declared a quarterly distribution in December 2024, payable in January 2025 of $0.34 per unit (January 2024 - $0.34 per unit) totalling $15.5 million in aggregate (January 2024 - $15.5 million). The total distributions declared during the year ended December 31, 2024 was $1.36 per unit totalling $61.9 million in aggregate (2023 - $1.36 per unit and 2023 - $61.9 million in aggregate).

Since converting to an income trust, the tax profile of distributions changed from being 100% eligible dividends to a combination of return of capital, eligible dividends, capital gains and interest income. The effective tax rate of Alaris' distribution, for an Alberta individual in the top tax bracket, for 2024 was 22.5%. If the same distribution was received from a corporation, the effective tax rate would be 34.3%.

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 statement of financial position 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. The Trust has designated its financial instruments into the following categories applying the indicated measurement methods.

Financial Instrument	Measurement Method
Cash	Amortized cost
Accounts receivable	Amortized cost
Corporate investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Distributions payable	Amortized cost
Senior unsecured debenture	Amortized cost

The Trust has exposure to derivative financial instruments that the Acquisition Entities hold to hedge foreign currency exposure and variable interest rate exposure. The Acquisition Entities purchase 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 is estimated at each reporting date and any unrealized gain or loss on the contracts is recognized within the Acquisition Entities profit or loss. On the date of this MD&A, for the next twelve months, Alaris has total contracts to sell US$30.25 million forward at an average $1.39 CAD. For the following twelve months, Alaris has total contracts to sell US$9.5 million forward at an average $1.41 CAD.

The Trust, through its Acquisition Entities, has an interest rate swap that allows for a fixed interest rate of 2.99% in place of SOFR on US$50.0 million of debt with an expiry in July 2026.

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

31-Dec-24	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	$ 9,231	$ 9,231	$ -	$ -	$ -
Distributions payable	15,511	15,511	-	-	-
Senior unsecured debenture	75,155	2,031	2,031	4,062	67,031
Total	$ 99,897	$ 26,773	$ 2,031	$ 4,062	$ 67,031

The Trust, through its legal rights and ownership of the Acquisition Entities is also exposed to the following financial instruments, including expected contracted payments, that mature as follows:

31-Dec-24	Total	0-6 Months	6 mo – 1 yr	1 – 2 years	Year 3 and Thereafter
Accounts payable and accrued liabilities	$ 10,460	$ 10,460	$ -	$-	$-
Derivative contracts	1,608	1,513	95	-	-
Senior credit facility	331,556	11,170	11,170	309,217	
Total	$ 343,624	$ 23,143	$ 11,265	$ 309,217	$ -

The Trust in combination with Acquisition Entities expects to meet its current cash flow requirements with respect to current accounts payable and accrued liabilities, distributions payable and all scheduled interest payments on the senior debt through cash on hand and operating cash flows.

Alaris expects to be able to meet all of its current and non current financial obligations as they become due, by utilizing some or all of the following sources of liquidity available to the Trust or in combination with the Acquisition Entities: (i) cash on hand, (ii) cash flows generated from operations, (iii) current credit facilities under the stipulated terms of the agreement, (iv) refinancing or amendments to current credit facilities, (v) issuance of Trust units, subject to market conditions, (vi) Partner redemptions, and (vii) alternative financing. The Trust monitors forecasted liquidity requirements to ensure it can meet operational needs through sufficient availability of both cash and credit facility capacity, while also ensuring Alaris is able to meet its financial covenants related to debt agreements. As disclosed in the financial statements for the year ended December 31, 2024, Alaris has exposure to credit risk, other price risk, liquidity risk, and market risk, including foreign exchange risk and interest rate risk.

OUTSTANDING UNITS

The Trust is authorized to issue an unlimited number of Trust units. At December 31, 2024 the number of units issued and outstanding is 45,620,763. During the year ended December 31, 2024, 122,572 units were issued on the vesting of RTUs and in the year 109,493 RTUs were settled as cash and therefore did not vest as additional Trust units.

At December 31, 2024, 582,030 RTUs were outstanding under Alaris' long-term incentive compensation plan.

As at March 10, 2025 Alaris had 45,417,126 units outstanding.

Normal Course Issuer Bid

On May 23, 2023, the Trust announced that it had received approval from the Toronto Stock Exchange ("TSX") to establish a normal course issuer bid ("NCIB") program. Under the NCIB, the Trust may purchase for cancellation up to 1,000,000 Trust units. The NCIB represents approximately 2% of Alaris' issued and outstanding units as at May 23, 2023. The program commenced on May 25, 2023 and was effect until May 24, 2024, and no repurchases were made.

Subsequent to the year ended December 31, 2024, the Trust announced on January 2, 2025, that it had received approval from the TSX to establish a NCIB program. Under the NCIB, the Trust may purchase for cancellation up to 4,415,678 Trust units. As at

December 31, 2024, Alaris had 45,620,763 Units issued and outstanding, with 44,156,783 Units outstanding as its public float. As a result, the NCIB represents approximately 10% of Alaris' public float as at December 31, 2024. The program commenced on January 6, 2025 and may continue until January 5, 2026. As of the date of this MD&A, 218,900 Trust units have been repurchased to date.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2024, the Trust derived revenues from the provision of management and advisory services from Acquisition Entities of $17.5 million. At December 31, 2024, the Trust has a net receivable included in accounts receivable and prepayments from Acquisition Entities of $6.5 million.

The Trust has intercompany loans receivable from Acquisition Entities. The loans have terms ranging from 3 to 10 years, but can be repaid at anytime without penalty. These loans bear interest at a rate ranging from 10% to 12%. During the year ended December 31, 2024 the Trust received $291.9 million of net principal loan repayments, reducing the carrying value of the loans outstanding. There is no impact on net earnings from these intercompany loans. Partially offsetting the net principal loan repayments during the year ended December 31, 2024, was that the Trust made net capital contributions of $266.0 million to the Acquisition Entities, the majority of which was used to repay debt within the Acquisition Entities. As of December 31, 2024, all outstanding loans have an interest rate of 12%. The Trust recognized $23.6 million of interest income during the year ended December 31, 2024. The corresponding interest expense incurred by the Acquisition Entities offset part of the Trust's Corporate Investment gain.

The Acquisition Entities paid $12.5 million of dividends to the Trust during the year ended December 31, 2024. Distributions received from the Acquisition Entities are recorded as income as part of the Trust's Revenue and operating income.

The Trust guarantees a $500 million senior credit facility AEP holds with a syndicate of Canadian chartered banks, which has a maturity date in September 2026 and is secured by a general security agreement on all of Alaris' assets. The interest rate is based on a combination of the Canadian Overnight Repo Rate Average ("CORRA"), Canadian Prime Rate ("Prime"), US Base Rate ("USBR") and Secure Overnight Financing Rate ("SOFR"). At December 31, 2024, AEP had a balance of $294.3 million (net of unamortized bank amendment and extension fees of $2.0 million) drawn on its credit facility (December 31, 2023 – $242.4 million, net of unamortized bank amendment and extension fees $3.2 million). At December 31, 2024, AEP met all of its covenants as required by the agreement. The covenants which are calculated at Trust's enterprise level include a maximum funded debt to contracted EBITDA of 3.0:1 (actual ratio was 1.81x at December 31, 2024); minimum fixed charge coverage ratio of 1:1 (actual ratio was 1.79x at December 31, 2024); and a minimum tangible net worth of $600.0 million (actual amount was $1,102.0 million at December 31, 2024).

The Trust has no contractual commitments to provide any other financial or other support to its unconsolidated subsidiaries. However, The Trust is impacted by financial risks that are incurred by the Acquisition Entities as certain risks may result in a change in the fair value of the net assets of the Acquisition Entities. Beginning in 2015, the Trust's subsidiary AEP 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 ("SRED") and investment tax credits ("ITCs"). Pursuant to the Reassessments, the deduction of approximately $121.2 million of non-capital losses and SRED expenditures and utilization of $9.9 million in ITCs by the AEP were denied, resulting in reassessed taxes and interest of approximately $67.0 million (2023 - $64.0 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 AEP'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, AEP received legal advice that it should be entitled to deduct the non-capital losses and SRED expenditures and claim ITCs. Based on ongoing discussions with its legal counsel, AEP remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. AEP intends to continue to vigorously defend its tax filing position. In order to do that, AEP was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency and to the Alberta Treasury for amounts reassessed for the 2013 taxation year and onwards. AEP has paid a total of $24.3 million (2023 - $25.4 million) in deposits to the CRA and Alberta Treasury relating to the Reassessments to date.

AEP has entered into insurance contracts to mitigate the risk presented by the above-noted matter, although there can be no assurance that all the amounts for which Alaris may ultimately be liable will be fully covered.

The deposits paid are included in the estimate of net assets of the Acquisition Entities. This estimate takes into consideration that AEP believes it will be successful in defending its position. It also considers the impact of insurance proceeds should the Trust be unsuccessful in defending its position.

Key management Compensation

In addition to salaries, the Trust also provides long-term compensation to employees of its subsidiaries in the form of RTUs, as well as bonuses. Key management personnel compensation paid comprised the following:

Key Management Personnel	2024	2023
Base salaries and benefits	$ 1,626	$ 1,670
Bonus	1,840	3,330
Unit-based payments	2,857	2,412
Total	**$ 6,323**	**$ 7,412**

SUMMARY OF CONTRACTUAL OBLIGATIONS

Alaris, through its Acquisition Entities, has an outstanding senior credit facility and senior unsecured debentures, all of which are described under “Liquidity and Capital Resources” and leases for office space, no other contractual obligations exist.

PARTNER INVESTMENT OVERVIEW

The Acquisition Entities 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, other than the strategic investments into Sono Bello and Ohana that have a fixed Distribution rate in exchange for exposure to common equity upside through certain conversion features.

Alaris may also invest in a common equity position alongside its preferred equity or loans. Common equity investments are assessed on each individual opportunity, will not appear in every new Partner and will generally be a smaller portion of total capital invested. Alaris management believes this feature will facilitate access to more transactions as well as an opportunity to participate in our Partner’s growth, amplifying returns on exit and resulting in realizable value for Alaris’ unit holders. Additionally, in certain 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 (7) includes an estimate for common equity dividends or Distributions from the Partners based on each Partner’s forecasted cash flows for the next twelve months and expected capital allocation decisions. As of December 31, 2024, the total fair value of Alaris’ common equity investments of $337.8 million is approximately 22% of total investments.

Alaris is not involved 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 matters 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**”) (9). Because this information, other than with respect to a fiscal year end, is based on unaudited information provided by Private Company Partner management, each ECR, as 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.

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

(i) A history of success (average age of Partners is approximately 30 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 financial risk from business fluctuations and allows for free cash flow to remain in the business to support growth and make common and preferred equity Distributions.

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

(v) Management continuity and quality management teams – Alaris has invested in 43 Partners since inception, exited our investment in 23 Partners over that time with 17 yielding highly positive results displayed by an overall total return from exited investments of 65% and a median IRR (10) of 19%.

Contribution History: Alaris has invested over $2.7 billion into 43 partners and over 100 tranches of financing, including an average of approximately $228 million per year over the past five fiscal years (2020 – 2024). During 2024 Alaris invested a total of approximately $332 million. Subsequent to December 31, 2024, Alaris invested an additional $118 million as initial investments into two new partners, Berg and PEC.

Performance: Alaris discloses an ECR to provide information on the financial health of our partners. Alaris has eight partners with an ECR greater than 2.0x (Amur, Carey Electric, Cresa, DNT, Edgewater, Fleet, LMS, and Sagamore), two in the 1.5x-2.0x range (Berg and PEC), four between 1.2x-1.5x (D&M, FMP, Shipyard and Sono Bello), five between 1.0x-1.2x (3E, Accscient, GWM, Ohana, and SCR), and one in the range of less than 1.0x (Heritage).

Capital Structure: With a primary focus on being a preferred equity investor, we have invested in a diverse group of capital structures and we pride ourselves on achieving the optimal capital structure so both Alaris and our Partners benefit. Of our existing portfolio, eleven of our twenty Partners have no debt, two partners have less than 1.0x Senior Debt to EBITDA and seven partners have debt greater than 1.0x Senior Debt to EBITDA on a trailing twelve month basis.

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

(7) Run Rate Revenue is a supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted Distributions from current Partners, excluding any potential Partner redemptions, it also includes an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

(9) Earnings Coverage Ratio ("ECR") is a supplementary financial measure and refers to the EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded capital expenditures and Distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our Partners' continued ability to make their contracted Distributions. The Trust's method of calculating this financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

(10) IRR is a supplementary financial measure and refers to internal rate of return, which is a metric used to determine the discount rate that derives a net present value of cash flows to zero. Management uses IRR to analyze partner returns. The Trust's method of calculating this supplementary financial measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

The following is a summary of each of the Partners' recent financial results. The below table outlines the date the original contribution to each Partner was made, the total invested to date (net of any partial redemptions since the initial investment), Run Rate Revenue [7] on the preferred equity and subordinated debt investments for the next twelve months, ECR range for the most recent trailing twelve month periods received, year-to-date changes in revenue and EBITDA compared to the comparable period in 2023 and the unrealized gains or losses to the investments at fair value for the three months ended and year ended December 31, 2024.

See commentary following the below table for additional relevant information on each Partner wherein either the fair value changed of if an investment or redemption has occurred during the three months or year ended December 31, 2024. Unless specifically discussed, the ECR range outlined below is consistent with the prior quarterly disclosure. For fair values of each investment refer to Note 3 in the Trust's accompanying audited financial statements for the years ended December 31, 2024 and 2023.

Partner	Original Investment Date	Current Total Invested (000's)	Run Rate Revenue (000's)	As a % of total	ECR Range	2025 Reset estimate	Year-to-date changes in (1):		Fair Value Changes		Fair Value
							Revenue	EBITDA	Three Months	Year Ended	
Sono Bello	Sep 2018	US $146,797	US $13,978	13%	1.2x - 1.5x	n/a	↑	↓	US ($7,300)	US +$4,100	US $164,797
Ohana	Nov 2014	US $132,157	US $9,034	8%	1.0x - 1.2x	n/a	↑	↑	US +$12,200	US +$12,200	US $144,357
GWM	Nov 2018	US $106,000	US $8,038	7%	1.0x - 1.2x	+ 4%	↑	↓	nil	US +$300	US $77,177
Shipyard	Aug 2023	US $87,000	US $9,996	8%	1.2x - 1.5x	+ 2%	↑	↑	US ($800)	US +$4,200	US $91,200
D&M	Jun 2021	US $80,207	US $9,977	8%	1.2x - 1.5x	+ 7%	↑	↑	US +$1,200	US +$2,900	US $75,607
Accscient	Jun 2017	US $72,000	US $9,208	8%	1.0x - 1.2x	0%	↔	↑	US ($1,800)	US ($1,000)	US $65,177
Amur	Jun 2019	CA $70,000	CA $7,486	4%	> 2.0x	+ 6%	↑	↑	CA +$1,200	CA +$9,500	CA $89,900
DNT	Jun 2015	US $62,800	US $11,636	10%	> 2.0x	+ 6%	↑	↑	US ($1,400)	US +$1,100	US $64,243
PEC	Feb 2025	US $61,100	US $5,180	4%	1.5x - 2.0x	n/a	n/a	n/a	n/a	n/a	US $61,100
LMS	Feb 2007	CA $60,565	CA $7,331	4%	> 2.0x	+ 19%	↓	↑	nil	CA +$2,000	CA $48,885
FMP	Apr 2023	US $40,000	US $5,261	4%	1.2x - 1.5x	+ 4%	↑	↔	US ($1,400)	US ($100)	US $41,200
SCR	May 2013	CA $40,000	CA $4,200	2%	1.0x - 1.2x	n/a	↑	↑	nil	CA ($5,500)	CA $15,003
3E	Feb 2021	US $39,500	US $5,965	5%	1.0x - 1.2x	+ 6%	↑	↑	US +$1,800	US +$2,300	US $42,300
Edgewater	Dec 2020	US $34,000	US $4,481	4%	> 2.0x	- 1%	↓	↓	US +$700	US +$3,100	US $42,800
Cresa	May 2024	US $30,000	US $4,200	3%	> 2.0x	n/a	↑	↑	nil	US +$600	US $30,600
Sagamore	Nov 2022	US $24,000	US $2,989	2%	> 2.0x	+ 6%	↑	↑	nil	US +$2,700	US $25,500
Fleet	Jun 2018	US $23,000	US $2,218	2%	> 2.0x	- 6%	↓	↓	US +$2,000	US +$10,500	US $80,735
Berg	Feb 2025	US $21,000	US $2,401	2%	1.5x - 2.0x	n/a	n/a	n/a	n/a	n/a	US $21,000
Carey Electric	Jun 2020	US $14,000	US $1,918	2%	> 2.0x	+ 5%	↑	↑	US ($600)	US +$300	US $15,080
Heritage	Jan 2018	US $18,500	US $0	0%	< 1.0x	n/a	↓	↓	US ($2,800)	US ($13,000)	US $5,400

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 2023.

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

- 3E had a strong second half of 2024 and based on their unaudited financial results for the year ended December 31, 2024, revenue and EBITDA increased as compared to the prior year. These increases were driven by incremental growth in new and legacy divisions, as well as operation improvements.
- Based on the year over year increase in earnings and gross profit, Alaris is expecting a 6% reset on 3E's preferred Distributions, which is the top of their collar, the resulting change in the fair value of Alaris' investment in 3E is an increase of US$1.8 million in the three months ended December 31, 2024, and a total increase of US$2.3 million in the year ended December 31, 2024. The fair value of 3E on December 31, 2024, is US$42.3 million.

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

- Based on the unaudited results for the year ended December 31, 2024, revenue remained relatively flat compared to 2023, while EBITDA improved as compared to the prior year. As a result of the consistent level of revenue and gross margin, the reset on the 2025 preferred Distributions is expected to be flat. The precise change will be determined upon completion of Accscient's audit in Q2 2025. Due to an increase in market rates during Q4 2024, the fair value of Alaris' preferred equity investment in Accscient decreased during the quarter by US$1.8 million. For the year there was a net decrease in the fair value of Alaris' preferred equity investment in Accscient of US$2.0 million.
- The EBITDA growth in the year was driven by operating efficiencies, which along with a reduction in interest rates which led to an increase in the fair value of Alaris' investment in common equity during 2024 of US$1.0 million. The resulting fair value of the total investment in Accscient on December 31, 2024 is US$65.2 million.

Amur – mortgage originations and asset management in Canada

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to the prior year. The increase in both metrics was driven by organic growth, as well as improved operating leverage as the business expands. Alaris anticipates a 6% reset on Amur's preferred distributions, reflecting the top of their collar. During the current quarter, the fair value of the preferred equity units remained unchanged, with a net increase of $3.5 million in the year ended December 31, 2024.
- Due to the improvement in EBITDA along with a reduction in market rates over the year, the fair value of Alaris' common equity has increased by $6.0 million. The resulting fair value of the total investment in Amur on December 31, 2024, is $89.9 million.

Berg **– *C*ommercial and industrial demolition solutions provider serving the Baltimore and DC, Maryland & Virginia metropolitan area**

- Berg is a leading demolition solutions provider serving public, commercial and industrial end markets in the Baltimore, Washington, Northern Virginia, Suburban Maryland, Central Maryland, Delaware and Central Pennsylvania regions. of the United States. Founded in 1998 and headquartered in Baltimore, MD, Berg has become the preeminent hazardous material abatement, selective structural and building razing operation in the region.
- Subsequent to year end, on February 5, 2025, Alaris contributed US$21.0 million to Berg in exchange for: (i) US$17.15 million of preferred equity with an initial annual Distribution of US$2.4 million, and (ii) US$3.85 million for a minority common equity ownership. The preferred Distributions will reset annually based on changes in Berg's gross profit to a maximum of +/- 7%. The Distributions will reset for the first time on January 1, 2026. Berg may pay in-kind ("PIK") up to US$0.7 million (up to 4% of the 14% yield).

Carey Electric ***– electrical contracting in Illinois***

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to the prior year. The increase in both metrics was driven by organic top-line growth, stable gross profit margins year-over-year, and improved operating leverage as the business expands. Alaris anticipates a 5% reset on Carey's preferred distributions, reflecting the top of their collar. Due to increased market rates during Q4 2024, the fair value of Alaris' preferred equity investment decreased during the quarter by US$0.6 million, offsetting an increase to fair value in earlier quarters and resulting in a net decrease in the year of US$0.3 million.
- The improvement in EBITDA led to an increase in the fair value of Alaris' investment in the common equity of Carey by US$0.6 million in the year. The resulting fair value of the total investment in Carey on December 31, 2024, is US$15.1 million.

Cresa ***– commercial real estate advisory firm focused on tenant representation***

- Cresa is a leading global commercial real estate advisory firm dedicated to exclusively representing tenants, with over 50 offices across North America. With a unique approach that integrates full-spectrum real estate solutions, Cresa advocates for tenants without conflicts of interest, ensuring tenant business environments align with corporate strategies. Cresa emphasizes strategic partnership, innovation, and client-centric services to enhance business operations and real estate efficiency.
- In 2024, Alaris invested US$30.0 million in Cresa through two contributions in exchange for preferred equity with an initial annual Distribution of US$4.2 million, which will reset annually based on changes in Cresa's revenue to a maximum of +/-7%. The Distributions will reset for the first time on January 1, 2026. Cresa may pay in-kind ("PIK") up to US$1.2 million (up to 4% of the 14% yield).
- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to prior year. The increase in both metrics was driven by stable organic performance as well as a successful M&A strategy during the year. During the current quarter, the fair value of Alaris' investment in Cresa's preferred equity units remained unchanged, with a net increase of US$0.6 million in the year. The resulting fair value of the investment in Cresa on December 31, 2024, is US$30.6 million.

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

- During 2024, Alaris contributed an additional US$5.7 million into D&M which consisted of US$5.5 million of preferred equity at an initial yield of 14%, and US$0.2 million of common equity. The Alaris follow-on contribution was used by D&M to acquire the remaining interest in their Austin operation. Following this contribution, Alaris has invested in D&M a total of US$80.2 million.
- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA both increased compared to the prior year. The increase in revenue is driven by higher lease volume as D&M benefits from a growing recurring customer base and interest rates decreases during the year. These factors contributed to gross profit growth with an expectation for a positive 7% reset (the maximum) for D&M's 2025 preferred Distributions. This positive reset resulted in an increase of US$1.2 million in the fair value of the preferred equity during the quarter. Overall, there was a net increase in the fair value of the preferred equity investment during 2024 of US$2.5 million.
- The increase in EBITDA along with a positive outlook for 2025 has resulted in an increase of US$0.4 million in the fair value of Alaris' common equity. The resulting fair value of the overall D&M investment at December 31, 2024 is US$75.6 million.
- As a result of earnings growth, D&M's ECR has increased and is now between 1.2x and 1.5x.

<u>DNT –</u> civil construction contractor in Austin and San Antonio, Texas

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to the prior year. The increase in both metrics was driven by the growing market demand for new home developments in the San Antonio, Austin and Houston markets, along with stable gross profit margins compared to the prior year. Alaris anticipates a 6% reset on DNT's preferred distributions, reflecting the top of their collar. During the current quarter, the fair value of Alaris' investment in preferred equity decreased by US$1.4 million, driven by a change in market rates. As of December 31, 2024, the fair value of Alaris' investment in DNT is US$64.2 million, reflecting an increase of US$1.1 million in 2024.

<u>Edgewater</u> – professional and technical services firm supporting the U.S. Department of Energy

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA both decreased compared to the prior year. The decrease was the result of a small reduction in headcount during 2024; partially offset by growth in Edgewater's project based engineering. A slight decrease in gross profit resulted in a negative reset of approximately 1% for the 2025 preferred Distributions. As a result, the fair value in Alaris' preferred equity investment during Q4 2024 was decreased by US$0.7 million. For the year the fair value of the preferred equity investment increased by US$2.4 million as a result of consistent earnings, outlook and a decrease in market interest rates.
- Although Edgewater's EBITDA decreased in 2024 compared to the prior year, a driver of the decrease was investment into the infrastructure of the business. This investment in the business, along with growth in the backlog, led to an increase in the fair value of Alaris' common equity investment during Q4 2024 of US$1.4 million. During the year there was an overall net increase to the fair value of the common equity investment in Edgewater of US$0.7 million. The resulting fair value of the total investment on December 31, 2024 is US$42.8 million.
- During Q2 2024, Alaris received a US$2.0 million dividend based on our common equity ownership.

<u>Fleet</u> – provides fleet leasing and truck lifecycle management solutions in the U.S.

- Based on the results at December 31, 2024, revenue and EBITDA decreased compared to the prior year. The decrease was related to lower lease syndications during the year. As a result of the decrease in revenue, the reset on Fleet's preferred Distributions in 2025 is a negative 6%. This negative reset led to a decrease in the fair value of the preferred equity in Q4 2024 of US$0.9 million and a net decrease of US$0.2 million for the year ended December 31, 2024.
- While Fleet's EBITDA decreased in 2024 compared to the prior year, this is largely driven by the timing of syndications and as Fleet's backlog remains strong this should result in an increase in syndications throughout the year. This positive outlook and continued re-investment in the business has led to an increase in the fair value of Alaris' common equity investment of US$2.9 million during the three months ended December 31, 2024. Overall, in 2024, the continued positive outlook for the business as well as a decrease in market interest rates, increased the fair value of the common equity by US$10.7 million. The resulting fair value of the total Alaris investment in Fleet at December 31, 2024 is US$80.7 million.
- During Q3 2024, Fleet issued a common dividend, US$14.7 million of which was distributed to Alaris.

<u>FMP</u> – organizational management consulting firm in the U.S public sector

- In 2024, Alaris contributed US$3.5 million of additional preferred equity at an initial yield of 14%. This second tranche was funded by Alaris based on FMP achieving certain financial hurdles as agreed upon in Alaris' initial investment in FMP. Following this contribution, Alaris' total investment in FMP is US$40.0 million.
- Based on the unaudited results for the year ended December 31, 2024, revenue increased and EBITDA remained stable compared to the prior year. The increase in revenue was driven by organic growth, while gross profit margins were slightly lower than prior year, driving a relatively flat EBITDA year-over-year. Alaris anticipates a positive 4% reset on FMP's preferred distributions. As a result of an increase in market rates during the quarter, the fair value of Alaris' preferred equity investment in FMP decreased during the quarter by US$0.7 million, with a net decrease of US$0.1 million for the year ended December 31, 2024.

- FMP core clients (government agencies) are being impacted in various capacities as a result of the new US administrations focus on reducing government inefficiencies. The impact to FMP continues to evolve and is creating headwinds in the short to potentially medium term. The FMP management team has operated successfully through all administrations with a mission of making government more efficient; they expect to be able to capitalize on opportunities after the current turbulence. As a result of the near-term outlook and changes to discount rate based on market factors, the fair value of Alaris' investment in FMP's common equity has decreased by US$0.6 million for the quarter, with a net increase of US$0.1 million in the year ended December 31, 2024. The resulting fair value of the total investment in FMP on December 31, 2024, is US$41.2 million.
- Due to increased preferred distributions, as a result of the second tranche funded in Q2 2024, along with flat EBITDA year-over-year, FMP's ECR is now between 1.2x and 1.5x.

<u>GWM</u> – provides data-driven digital marketing solutions for advertisers globally

- Based on the unaudited results for the year ended December 31, 2024, revenue improved by approx. 4% compared to the prior year as the Company continued to grow and diversify their client base. As a result of this positive reset for the preferred Distributions in 2025, there was a net increase during 2024 to the fair value of Alaris' preferred equity of US$0.3 million. There has been no change to the fair value of the Alaris investment in common equity during 2024. The resulting total fair value of the GWM investment is US$77.2 million.
- Due to incremental investments made during 2024 by GWM in their workforce, their EBITDA decreased as compared to the prior year. As a result, GWM's ECR has decreased and is now between 1.0x and 1.2x.

<u>Heritage</u> – provides masonry and masonry services to the commercial building industry in Massachusetts

- In Q4 2023, the Heritage CEO, unfortunately, retired from the business for personal reasons on a shorter timeline than anticipated. As a result, Alaris brought in a professional management team to assist with the go-forward management succession. In addition to the transition of leadership, operational setbacks on certain projects led to a meaningful year over year decrease in revenue, margin and EBITDA. Margin improvement and business recovery have taken longer than first anticipated. Heritage has deferred Distributions during 2024 and 2025 in order to support cash flow flexibility during this transition period.
- As a result of these factors and the decrease in Heritage's EBITDA, the fair value of Alaris' common equity investment in Heritage has been reduced to nil during the year ended December 31, 2024, representing a decrease to the fair value of US$1.0 million.
- Deferral of Heritage's preferred Distributions into 2026 and changes to the discount rate due to market rate changes as well as incremental risk assumptions associated to future cash flows resulted in the fair value of the preferred equity decreasing by an additional US$2.8 million during Q4 2024, and in a total decrease of US$12.0 million in the year ended December 31, 2024. The resulting fair value on December 31, 2024, of the total Heritage investment is US$5.4 million.
- As part of supporting the professional management team in place and managing through working capital constraints, Alaris contributed US$3.0 million in promissory notes during 2024. Alaris has taken an allowance of US$1.9 million against the total US$3.0 million of promissory notes based on a probability-weighted credit loss percentage applied to estimated repayments of the promissory notes and discounted based on the timing of the scenarios. The resulting fair value of the promissory note's receivable on December 31, 2024 is US$1.1 million.

<u>LMS</u> – rebar and post-tensioning fabrication and installer in British Columbia, Alberta and California

- Based on the unaudited results for the year-ended December 31, 2024, revenue has decreased and EBITDA has increased, compared to the prior year. LMS realized significant gross margin (reset metric) expansion in 2025 as lower steel prices increased project profitability. Under the historical mechanism, this would have resulted in a reset of greater than 20%, however, during Q3 2024, LMS and Alaris agreed to cap the reset for 2025 at +20% and implement a reset collar of +/-10% on the Canadian investment of $54 million. The reset collar of +/-6% remains the same for the US$4.4 million US investment. LMS has agreed to a cash flow sweep wherein a portion of excess cash each year will be used to repurchase a portion of Alaris' preferred equity. The first partial redemption is expected in 2025 upon the completion of their 2024 audit.

- As a result of the 20% positive reset for the 2025 preferred Distribution, the fair value of the Alaris investment in LMS preferred equity increased by $2.0 million during the year. The resulting fair value at December 31, 2024 is $48.6 million.
- Throughout 2024, LMS paid $2.3 million relating to Distribution payments that were deferred in 2023. LMS is now current on all Distributions.

***Ohana* – Planet Fitness franchisee with over 70 fitness clubs in the U.S.**

- In Q3 2024. Alaris contributed US$35.1 million to Ohana in exchange for convertible preferred equity with a 14% yield fully paid-in-kind. The investment was funded through US$30.0 million of incremental cash and the reinvestment of a US$5.1 million common equity dividend received by Alaris. As part of the transaction the remaining US$1.4 million commitment owed by Alaris in exchange for incremental common equity ownership was settled.
- During Q4 2024, Alaris completed a strategic transaction involving Ohana and a third-party private equity investor. The transaction included securing US$120.0 million of capital from the third-party investor and exchanging US$128.7 million of the existing investment in Ohana for: (i) US$59.7 million of convertible preferred equity (ii) US$70.3 million of new common equity, and (iii) cash proceeds of US$19.0 million, resulting in a US$20.3 million realized gain.
- The new convertible preferred units are entitled to a 14% Distribution, of which 4% can be paid in-kind at the discretion of Ohana. During the quarter, Ohana paid in-kind US$0.2 million of their Distributions. Paid in-kind Distributions are recognized during the period as Partner Distribution revenue, and an increase to Alaris' investment in the new convertible preferred equity, which will incrementally increase the base for future Distributions.
- As part of the strategic transaction, Alaris is entitled to an annual Management fee of US$0.5 million.
- During the quarter, the fair value of the new preferred and common equity units increased by $12.2 million. This gain was driven by growth in the business' EBITDA and clubs from the time the transaction was negotiated in early 2024 compared to their full 2024 results. The fair value of the overall investment in Ohana on December 31, 2024 is US$142.4 million.
- Included in Alaris' investment in Ohana is US$2.0 million of Alaris' interest in an Australian company that had previously been part of the pre-existing investment in Ohana, post strategic transaction, Alaris maintains this investment.

***PEC* – Full-service electrical contracting firm serving the Greater New England and New York area**

- PEC is a full-service electrical contracting firm with a broad range of capabilities ranging from commercial installations, historical structural retrofits and large-scale photovoltaic projects. In addition, through its subsidiary North American Renewables, PEC is a leading solar engineering, procurement and construction contractor. PEC serves the Greater New England and New York area.
- Subsequent to year end, on February 24, 2025, Alaris contributed US$61.1 million to PEC in exchange for: (i) US$37.0 million of debt and preferred equity with an initial annual Distribution of US$5.2 million, and (ii) US$24.1 million for a minority common equity ownership. The preferred Distributions will reset annually based on changes in PEC's revenue to a maximum of +/- 7%. As PEC has a June 30 fiscal year end, the Distributions will reset for the first time on July 1, 2026. Included in the preferred equity contributions is US$10.0 million of units redeemable at par. PEC may pay in-kind ("PIK") up to US$1.1 million (up to 3% of the 14%).

***Sagamore* – specialty HVAC and plumbing services provider, serving broader New England area**

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to the prior year. The increase in both metrics was driven by organic top-line growth, stable gross profit margins year-over-year and improved operating leverage as the business expands. Alaris anticipates a 6% reset on Sagamore's preferred distributions, reflecting the top of their collar. During the quarter, the fair value of Alaris' investment in Sagamore's preferred equity units remained unchanged, with a net increase of US$1.0 million for the year ended December 31, 2024.

- The improvement in EBITDA led to an increase in the fair value of Alaris' investment in common equity by US$1.7 million in the year. The resulting fair value of the total investment in Sagamore on December 31, 2024, is US$25.5 million.

SCR – Mining services in Eastern Canada

- Based on the unaudited results for the year ended December 31, 2024, revenue and EBITDA increased compared to the prior year. The increase in both metrics was driven by increased activity at certain sites, as well as improved operating leverage. During the current quarter, the fair value of Alaris' investment in SCR's preferred equity units remained unchanged. As of December 31, 2024, the fair value of Alaris' investment in SCR is $15.0 million. As a result of the increase in EBITDA, SCR's ECR has increased and is now between 1.0x and 1.2x.

The Shipyard* – *Integrated marketing agency in the U.S

- During 2024, Alaris contributed an additional US$27.5 million of preferred equity in exchange for an initial yield of 14% (US$3.9 million) on substantially the same terms as the initial investment. The Shipyard used $22.5 million to complete an acquisition of a complimentary public relations & advertising agency and $5.5 million to fulfill the commitment as part of the initial transaction.
- Based on The Shipyard's unaudited financial results for the year ended December 31, 2024, Alaris is expecting a positive 2% reset on 2025's preferred Distributions. Due to the market rate changes during the year, resulting in a change to the discount rate used in the valuation, the fair value of the preferred investment in The Shipyard has increased by US$2.9 million in the year ended December 31, 2024.
- Due to a slower Q4 2024 than anticipated, Alaris has decreased the fair value of The Shipyard's common equity by US$0.8 million In combination with changes in market rates and overall earnings growth for the year the net fair value increased by US$1.3. The fair value of the total The Shipyard investment on December 31, 2024 is US$91.2 million.

Sono Bello (Body Contour Centers)* – *cosmetic surgery practice across the United States with over 70 locations

- Based on Sono Bello's unaudited financial results for the year ended December 31, 2024, Q4 2024 EBITDA was lower than expected due to higher advertising costs as a result of market factors driving up the overall spend. Sono Bello continues to focus on growth as they develop the "Contour" brand and expand their company's service offerings beyond liposuction. Based on the above, the fair value of Alaris' investment in Sono Bello decreased by US$7.3 million in the three months ended December 31, 2024. For the year ended December 31, 2024 the Sono Bello convertible equity fair value increased by US$4.1 million
- During the quarter, Sono Bello exercised their option to pay in-kind on the convertible preferred units which resulted in a $1.8 million paid in-kind Distribution in Q4. This amount is recorded as partner Distribution revenue during the period, and an increase to Alaris' investment in Sono Bello, which will incrementally increase the base for future Distribution's. The resulting fair value in Sono Bello on December 31, 2024 is US$164.8 million.

PARTNER REDEMPTIONS

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

On April 16, 2024, Brown & Settle redeemed all of Alaris' preferred and common equity for gross proceeds of US$71.5 million, resulting in a total return to Alaris on the Brown & Settle investment of US$30.8 million, representing an unlevered IRR (9) of 15% and MOIC (7) of 1.5x.

Stride Consulting* – *IT consulting company working alongside clients to create customized solutions

On July 31, 2024, Stride redeemed all outstanding preferred units in Alaris' investment in Stride Consulting, LLC totaling US$4.0 million for gross proceeds to Alaris USA of US$4.1 million, representing an unlevered IRR (9) of 15% and MOIC (7) of 1.6x.

Unify – IT consulting based in Washington State and California

On December 19, 2024, Unify redeemed all outstanding preferred units in Alaris' investment in Unify Consulting, LLC totaling US$11.0 million for gross proceeds to Alaris USA of US$12.3 million, representing an unlevered IRR [9] of 20% and MOIC [7] of 1.9x.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Trust's management (including the CEO and CFO) of the effectiveness of the design and operation of the Trust's disclosure controls and procedures, as defined in National Instrument 52-109. Based on that evaluation, the Trust's management (including the CEO and CFO) concluded that the Trust's disclosure controls and procedures were designed to provide a reasonable level of assurance over disclosures of material information and are effective as of December 31, 2024. The Trust uses the 2013 Committee of Sponsoring Organization of the Treasury Commission (COSO) framework.

Management Report on Internal Controls over Financial Reporting

The Trust's management, (including the CEO and CFO) have assessed and evaluated the design and effectiveness of the Trust's internal controls over financial reporting as defined in National Instrument 52-109 as of December 31, 2024. Alaris' assessment included documentation, evaluation and testing of its internal controls over financial reporting. Based on that evaluation, Alaris' management concluded that its internal controls over financial reporting are effective as defined by National Instrument 52-109.

There were no changes in internal controls during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect Alaris' internal control over financial reporting.

RISK FACTORS

Our securities are exposed to various risks, including the risks described below and under the heading “Special Note Regarding Forward-Looking Statements, Non-IFRS Measures and U.S. Investors". Alaris' risk factors described below comprise risks that we know about and that we consider material to our business. The investment structure we use to invest in private businesses involves unique risks together with the other risks present in the industry as a whole. When considering an investment in Trust Units, investors and others should carefully consider these risk factors and other uncertainties and potential events that may adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time. Management cannot predict all risk factors or the effect of such factors on our business, reputation, financial condition, cash flows, ability to pay predictable and stable Trust Distributions, response to changes in our industry, our ability to complete strategic acquisitions or divestitures in an efficient manner or at all or the market price of our Trust Units.

We have organized our risks as follows:

- Strategic Risk Factors Relating to our Business.
- Operational and Financial Risk Factors Relating to our Business.
- Risk Factors Relating to our Material Partners.
- Risk Factors Relating to our Partners.

Strategic Risk Factors Relating to Our Business

We depend on our Partners' operations, assets and financial health

We depend on the operations, assets and financial health of our Partners through our agreements with them. Our ability to pay Trust Distributions, to satisfy our debt service obligations and to pay our operating expenses depends on our Partners' consistent payment of Distributions, our sole source of cash flow. Except for Sono Bello (where our Distributions are fixed in exchange for a portion of Sono Bello’s upside growth), increases or decreases to Distributions generally follow the percentage change of each Partner's revenues, same store sales, gross margin or other similar top-line measure. As a result, subject to certain conditions, a negative percentage change to a Partner's applicable performance measure will reduce Distributions. The failure of any material Partner (or collectively several non-material Partners) to pay its Distribution could materially adversely affect our financial condition and cash flows. Each Partner may have liabilities or other matters that we do not identify through our due diligence or ongoing communications and monitoring procedures, which may have a material adverse effect on the Partners and the applicable performance measure.

While the Trust's subsidiaries have certain rights and remedies available to them under the agreements with our Partners, these rights and remedies, including the right to receive Distributions, are generally subordinated to the payment rights and security interests of the Partner's senior lenders (for example, standstill provisions may limit our exercise of some remedies until the senior debt is fully paid or for a specified period).

Because of Alaris' limited voting rights in our Partners, our ability to exercise direct control or influence over the operations of our Partners is limited (except for our consent rights and when there has been an uncured event of default and required Distributions have not been made as more particularly described under the heading "Summary of Partner Agreements"). Further, Alaris' consent rights and remedies are generally subordinated to the rights, or require the consent, of our Partners' senior lenders and may also be subject to additional regulatory restrictions applicable to a Partner or the industry they operate in. Alaris’ consent rights and remedies, or the ability to use them, may vary from Partner to Partner and as such, Alaris may not have the same tools to address a default for a material Partner (or a series of non-material partners) as it may have with other partners. Payment of Distributions therefore depends on several factors that may be outside our control.

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

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

Numerous factors may affect the quantum of a Distribution or Partner's ability to maintain its Distribution obligations, including: its failure to meet its business plan; regulatory or other changes affecting its industry; integration issues related to acquisitions, new locations or new business lines; a downturn in its industry; negative economic conditions; changes in legislation or regulations governing a business or industry; material changes in the unaudited information provided to Alaris; disruptions in the supply chain; disputes with suppliers, customers or service providers or changes in arrangements with them; and working capital or cash flow management issues. Deterioration in a Partner's financial condition and prospects may cause or coincide with a material reduction in the amount of its Distributions. See "Risk Factors Relating to our Partners".

There are no guarantees as to the availability of future financing for operations, distributions and growth

We expect that our principal sources of funds for our operations, including our Trust Distribution, will be the cash we generate from Distributions and the Senior Credit Facility. We believe that funds from these sources will provide Alaris with sufficient liquidity and capital resources to meet our ongoing business operations at existing levels. Despite our expectations, Alaris may require new equity or debt financing to meet our financing and operational requirements (including with respect to refinancing existing indebtedness). There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to Alaris, in which event our financial condition may be materially adversely affected.

The payout by Alaris of substantially all our operating cash may make future investment capital and operating expenditures dependent on increased cash flow or additional financings. Alaris may require equity or debt financing to acquire interests in new Partners or make additional contributions to our current Partners. Although we have managed to obtain such financing as and when required to date, there can be no assurance that such financing will be available when required or will be on commercially favourable terms. A lack of availability or commercially favourable terms could limit our growth. The ability of Alaris to arrange such financing will depend in part upon the prevailing capital market conditions and our business performance.

We are subject to risks affecting any new Partners

The businesses of any new Partners may be subject to one or more of the risks referred to under the heading "Risk Factors Relating to our Partners" or similar risks and may be subject to other risks particular to such business or businesses. A material change in a Partner's business or its ability to pay Distributions could have an adverse effect on our business.

We may not complete or realize the anticipated benefits of our Partner arrangements due to a difficult investment market, geopolitical and other conditions that affect our or our Partners' businesses

A key element of our growth plan is adding new Partners and making additional investments in existing Partners. We cannot guarantee our ability to identify and complete new investment opportunities. Achieving the benefits of future investments will depend in part on successfully identifying and capturing opportunities in a timely and efficient manner and in structuring such arrangements to ensure a stable and growing stream of Distributions. From time to time, Alaris has been required to grant concessions to certain Partners to help them manage their debt covenants, working capital or for other reasons. Such concessions may create temporary or permanent reductions in the Partner's payment of Distributions, which may negatively affect our operations, financial condition or cash flows. There are also no guarantees that the perceived benefits of such concessions will, in fact, exist. We have limited diversification in our Partners.

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

Although Alaris currently has 20 Partners and diversification continues to improve, Alaris does not have stringent fixed guidelines for diversification for our Partners. At any given time, a significant portion of our assets may be dedicated to a single business or industry. If any single Partner or industry does not succeed or experiences a downturn, this could have a material adverse effect on our business, results from operations and financial condition.

Our business and the business of each Partner is subject to changes in North American and international economic conditions, including higher inflation, rising interest rates, labour shortages, recessionary or inflationary trends, capital market volatility, consumer credit availability, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. As a Canadian public company investing primarily in U.S. businesses, Alaris faces complex cross-border regulatory scrutiny and political uncertainty. The regulatory environment for foreign investment in the U.S. is increasingly complicated and is expected to remain so in 2025. U.S. authorities, such as the Committee on Foreign Investment in the United States (CFIUS), actively review and can impose conditions on acquisitions by foreign investors on national security grounds, even for Alaris' non-controlling investment structure. Changes in U.S. trade policy also pose a risk. For example, proposals have been made to impose new tariffs on imports from Canada, which could indirectly affect our Partners supply chains or cost structures. Divergent regulations between Canada and the U.S. mean that Alaris must navigate two sets of securities laws, governance expectations, and disclosure standards, increasing compliance burdens. Furthermore, any significant changes in government spending priorities (like reductions or delays in federal funding programs and contract awards) could materially impact the revenues and operational stability of certain Partners that depend on government contracts and funding sources. These factors can adversely affect our Partners' profit margins and ability to pay Distributions. Similarly, our ability to invest in new Partners may be negatively impacted by inflation, higher interest rates, change in cross-border policies (such as heightened trade barriers, increased tariffs, foreign investment restrictions, or diplomatic tensions), and rising costs of capital. Even steady Distribution payments from our Partners may not offset the potential adverse impact of sustained inflation and high interest rates.

Market and political events and other conditions, including reactions to global health crises, disruptions in the international credit markets and other financial systems may result in a deterioration of global economic conditions. These conditions could reduce confidence in the broader North American and global credit and financial markets and create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite various actions by governments, from time to time, there may be concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors could negatively impact company valuations and impact the performance of the global economy. A return of any of these negative economic events could have a material adverse effect on our business and our Partners' business, financial condition, results of operations and cash flows.

Alaris and our Partners' businesses could be adversely affected by extraordinary political, social, economic events, war, terrorist attacks, natural disasters and public health threats

International political, social and economic events, acts of war and terrorism, natural disasters and major epidemics and pandemics, may, directly or indirectly, adversely impact our and our Partners' businesses. For example, the ongoing war between Russia and Ukraine and the global response to that conflict or other conflicts, or conversely peaceful developments, arising in the Middle East, Asia or Eastern Europe and other areas of the world that affect the price of important commodities can negatively affect financial markets and the global economy. Any such negative impacts could have a material adverse effect on our and our Partners' businesses, financial condition, results of operations and cash flows. Certain Partner’s of Alaris may have international operations that may be impacted by such international events (and may be disproportionately impacted depending on their location).

Our ability to manage future growth and carry out our business plans may have an adverse effect on our business and our reputation

Our ability to sustain continued growth depends on our ability to identify, evaluate and invest in potential Partners that meet our criteria. Accomplishing such a result on a cost-effective basis largely depends on Alaris' sourcing capabilities, our management of the investment process, our ability to provide capital on terms that are attractive to private businesses and our access to financing on acceptable terms. As Alaris grows, we will also need to hire, train, supervise and manage new employees. Failure to effectively manage future growth or to execute on our business plans to add new Partners could have a material adverse effect on our business, reputation, financial condition and results of operations. We also rely on our reputation to maintain positive relationships with our investors and other stakeholders and with investment banks and other investment sources to receive potential Partner opportunities. Any action that undermines the public or an investment source's opinion of Alaris may adversely affect our unit price or continued growth.

We face competition with other investment entities

Alaris competes for investment opportunities with many private equity funds, mezzanine funds, equity and non-equity-based investment funds, royalty companies and other institutional and strategic investors, including the public and private capital markets and senior debt providers. Some of our competitors, particularly those operating in the United States, are substantially larger and have considerably greater financial resources and more diverse funding structures than Alaris. Competitors may have a lower cost of funds, and many have access to funding sources and unique structures that are unavailable to Alaris. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their market shares and use high amounts of leverage to increase valuations given to entrepreneurs. There is no assurance that the competitive pressures that we face will not have a material adverse effect on our business, financial condition and results of operations. As a result of this competition, we may be unable to benefit from attractive investment opportunities, and there can be no assurance that Alaris will be able to identify and make investments that satisfy our business objectives or that we will be able to meet our business goals.

Potential Investment Opportunities

Alaris regularly evaluates, considers and engages in discussions with respect to potential investment opportunities that it believes may help it achieve its commercial and growth plans, and in connection therewith, it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, non-binding letters of intent or conditional agreements will result in a definitive investment agreement and, if they do, what the terms or timing of such would be or that such investment will be completed by Alaris. If Alaris does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen its financial or operating results, prospects or competitive position or that it will not be viewed negatively by securities analysts or investors. Such transactions may also involve significant commitments of Alaris' financial and other resources, including the completion of new investments of equity or debt (which may be convertible into equity). Any such activity may fail to generate revenue, income or other returns to Alaris, and the resources committed to such activities will not be available to Alaris for other purposes.

OPERATIONAL AND FINANCIAL RISK FACTORS RELATING TO OUR BUSINESS

We are subject to tax-related risks

CRA Re-Assessment

Alaris received notices of reassessment ("**Reassessments**") from the CRA for our 2009 through 2020 taxation years to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The Reassessments seek to deny the deduction of approximately $121.2 million of non-capital losses and use of $9.9 million in investment tax credits ("**ITCs**") by the Trust, resulting in reassessed taxes and interest of approximately $67 million. After filing the original notice of objection for the July 2009 taxation year, the CRA sent Alaris a further notice proposing to apply the general anti- avoidance rule to deny the ITC deductions.

At the time the relevant transactions were completed, the Trust received legal advice that it should have a right to deduct the non- capital losses and claim ITCs. Based on ongoing discussions with its legal counsel, the Trust remains of the opinion that all tax filings to date were filed correctly and that it will succeed in appealing the Reassessments. Alaris intends to continue to vigorously defend its tax filing position. In order to do that, Alaris was required to deposit 50% of the reassessed amounts with the CRA and Alberta Treasury. As of the date of this AIF, Alaris has deposited $24.3 million with the CRA and Alberta Treasury. Alaris has also recently obtained tax liability insurance in respect of this matter; the intent of the insurance product is to transfer risk to an insurer, thereby reducing the financial uncertainty caused by the Reassessments.

Alaris expects that achieving a final resolution of the Reassessments will take considerable time. The payment of deposits and any taxes, interest or penalties owing should not materially impact the Trust's payout ratio. We believe we will succeed in defending our position and therefore expect that the CRA will refund any current or future deposit with interest.

International Structure

Alaris' international structure is subject to assessment and possible adjustment by any of the taxation authorities in the jurisdictions in which it operates based on differences of interpretation of the applicable tax laws and the way such laws have been implemented.

On April 8, 2020, the U.S. Treasury Department and IRS published the final regulations ("**Regulations**") addressing hybrid financing arrangements. The key impact that these Regulations had on Alaris is that certain interest payments made by Alaris'

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

Furthermore, certain changes in the structure and business practices of our Partners could affect our structure. Although we are of the view that our structure has been implemented correctly and is being managed and monitored properly, there can be no assurance that our Partners' business models will continue to allow us to fully benefit from our corporate structure. If this is the case, our operating results could be adversely affected. Alaris' international structure is subject to assessment and possible adjustment by any of the taxation authorities in the jurisdictions in which it operates based on differences of interpretation of the applicable tax laws and the way such laws have been implemented.

Mutual Fund Trust Status

The Trust may cease to qualify as a "mutual fund trust" for purposes of the Canadian Income Tax Act ("**Tax Act**"). If the Trust did not so qualify for such purposes continuously throughout a taxation year, it would be subject to adverse tax consequences, which may materially reduce its ability to make distributions on the Trust Units.

Furthermore, if the Trust is considered to have been established primarily for the benefit of Non-Residents, depending on the character of the properties held by the Trust at that time, it could be permanently disqualified from qualifying as a "mutual fund trust" for such purposes.

The Trust Units will cease to be qualified investments for a Registered Plan under the Tax Act unless the Trust qualifies as a "mutual fund trust" (as defined in the Tax Act).

Laws, Rules and Regulations Applicable to the Trust

There can be no assurance that additional changes to the taxation of income trusts or corporations or changes to other government laws, rules and regulations, either in Canada or the United States, will not be undertaken which could have a material adverse effect on the Trust's unit price and its activities and undertakings. There can be no assurance that the Trust will benefit from any rules applicable to corporations, that these rules will not change in the future or that the Trust will avail itself of them.

General

Income tax provisions, including current and deferred income tax assets and liabilities, and income tax filing positions require estimates and interpretations of federal and provincial income tax rules and regulations and judgments as to their interpretation and application to Alaris' specific situation. The business and operations of Alaris are complex, and we have executed a number of significant investments and transactions over the course of our history. The computation of income taxes payable as a result of these transactions involves many complex factors and Alaris' interpretation of and compliance with relevant tax legislation and regulations.

Our ability to recover from Partners for defaults under our agreements with them may be limited

At the time of a transaction with Alaris, each Partner provides certain representations and warranties and covenants regarding the Partner, its business and certain other matters. Following a transaction with Alaris, the Partner may distribute all or a substantial portion of the proceeds that it receives from us to its security holders or owners. If we suffer any loss because of a breach of the representations and warranties or non-compliance with any other terms of an agreement with a Partner, we may not recover the entire amount of our loss from the Partner. The Partner may not have sufficient property to satisfy our loss. In addition, our rights and remedies upon default are generally subordinated to a Partner's senior lenders, if any, or may be subject to regulatory or other restrictions applicable to the Partner or the industry in which they operate, which can limit our ability to recover any losses from Partners. When Alaris' co-invests with another institutional investor, as is the case with the Sono Bello 2023 Transaction, there may be additional restrictions or limitations placed Alaris' rights and remedies or the exercise of such remedies. Furthermore, a Partner, or alternatively a co-investor, may try to contest the exercise of our remedies, which could delay (or, if a Partner's contest succeeds, deny) the operation of our rights and remedies and add costs to Alaris.

There are risks related to Alaris' and our Partners' outstanding debt

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

Certain terms of our Senior Credit Facility (including its renewal on substantially similar terms) and any outstanding debt of our Partners could adversely affect our ability to raise additional capital, fund operations or pay Trust Distributions, and could limit our ability to react to changes in the economy and our industry, expose us to interest rate risks and could prevent us from meeting certain of our business objectives. An inability to meet our debt covenants could cause a default under our Senior Credit Facility, which may then require repayment of any outstanding amounts at a time when Alaris may not have sufficient cash available to make a repayment. In addition, a default under our Senior Credit Facility may impact our ability to obtain future debt financing on terms favorable to Alaris. Furthermore, an inability of any material Partner (or a group of non-material Partners collectively representing a material portion of our revenues) to meet its (or their) debt covenants and a failure of a Partner to refinance or restructure its debt where necessary can affect the ability to pay Distributions and therefore impact Alaris' cash flows. In addition, where a Partner has defaulted under our agreements, our right to exercise our remedies may be subordinate to the Partner's senior lender and subject to a standstill provision until the senior debt is repaid or for a specified period.

In addition, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris' outstanding debt will rank in priority to equity holders (with the indebtedness under the Senior Credit Facility ranking in priority to the Debentures and other unsecured debt).

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

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

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

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

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

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

Various levels of government have enacted additional laws and regulations to protect consumers against identity theft, including laws governing the treatment of personally identifiable information. For example, Canada's Personal Information Protection and Electronic Documents Act, California's Consumer Privacy Act, and the various Consumer Protection Acts found in Canadian provinces impose stringent requirements on collecting and processing personal information and provide for significant penalties for noncompliance. These laws have increased the costs of doing business. Failure to implement appropriate safeguards or to detect and provide prompt notice of unauthorized access as required by some of these laws could result in claims for damages and other remedies. Any penalty imposed under these laws could adversely impact the business, results of operations and financial condition of Alaris or our Partners. In addition, investigations, lawsuits or adverse publicity relating to our or our Partners' methods of handling personal data could increase costs and cause negative market reaction.

The rapid development and adoption of artificial intelligence ("**AI**") technologies present both opportunities and risks that could materially impact Alaris' operations and our Partners. AI has the potential to disrupt traditional business models, introduce unforeseen competitive pressures, and lead to significant changes in the industries in which our Partners operate.

Alaris and our Partners are subject to significant regulation

Alaris, its subsidiaries and our Partners are subject to various laws, regulations and guidelines in the jurisdictions in which they operate (including U.S. federal, state and local laws, Canadian federal, provincial and local laws and other international jurisdictions for Partners with international operations) and may become subject to new laws, regulations and guidelines, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly, which could have a material adverse effect on Alaris' and the Partners' business, resources, financial condition, results of operations and cash flows. The same goes for any failure to maintain compliance or obtain any required approvals. Such laws and regulations are subject to change. Accordingly, it is impossible for Alaris or the Partners to predict the cost or impact of changes to such laws and regulations on future operations.

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

Payment of Trust Distributions will depend on several factors, including Distributions received, profitability, debt covenants and obligations, foreign exchange rate, the availability and cost of acquisitions, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors which may be beyond our control. We cannot guarantee Distributions, which fluctuate with our performance and the performance of our Partners. There can be no assurance as to the amount of Trust Distributions we pay, if any. The market value of the Trust Units may deteriorate if we cannot pay Trust Distributions in accordance with our distribution policy, or at all, and such deterioration may be material.

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

Our ability to pay Trust Distributions is subject to applicable laws and contractual restrictions in the instruments governing our indebtedness. How much Alaris is leveraged and compliance with other debt covenants under the Senior Credit Facility could have important consequences for Unitholders including: (a) our ability to obtain additional investments for future contributions to private companies may be limited; (b) all or part of our cash flow from operations may be dedicated to the repayment of our indebtedness, thereby reducing funds available for future operations or for payment of Trust Distributions; (c) certain of our borrowings are at variable rates of interest, which exposes us to the risk of increased interest rates; and (d) we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures. These factors may adversely impact our cash flow and, as a result, the amount of cash available for payment of Trust Distributions.

Interest expense has been estimated to calculate our distributable cash based on current market conditions that are subject to fluctuations. Such fluctuations could lead to an unanticipated material increase in interest rates that could, in turn, have a material adverse effect on cash available to pay Trust Distributions.

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

Most Partners pay Distributions in USD, however, Alaris pays Trust Distributions in CAD. We currently have currency hedges in place to manage the risk and economic consequences of foreign currency exchange fluctuations on our monthly cash flows and natural hedges such as carrying U.S. dollar-denominated debt. However, the Canadian dollar relative to the U.S. dollar is subject to fluctuations, and the currency hedges are for a limited period. There can be no guarantee that future hedges will be at rates of USD/CAD that fully protect Alaris' cash flows against major fluctuations. As a result, failure to adequately manage our foreign exchange risk could adversely affect our business, financial condition and results of operation. In general, where we continue to have a majority of our investments in the U.S., a declining Canadian dollar versus the U.S. dollar is a net benefit to Alaris' monthly cash flows and to the principal value of its investments.

Certain of our currency hedges are conducted through a forward contract, which comes with an obligation to fulfill the contract at a future date. If Alaris did not have adequate USD to sell under the forward contract, it would have to pay the difference between the contract price and the current spot price. If the current spot price is in Alaris' favour, it could receive a cash benefit from being unable to fulfill its forward contract. But if the spot to forward price differential is not in Alaris' favour, it could owe considerable money to the holder of the contract. A significant loss of USD revenue could cause Alaris to fail to meet its obligations under the forward contracts. This could result from a decline in a Partner's business, which diminishes its Distribution, or if a material U.S. Partner repurchases (or several U.S. Partners repurchase) Alaris. Any cash outlay to meet a forward contract obligation could impair Alaris' cash flows.

Alaris has investments in several U.S.-based businesses and will continue to invest in U.S.-based businesses in U.S. denominated currency. The Senior Credit Facility allows for USD-denominated draws to fund U.S.-based businesses. This will act as a natural hedge on cash flows and future repurchases by Partners. However, Alaris may, from time-to-time, purchase USD in the spot market based on the USD/CAD rate of exchange at the time of investment to make U.S.-based investments. If Alaris is redeemed on a USD-based investment, it may incur a loss in the Canadian dollar equivalent if the USD/CAD spot rate is lower at the time of the redemption than it was when the original investment was made. Alaris does not hedge the fair value of its USD-denominated investments because the timing of redemption is unknown and Alaris generally uses the exit proceeds to repay our Senior Credit Facility, which is held in USD. This exposes Alaris to a cash loss, or gain, on a USD investment, even if the investment succeeded in its U.S.-based currency. Alaris adjusts the fair value of its USD denominated investments based on the USD/CAD rate on the balance sheet date for each quarter and records an unrealized gain or loss to account for the fluctuations in the exchange rate.

Exits and Redemptions

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

Our Partners and we rely heavily on key personnel

The success of Alaris and our Partners depends on the abilities, experience, efforts and industry knowledge of senior management and other key employees, including their ability to retain and attract skilled management and employees. The long-term loss of the services of any key personnel for any reason or a failure to sufficiently plan for the transition of one or more key persons could have a material adverse effect on the business, financial condition, results of operations or future prospects of Alaris or a Partner. The growth plans of Alaris and the Partners described in this document may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Alaris and our Partners may be unable to attract and retain additional qualified management and employees as needed. There can be no assurance that Alaris or our Partners will effectively manage their growth, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Our unit price is unpredictable and can be volatile

A publicly traded income trust will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Trust Units will trade are unpredictable. The market price of the Trust Units could fluctuate significantly in response to variations in quarterly and annual operating results, the results of any public announcements we make, general economic conditions, unexpected volatility in global stock markets and other factors beyond our control.

We may issue additional Trust Units diluting existing Unitholders' interests

We may issue an unlimited number of Trust Units or other securities for consideration and on terms as we establish without Unitholder approval. Any further issuance of Trust Units will dilute the interests of existing Unitholders if the proceeds of such issuances are not being used in a manner that is accretive to Alaris' net cash from operating activities per Trust Unit. Unitholders have no pre-emptive rights in connection with such future issuances.

We are subject to a risk of legal and regulatory proceedings

In the normal course of business, we may be subject to or involved in lawsuits, claims, regulatory proceedings and litigation for amounts not covered by our liability insurance. Some of these proceedings could result in high costs. There has been an increase in the number of claims and amount of damages and penalties sought in litigation and regulatory proceedings against the financial industry in recent years (particularly in the United States). This increase in litigation risk applies to the activities of our Partners as well as Alaris, both of which could be named in lawsuits or subject to regulatory investigations directed at a given Partner. These actions could result in third-party litigation or regulatory proceedings related to investor dissatisfaction with our performance, alleged conflicts of interest, our Partners' products and services and other matters.

Although the outcome of such proceedings is not predictable with assurance, Alaris has no reason to believe that the disposition of such matters could have a significant impact on our financial position, operating results or ability to carry on our business activities. As of the date of this document, there are no outstanding material claims or litigation pending against Alaris, except for the Reassessment described above in the section entitled “We are subject to tax-related risks”. The widespread use of social media, the internet and other media platforms, combined with growing public scrutiny of the effects of business activities, could result in negative publicity or inaccurate information about Alaris or its Partners spreading rapidly and to a wide audience. This could make it harder to address and remedy issues, and further amplify the reputational risks, related to negative publicity.

General risks related to the outstanding debentures

In June 2019, Alaris issued $100 million aggregate principal amount of convertible debentures, convertible at the holder's option at any time before the close of business on the earlier of the business day immediately preceding the June 30, 2024 maturity date and the date specified by Alaris for the redemption of the convertible debentures into fully paid and non-assessable Trust Units at a conversion price of $24.25 per Trust Unit, being a conversion rate of approximately 41.2371 Trust Unit for each $1,000 principal amount of convertible debentures (the "**2024 Debentures**"). Each series of the 2024 Debenture will rank pari passu with each other 2024 Debenture of the same series and, subject to certain statutory exceptions, with all other present and future subordinated and unsecured indebtedness of Alaris (except for any sinking fund provisions applicable to different series of 2024 Debentures or similar types of obligations of Alaris).

In February 2022, Alaris issued $65 million aggregate principal amount of senior unsecured debentures with a maturity date of March 31, 2027, and bearing interest of 6.25% per year, payable by the Trust semi-annually in arrears on the last business day in March and September of each year commencing March 31, 2022 (the "**2027 Debentures**"). Each 2027 Debenture ranks pari passu with each other 2027 Debenture and, subject to certain statutory exceptions, with all other present and future unsubordinated and unsecured indebtedness of Alaris. Alaris may, at its option, repay the principal amount of the 2027 Debentures in Canadian dollars or by delivery of fully paid and non-assessable Trust Units. Together, the 2024 Debentures and 2027 Debentures are referred to as the "**Debentures**".

If Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris must first repay the Senior Credit Facility and any other senior indebtedness which may arise from time to time before repaying holders of Debentures. Following repayment in full of the Senior Credit Facility and any other senior indebtedness, the Debentures become entitled to the distribution of any remaining assets of Alaris to satisfy any owing obligations on such Debentures. In addition, any assets of Alaris that are subject to a security interest or are required to be marshalled by the rights of any creditor ranking senior to the holders of the Debentures may not be available to satisfy any obligations owing on the Debentures. As a result, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris may have insufficient assets remaining to pay amounts due on any or all of the then outstanding Debentures.

Additionally, any deterioration in Alaris' financial condition may affect our ability to pay principal, premium (if any) and interest on the Debentures when due. Alaris is prohibited from making any payment on the Debentures if: (a) a default, event of default or acceleration occurs under the Senior Credit Facility or any other senior indebtedness or any swap obligation of any senior creditor or its affiliates; (b) a default under the Senior Credit Facility or any other senior indebtedness permits the holders of the Senior Credit Facility or any other senior indebtedness (as applicable) to accelerate its maturity; or (c) if such payment would create a default of the Senior Credit Facility or any other senior indebtedness that would permit acceleration of its maturity.

Alaris may Redeem the Debentures before Maturity

On and after June 30, 2023, (and subject to regulatory approval and any restrictions on the redemption of 2024 Debentures of a particular series) the Debentures may be redeemed in whole or in part from time to time at the option of Alaris at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the Trust Units. Holders of 2024 Debentures should assume that Alaris will exercise its redemption right if refinancing at a lower interest rate becomes available or if Management determines that it is otherwise in Alaris' best interest to redeem the 2024 Debentures.

Between March 31, 2025, and March 31, 2026 (and subject to regulatory approval and any restrictions on the redemption of 2027 Debentures of a particular series), Alaris has the right to redeem the 2027 Debentures, either in whole or in part, on at least 30 and not more than 60 days' notice, at a redemption price equal to 103.125% of the principal amount of the 2027 Debentures to be redeemed plus accrued and unpaid interest up to but excluding the date of redemption. On or after March 31, 2026, and the maturity date of the 2027 Debentures, Alaris has the right to redeem the 2027 Debentures, either in whole or in part, on at least 30 and not more than 60 days' notice, by issuing Trust Units at a redemption price equal to the principal amount of the 2027 Debentures to be redeemed plus accrued and unpaid interest up to but excluding the date of redemption.

Redemption of Debentures upon a Change of Control

Alaris must offer to purchase all 2024 Debentures within 30 days of the acquisition of voting control or direction of more than 50% of the outstanding Trust Units. Upon such an event, Alaris may not have sufficient funds to satisfy the required purchase of all 2024 Debentures. Within 30 days following the occurrence of the acquisition of voting control or direction of more than 50% of the outstanding Trust Units, Alaris must offer to purchase, in whole or in part, the 2027 Debentures then outstanding for 100% of the principal amount of the 2027 Debentures plus accrued and unpaid interest up to but excluding the date of acquisition.

Additionally, the rights under the Senior Credit Facility or any other senior indebtedness in existence at such time may restrict such a purchase.

Effect of interest rates on the price of Debentures

The market value of the Debentures will fluctuate with the interest rates in effect from time to time. Consequently, the market value of the Debentures may decline if general interest rates begin to rise.

Potential risks associated with co-investments with other investors

From time-to-time, Alaris may engage in co-investments with other investors, including private equity firms, institutional investors, sovereign wealth funds and high net-worth individuals. While co-investments can provide opportunities to participate in attractive investments that might otherwise be unavailable for us to pursue independently, they also introduce several risks that could adversely affect our investment performance and financial condition. One key risk associated with co-investments is the possibility of misalignment of interests among co-investors. Different investors may have distinct investment objectives, return expectations, risk tolerances, holding periods or exit strategies. This divergence in priorities and strategies can lead to conflicts of interest, operational inefficiencies, or delays in decision-making processes, potentially hindering our ability to effectively manage our relationships with Partners or exercise our rights and remedies. Additionally, Alaris may be the minority partner in a co-investment and its co-investor might have approval or veto rights not granted to Alaris. In such case, Alaris will be subject to the exercise of such rights by its co-investor, which may not be consistent with how Alaris would have independently exercised such rights. Furthermore, there may be additional restrictions or limitations placed on the exercise of rights and remedies for a Partner. In addition, our co-investors may have varying levels of financial strength and liquidity, which could impact their ability to meet capital commitments or contribute additional capital if required. If a Partner requires additional capital and a co-investor is not able to or is unwilling to provide its share of additional capital, we may be required to contribute additional capital to our Partner on our own, which could strain our resources and limit our ability to pursue other investment opportunities. In addition, investing alongside co- investors exposes us to potential reputational risks. Any negative publicity, regulatory actions, or legal issues faced by our co-investors could have adverse consequences for our reputation and our ability to attract future co-investment partners or limited partners. Finally, performance of co-investments is also subject to the risks inherent in any Partner investment, including market, regulatory, legal, and economic risks. These factors could lead to underperformance of the co-investment and adversely impact our overall investment performance and financial results.

Nature of Investment

Unitholders of Alaris do not hold a share of a body corporate. As holders of Trust Units, Unitholders do not have statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust, a copy of which is available under the Trust's profile at www.sedarplus.ca. There is no statute governing the affairs of the Trust equivalent to the Canada Business Corporation Act which sets out the rights and entitlements of shareholders of corporations in various circumstances.

We are not, and do not intend to become, registered as an Investment Company under the Investment Company Act and related rules

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act and related rules in reliance on the exemption from such registration under section 3(c)(7) of that Act. The U.S. Investment Company Act and related rules provide certain protections to investors and restrict the activities of companies who register with the U.S. Securities and Exchange Commission (the "SEC") as investment companies. None of these protections or restrictions is or will be available to investors in Alaris. In addition, as long as Alaris is a foreign "investment company" under the Investment Company Act, to comply with the section 3(c)(7) exemption from registration and avoid being required to register as an investment company under the U.S. Investment Company Act and related rules, we have implemented restrictions on the ownership and transfer of the Trust Units, which may materially affect your ability to hold or transfer the Trust Units. If we needed to register with the SEC as an investment company, compliance with the U.S. Investment Company Act would significantly and adversely affect our ability to conduct our business.

Potential investors' ability to invest in Trust Units or to transfer any Trust Units that investors hold may be limited by certain ERISA, U.S. Tax Code and other considerations

Alaris has restricted the ownership and holding of Trust Units so that none of our assets will constitute "plan assets" (as defined in the Plan Asset Rules) of any of the following: (a) an "employee benefit plan" (under section 3(3) of ERISA that is subject to Part 4 of Subtitle B of Title I of ERISA; (b) a plan, individual retirement account or another arrangement that is subject to Section 4975 of the Code; (c) any other retirement or benefit plan that is not described in (a) or (b), but that is subject any similar law; or (d) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (a) through (c) under ERISA, the Code or similar law.

If Alaris' assets were considered "plan assets" of any of the above entities, non-exempt "prohibited transactions" under section 406 of ERISA, section 4975 of the Code or similar law could arise from transactions the Trust or any of our subsidiaries enters into in the ordinary course of business, leading to tax penalties and mandatory rescission of such transactions. Consequently, each recipient and subsequent transferee of Trust Units will, or will be deemed to, represent and warrant that it is not an entity described in (a) through (d) in the preceding paragraph and that no portion of the assets used to acquire or hold its interest in Trust Units or any beneficial interest in them constitutes or will constitute the assets of such an entity. Any holding or transfer of Trust Units in violation of such representation will be void. See "Ownership and Transfer Restrictions".

Foreign Account Tax Compliance Act ("FATCA") Provisions

In general, FATCA imposes due diligence, reporting and withholding obligations on foreign (non-U.S.) financial institutions and certain foreign (non-U.S.) non-financial entities. Failure by such an institution or entity to comply with these obligations could subject it to a 30% U.S. withholding tax on certain U.S. source income (including interest, dividends, rents, royalties, compensation, other passive income and gross proceeds from the sale or other disposition of property that produces similar U.S. source income) and thereby reduce its distributable cash and net asset value. In 2014, Canada and the United States entered into an Intergovernmental Agreement (the "**IGA**") to facilitate compliance with FATCA by Canadian financial and non-financial institutions and entities.

Under the IGA and the Canadian legislation enacted to implement the IGA (the "**Canada IGA Legislation**"), Alaris (and our subsidiaries): (a) registered with the IRS and acquired identifying numbers; (b) performed, and will continue to perform, specified diligence to determine whether they have any "U.S. reportable accounts"; and (c) will annually, report to the CRA required information about U.S. "account holders", which could include certain of Alaris' Unitholders. Under the Canada IGA Legislation, Unitholders may need to provide identity, residency and other information to Alaris (and may be subject to penalties for failing to do so) that, for certain U.S. persons or certain non-U.S. entities controlled by certain U.S. persons, Alaris would then report to the CRA. The CRA may report such information about U.S. reportable accounts to the IRS under the exchange-of-information provisions in the Canada-U.S. tax treaty.

Under the Canada IGA Legislation, equity and debt interests that regularly trade on an established securities market are not treated as "financial accounts". If the Trust Units are regularly traded on an established securities market, Alaris will not need to provide information to the CRA about U.S. holders of Trust Units. Because we believe the Trust Units would be considered regularly traded on an established securities market, Alaris does not expect to report information about U.S. Unitholders to the CRA under FATCA. However, if in the future the Trust Units are no longer considered regularly traded on an established securities market, Alaris' reporting obligations under FATCA may change.

Alaris and its subsidiaries intend to continue to take any measures and implement any procedures that we, in consultation with our legal and tax counsel, find necessary or desirable to comply with our obligations under the IGA and, more particularly, the Canada IGA Legislation. If Alaris or a subsidiary of does not satisfy the applicable requirements of the IGA and the Canada IGA Legislation or if the Canadian government does not comply with the IGA and if Alaris is otherwise unable to comply with any relevant legislation, then Alaris (or a subsidiary of Alaris) could be subject to FATCA tax.

The discussion above reflects the Code, guidance issued by the IRS and the United States Treasury Department, including regulations and IRS notices, and the IGA and the Canada IGA Legislation (and their interpretations and the guidance issued by the CRA). Future guidance, including explanations of and rulings interpreting current authorities, may affect the application of FATCA to Alaris in a manner unfavorable to Alaris and holders of Trust Units.

Passive Foreign Investment Company ("PFIC") Rules and Potential Implications for U.S. Unitholders

Sections 1291 through 1298 of the Code provide for special (and generally unfavorable for U.S. unitholders) rules applicable to non-U.S. corporations that constitute PFICs. A non-U.S. corporation will constitute a PFIC for any taxable year in which either (a) at least 75% of its gross income is passive income (which would include, among other things and subject to certain exceptions, dividends, interest, royalties, rents, annuities and other income of a kind that would be "foreign personal holding company income", as defined in Section 954(c) of the Code) or (b) at least 50% of its assets by value (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, the non-U.S. corporation will be deemed to receive its proportionate share of the income directly and to hold its proportionate share of the assets of any corporation or partnership (whether U.S. or non-U.S.) in which it owns at least 25% of the equity (by value).

For any taxable year in which a non-U.S. corporation is a PFIC in the absence of an election by a U.S. shareholder to either treat such non-U.S. corporation as a "qualified electing fund" (such election, a "**QEF Election**") or "mark-to-market" his or her shares of such non-U.S. corporation (such election, an "**MTM Election**"), a U.S. shareholder will, upon making certain "excess distributions" by such non-U.S. corporation or upon the U.S. shareholder's disposition of his or her shares of such non-U.S. corporation at a gain, be subject to U.S. federal income tax at the highest tax rate on ordinary income in effect for each year to which the income is allocated plus an interest charge on the deemed tax deferral, as if the distribution or gain had been recognized rateably over each day in the U.S. shareholder's holding period for his or her shares in such non-U.S. corporation while such corporation was a PFIC.

Based on its (and its subsidiaries') income and assets in prior tax years, Alaris has taken the position that neither it nor any of its subsidiaries were PFICs for any of its prior taxable years. Furthermore, based on its current and projected operations and financial expectations for the current taxable year, Alaris believes that neither it nor any of its subsidiaries will be a PFIC for the current taxable year. However, the determination of whether Alaris or any of its subsidiaries was or will be or become a PFIC was and is fundamentally fact-specific and dependent on: (a) the income and assets of Alaris and its subsidiaries over the course of any such taxable year; and (b) the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, Alaris cannot provide any assurance that: (i) neither it nor any of our subsidiaries was or will be or become a PFIC; or (ii) that the IRS would not take the position that either Alaris or any of our subsidiaries should have been or should be treated as a PFIC for any one or more taxable years despite Alaris' contrary reporting position.

If Alaris were to be or become a PFIC for the current or any future taxable year, Alaris does not intend to make available to U.S. unitholders the financial information necessary to make a QEF Election; however, provided the Trust Units constitute "marketable stock" (as specifically defined under the MTM Election regulations), a U.S. unitholder should be able to make an MTM Election with respect to a Unitholder's Trust Units. Alaris believes that the Trust Units would currently be considered "marketable stock" for this purpose. Making an MTM Election would result in the electing U.S. unitholder of Trust Units having to recognize as ordinary income or loss each year an amount equal to the difference as of the close of such year between the fair market value of the Trust Units and the unitholder's adjusted U.S. federal income tax basis in such Trust Units. Losses would be allowed only to the extent of the net mark-to-market gain previously included in income by the U.S. unitholder under the MTM Election for prior taxable years. If an MTM Election is made, then Trust Distributions would be treated as if Alaris were not a PFIC, except that the lower tax rate currently imposed on dividends to individuals would not apply.

Alaris urges U.S. unitholders to consult their own tax advisors regarding the possible application of the PFIC rules.

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

We are subject to increasing scrutiny from regulators, politicians, unitholders, investors and other stakeholders with respect to environmental, social and governance ("**ESG**") matters. We expect that an increased focus on ESG considerations will affect some aspects of our operations, including our due diligence processes when determining whether to invest in a new Partner. There are many groups involved in a range of ESG issues, including investors, special interest groups, public and consumer interest groups and third-party service providers. As a result, there is an increased emphasis on corporate responsibility ratings and a number of third parties provide reports on companies to measure and assess corporate responsibility performance. The ESG factors used to assess Alaris' corporate responsibility may change, which could result in greater expectations of Alaris and cause us to undertake costly initiatives to satisfy new ESG criteria.

In our public disclosures, we may share certain ESG-related initiatives and goals. However, implementing these initiatives and goals could be challenging and expensive, and we may not achieve them within the timelines we announce or at all. For instance, we may find some ESG initiatives or goals are impractical or infeasible due to cost, timing or other factors. Our ESG-related disclosures, policies, practices, initiatives and goals may also face criticism for being incomplete, inaccurate or inadequate, especially as the frameworks and standards for measuring ESG progress are still developing in addition, our ESG practices rely on third-party data, services and methodologies, as well as reporting from our Partners, which may prove to be incomplete or inaccurate.

If our or third parties' ESG-related data, processes or reporting are incomplete or inaccurate, or if we fail to satisfy existing or new ESG criteria, investors may conclude that our corporate responsibility policies are inadequate. We risk damage to our reputation if our corporate responsibility procedures, standards or policies do not meet the standards set by various ESG focused groups. Alaris has made, and may need to make future, substantial investments in matters related to ESG which require significant investment and resources. Any failure in our decision-making or investments related to ESG could affect investor perceptions of Alaris. Furthermore, we cannot control the ESG approach taken by our current or potential Partners. If we communicate specific ESG goals or initiatives, we could fail, or be perceived to fail, in our achievement of such goals or initiatives, or we could be criticized for the scope of such goals or initiatives. If we, directly or indirectly through our Partners, fail to satisfy the ESG expectations of investors and other key stakeholders or our ESG goal or initiatives are not executed as planned, our reputation could be materially and adversely affected.

Risks Relating to Our Material Partners

Our material Partners face several business, operational and other risks which, if realized, could have a material impact on our operating results and conditions. These risks are outlined in more detail below.

Risks Relating Specifically to Sono Bello	
Lawsuits	Any business performing medical procedures has a higher probability of facing lawsuits in the US than most. This is the case even for minimally invasive procedures such as those Sono Bello completes. Medical malpractice lawsuits are common in this space and can have a material impact on the business. Sono Bello has appropriate levels of insurance coverage to manage historical lawsuit risks.
Consumer discretionary	Sono Bello performs elective procedures, primarily minimally invasive liposuction. This elective procedure is driven by pricing and consumer spending. If consumers have less disposable income they tend to cut out consumer discretionary spending and focus on core spending. This could have a negative impact on Sono Bello's business. The price point of a typical procedure at Sono Bello is not as significant as other more invasive cosmetic procedures but it is high enough that during recessionary times they will see a pull back in revenue.
Growth of new territories and procedures	Sono Bello continues to grow through geographic expansion which comes with the risk that not all new locations produce the returns realized at current ones. Not all markets are created equal and therefore could have substantially different results. In addition, Sono Bello may expand into new surgical procedures within the cosmetic surgery space, which may not have the same results as its current core offerings. Ambitious growth initiatives open the door to execution risk and may result in an over utilization of management time and financial resources. The team in place at Sono Bello has successfully taken the business through various stages of growth thus far and has executed very well. However, execution risk remains.

Competition

Barriers to entry are time and money in order to get the scale Sono Bello has. However, there are groups that could follow Sono Bello's lead given the growth prospects and profitability of the industry. Competition in the cosmetic procedures business is regional but substantial and growing. On a national level and in the procedures of focus for Sono Bello, they are the dominate player and on a national scale any new competitors will take time to grow to Sono Bello's size and scale. However, new entrants can put pressure on pricing and Sono Bello may not be able to compete with competitors in regions where Sono Bello plans to expand due to existing brand loyalty. Competitors may attempt to copy Sono Bello's business model, or portions thereof, which could erode market share and impair profitability. This competition may limit their ability to attract and new customers, which could materially affect their results of operations and financial condition.

Reliance on IT

Sono Bello relies on their IT systems and the security within, both for lead generation and closing leads, but also on the security front to ensure the confidentiality of the information provided by customers. If the confidentiality and integrity of their customer's personal data, including banking information, aren't upheld then their reputation and business could be materially impacted.

Social acceptance of minimally invasive procedures

Changes in the acceptance of cosmetic procedures (negative image) could lead to a reduction of people that would be willing to have a cosmetic surgery procedure.

Brand Reputation

Sono Bello is a brand in a vanity driven industry. If something was to hurt the image of Sono Bello (customer complaints, lawsuits, botched procedures and even death) it could severely damage Sono Bello's brand and thus the profitability of the business.

Risks Relating Specifically to Ohana

Changes made by the Franchisor may impact Franchisee operations	Ohana is a franchisee of Planet Fitness. As such, Ohana's operations depend, in part, on decisions made by the Planet Fitness franchisor, including decisions relating to pricing, advertising, policy and procedures and approvals required for acquisitions and territory expansion. Business decisions made by the franchisor could impact Ohana's operating performance and profitability. In addition, Ohana must comply with the terms of its franchise agreements with the franchisor and its applicable area development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect Ohana's operations.
Brand loyalty	Ohana relies on the other franchisees to uphold the Planet Fitness brand. Franchisees are contractually obligated to operate their clubs under the standards outlined in the agreements with the franchisor. However, the other franchisees are independent third parties whose actions are outside of the control of Ohana.
Performance amongst new clubs	Ohana continues to expand, which comes with the risk that not all new clubs produce the same returns as current clubs. Further, there is a risk of ensuring new clubs are not within close enough proximity to existing stores that would negatively impact the existing stores' results.
High level of competition	The high level of competition in the health and fitness industry could materially and adversely affect their business. Ohana may not be able to compete effectively in the markets in which they operate. Competitors may attempt to copy their business model, which could erode market share and impair profitability. This competition may limit their ability to attract and retain existing members and their ability to attract new members, which in each case could materially and adversely affect their results of operations and financial condition. Increase in competition also may limit ability to attract staff in addition to new customers.
Reliance on IT	Ohana relies heavily on their IT systems and the security within, both for ease of service with their point-of-sale processing systems and the security front to ensure the confidentiality of the information provided by customers. If the privacy and integrity of their customer's data, including member banking information, are not upheld, Ohana's reputation and business could be materially impacted.

Risks relating to all of our Partners, generally

Along with the risks relating specifically to our material Partners, several other risks impact all of our current and future Partners collectively, which, if realized, could have a material impact on our operations and financial condition, as described below.

How a Partner is leveraged may have adverse consequences to them

Leverage may have important adverse consequences on our Partners. Partners may be subject to restrictive financial and operating covenants. Leverage may impair our Partners' ability to finance their future operations and capital needs and continue paying Distributions. As a result, their flexibility to respond to changing business and economic conditions and business opportunities may be limited. A leveraged company's income and net assets will increase or decrease faster than if borrowed money was not used.

Our Partners rely on key personnel

Often, a private business's success depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons or a failure of any succession planning efforts could have a material adverse impact on a Partner's operations or ability to access additional capital, qualified personnel, expand or compete. See also, "*Risk Factors – Operational and Financial Risk Factors Relating to our Business*" and "*Our Partners and we rely heavily on key personnel*".

A lack of funding for our Partners could have adverse consequences to them

Each of our Partners may continue to require additional working capital to conduct their existing business activities and expand their businesses. Our Partners may need to raise additional funds through collaborations with corporate partners, including Alaris, or through private or public financings to support their long-term growth efforts. If adequate funds are unavailable, our Partners may need to curtail their business objectives in one or more areas. There can be no assurance that unforeseen developments or circumstances will not alter a Partner's capital requirements. No assurance can be given that additional financing will be available on acceptable terms, if at all.

Failure to realize anticipated benefits of acquisitions, new business lines or locations

The business model for many of our Partners includes acquiring businesses and assets or growth through expanding to new locations. In addition, a Partner's business could launch a new business line or service offering. Achieving the benefits of acquisitions, new business lines, new locations and other transactions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, allocating appropriate resources, including management time, and a Partner's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses, assets and operations with those of their own. The integration of acquired businesses, new business lines or locations may require substantial management effort, time and resources, thereby potentially diverting management's focus from other strategic opportunities and operational matters. A failure to realize the anticipated benefits of such acquisitions, new business lines or locations could have a material adverse impact on a Partner's operations and therefore on our operations.

Our Partners may suffer damage to their brand reputations

Damage to our Partners' brands or reputation, or the reputation of the brands of suppliers of products that the Partners offer, could result from events out of our Partners' control. This damage could negatively impact consumer opinion of our Partners or their related products and services, which could harm the Partners' performance.

Our Partners face intense competition

Our Partners may face intense competition, including competition from companies with greater financial and other resources, more extensive development, manufacturing, marketing, other capabilities and more qualified managerial and technical personnel. There can be no assurance that our Partners will be able to compete against their respective competitors successfully or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows and therefore their ability to pay Distributions.

Changes in the industry in which the Partners operate

Our Partners operate in several different industries, some of which are heavily regulated. A change in the regulatory regime of such industries or a material change in the economic factors specific to any industry in which our Partners operate could have a material impact on the operations of such Partners and therefore could have an adverse impact on their ability to pay Distributions.

Risks regarding legal proceedings involving our Partners

During the course of their operations, our Partners may be subject to or involved in lawsuits, claims, regulatory proceedings or other litigation matters for amounts not covered by their liability insurance. Some of these proceedings could result in high costs and restraints on a Partner's operations, which could negatively impact their ability to pay Distributions and therefore could have a material impact on our financial performance.

There could be material adjustments to financial information once an annual audit is conducted

Alaris receives unaudited internal financial information from each of its Partners throughout the year and bases certain estimates on this information, including ECR estimates. Upon conducting an audit of the annual information, there could be material adjustments to the financial statements used by us in determining such estimates, and therefore Alaris may have to change certain guidance that it had previously given to its Unitholders. The adjustments could also impact financial covenants that our Partners have with their lenders and thus could impact Distributions.

Customer Concentration

At times, some Partners may have a single customer concentration or only a handful of customers that make up a large portion of their revenues. If there is a loss of one or some of these customers, there could be a material impact on a Partner's business and its cash flows, which could have a material impact on the Partner's ability to pay Distributions.

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

Another public health crisis like COVID-19 could disrupt a Partner's ability to carry on business in the ordinary course including by reducing their earnings, leading to an inability to pay Distributions to Alaris and a reduction in our revenues. In addition, the disruption to supply chains, overall market sentiment, credit rating, political and governmental reaction and risks to employee health and safety due to such health crisis may result in a slowdown or temporary shutdown of the operations of one or more of our Partners.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements (collectively, “forward-looking statements”) 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; net cash from operating activities; the Trust’s Run Rate Payout Ratio, Run Rate

Cash Flow and Run Rate Revenue; the impact of new investments and follow-on investments; the Trust's and Acquisition Entities consolidated expenses (quarterly and annually); 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; potential Partner redemptions, including the timing, if at all, thereof and the amounts to be received by the Trust; annualized net cash from operating activities; changes in Distributions from Partners; the proposed resolutions to any outstanding issues with certain Partners including any deferred Distributions; the timing for collection of deferred or unpaid Distributions; impact of new investment structures; impact of changes to the U.S./Canadian dollar exchange rate; impact of changes in interest rates, including SOFR; expected gain on common equity and future exits; impact of Alaris AUM strategy including, without limitation, the impact of management fees and profit participation; and Alaris' ability to invest 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 investment 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 impact of any global health crises, like COVID-19, and global economic and political factors) are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: the Russia/Ukraine conflict, conflicts in the Middle East, and other global economic pressures over the next twelve months will not materially impact Alaris, its Partners or the global economy; interest rates will not rise in a matter materially different from the prevailing market expectation over the next 12 months; global heath crises, like COVID-19 or variants there of will not impact the economy or our partners operations in a material way in the next 12 months; the businesses of the majority of our Partners will continue to grow; more private companies will require access to alternative sources of capital; the businesses of new Partners and those of existing Partners will perform in line with Alaris' expectations and diligence; and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that the Canadian and U.S. dollar trading pair will remain in a range of approximately plus or minus 15% of the current rate over the next 6 months. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies as well as prevailing economic conditions at the time of such determinations.

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 dependence of the Trust on the Partners; risks relating to the Partners and their businesses; reliance on key personnel; general economic conditions, including global health crises, the Russia/Ukraine conflict conflicts in the Middle East, other global conflicts, global supply chain issues or inflationary measures on the Canadian, U.S. and global economies; the impact of tariffs and international trade disputes on the Trust and the Partners (including how many Partners will experience slow down in their business and the length of time of such slow down); failure to complete or realize the anticipated benefits of transactions or additional investment structures, including asset management or increased common equity ownership; 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 reinvest 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; a failure to settle outstanding litigation on expected terms 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; a negative impact on the Trust or Partners with respect to cyber security and or implementation of artificial intelligence. The information contained in this MD&A and the Trust's management discussion and analysis and annual information form for the December 31, 2024 fiscal year, 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.sedarplus.ca or under the "Investors" section of Alaris' website at www.alarisequitypartners.com.