Alaris Equity Partners Income Trust Releases 2021 Fourth Quarter and Annual Financial Results

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CALGARY, March 09, 2022 - Alaris Equity Partners Income Trust (together, as applicable, with its subsidiaries, "Alaris" or the "Trust") is pleased to announce its results for the three months and year ended December 31, 2021. The results are prepared in accordance with International Accounting Standard 34. All amounts below are in Canadian dollars unless otherwise noted.

Highlights:

- Revenue of $37.6 million and cash generated from operating activities of $34.5 million in the fourth quarter of 2021 represent 18% and 29% increases respectively, as compared to the same period in 2020. On a per unit basis, revenue of $0.83 represents a 5.7% decrease and cash generated from operating activities of $0.76 represents a 4.1% increase, both as compared to Q4 2020;
- Full year 2021 revenue of $147.7 million and cash generated from operating activities of $124.7 million represent 35% and 44% increases each, as compared to 2020. On a per unit basis, revenue of $3.36 and cash generated from operating activities of $2.83 are each up by 10.9% and 17.9% compared to 2020;
- Capital deployment of $92.9 million in the quarter and $357.8 million in the year resulted in a record year of deployment for Alaris in 2021. This annual deployment is expected to generate additional annualized preferred distributions of approximately $41.7 million, or $0.92 per unit, in addition to common distributions if declared, as $51.0 million of the total $357.8 million invested was in exchange for minority common equity positions in certain Alaris Partners;
- Alaris is expecting an overall positive reset of approximately 2.4% for preferred distributions that are resetting in 2022, resulting in additional Run Rate Revenue (3) of $2.6 million or $0.06 per unit;
- The weighted average combined Earnings Coverage Ratio (5) for Alaris' Partners has increased further and is now above 1.8x for the year ended December 31, 2021, with fifteen of nineteen Partners greater than 1.5x;
- Alaris had a $63.2 million net increase in fair value of investments in 2021, resulting in a Book Value per unit (9) of $17.93 at December 31, 2021 as compared to $16.75 at the end of 2020, an improvement of 7.0%;
- Subsequent to December 31, 2021, the Trust completed a $65.0 million bought deal offering of senior unsecured debentures at a price of $1,000 per debenture. The offering closed on February 4, 2022 and the debentures will bear interest at a rate of 6.25% per annum, with a maturity date of March 31, 2027. The net proceeds to Alaris after underwriters' fees and expenses was approximately $62.0 million, which was used to repay senior indebtedness;
- For 2021 Alaris realized an Actual Payout Ratio (2) of 53%, thereby generating approximately $49 million of excess cash that was used for a combination of follow-on investments and repaying senior debt; and
- Alaris reduced its outstanding senior debt to $265 million as of the date of this release with approximately $135 million of available capacity based on covenants and credit terms.

President's Message

"The momentum that started in the second half of 2020 continued on throughout 2021 as we had sustained success in deploying capital in an extremely competitive environment. Going back 18 months, Alaris has now deployed more than $500 million into both new partners as well as helping our current partners grow and we have done this without sacrificing on our return expectations. On just a cash yield basis, we are receiving more than a 13% return on our preferred equity holdings and while the common equity holdings that we have are contributing a lower cash yield, the capital appreciation we expect on those investments will help our overall return profile going forward.

In 2021 it also marked our 12th straight year of positive overall partner resets on our preferred distributions.

The 2.4% increase is a solid number but the underlying portfolio is showing stronger numbers than that, considering that our one un-collared investment, LMS, saw an approximate 18% year over year decrease in gross profit. Excluding LMS, the rest of the portfolio is expected to have a net positive reset of approximately 4%. With 12 straight years of organic growth, a dynamic growth engine provided by accretive deployment and an all-time low 65% Run Rate Payout Ratio [(4)], we offer a secure and growing cashflow stream to our unitholders that we are very proud of.

Looking forward, the network of advisors that show us new opportunities as well as the reputation that we have earned over the last 18 years continues to generate excellent choices for us as we look to expand our business. Our structure presents us with opportunities in a very unique asset class that competitors have a difficult time penetrating.

Thank you to our partners, board of trustees, service providers and most importantly our incredible team of employees at Alaris for another record year."

Per Unit Results	Three months ended			Year ended		
Period ending December 31	2021	2020	% Change	2021	2020	% Change
Revenue	$0.83	$0.88	-5.7 %	$3.36	$3.03	+10.9 %
EBITDA	$1.26	$1.12	+12.5 %	$4.35	$1.48	+193.9 %
Cash generated from operating activities	$0.76	$0.73	+4.1 %	$2.83	$2.40	+17.9 %
Distributions declared	$0.33	$0.31	+6.5 %	$1.28	$1.32	-3.0 %
Basic earnings	$1.02	$0.85	+20.0 %	$3.28	$0.56	+485.7 %
Fully diluted earnings	$0.97	$0.80	+21.3 %	$3.13	$0.56	+458.9 %
Weighted average basic units (000's)	45,121	36,472		43,994	36,121	

For the three months ended December 31, 2021, revenue per unit decreased by 5.7% compared to the same period in 2020 due to Alaris receiving a full year of Distributions from Kimco Holdings, LLC ("Kimco") in Q4 2020 and additional payments from Body Contour Centers, LLC ("BCC") that were deferred in Q2 2020, as well as fewer distributions in Q4 2021 from Federal Resources Supply Company and its subsidiaries ("FED") following their redemption in October 2021. These were partially offset by additional distributions in the three months ended December 31, 2021 from the new investments in Edgewater Technical Associates, LLC ("Edgewater"), Falcon Master Holdings LLC ("FNC"), Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "Brown & Settle"), 3E, LLC ("3E") and Vehicle Leasing Holdings, LLC ("D&M"), as well as full distributions from PF Growth Partners, LLC ("PFGP") as they were still deferring their distributions during Q4 2020 as a result of the impact of COVID-19.

In the year ended December 31, 2021, revenue per unit increased by 10.9% compared to 2020 due to the additional new investments listed above, follow-on investments in GWM Holdings, Inc. and its subsidiaries ("GWM"), BCC and Accscient, LLC ("Accscient"), receiving Distributions from PFGP (partial in the first half of 2021 and full Distributions in Q3 and Q4) as well as receiving additional Distributions from Kimco in 2021 that were deferred from a prior year. These were partially offset by the redemption of Sales Benchmark Index LLC ("SBI") in 2020, the redemption of FED in Q4 2021 and also a lower average exchange rate in 2021 as the average exchange rate from USD to CAD deteriorated approximately 7% from 2020.

As cash generated from operating activities excludes all non-cash items in the Trust's consolidated statement of comprehensive income, the cash generated from operating activities per unit and the changes from period to period is an important tool to use to summarize the ability for Alaris to generate cash.

Cash generated from operating activities per unit in Q4 2021 increased by 4.1% compared to Q4 2020 due to changes in working capital, primarily related to changes in the income tax receivable and payable balances related to the timing and amounts of tax payments and provisions, as well as a slight improvement in general and administrative expenses per unit. Partially offset by the decrease in revenue per unit discussed above.

In the year ended December 31, 2021, cash generated from operating activities increased by 17.9% compared to 2020 due to the increase in revenue per unit discussed above as well as fewer general and administrative expenses. These improvements were partially offset by a higher average exchange rate in the prior year, which increased USD revenues in 2020, as well as higher finance costs per unit in the current year due to a higher amount of average senior debt outstanding.

Basic earnings per unit increased by 20.0% in the three months ended December 31, 2021, as compared to the Q4 2020, as a result of the unrealized gain on foreign exchange in the current period as well as a reduced income tax expense.

For the year ended December 31, 2021, basic earnings per unit improved significantly as a result of the improvement in revenue per unit and a reduction in general and administrative expenses. Further contributing to the increase in earnings per unit of $3.28 was a net increase in investments at fair value of $63.2 million in 2021, compared to 2020 earnings per unit of $0.56 including a net unrealized and realized loss on investments of $41.5 million. The net increase in investments at fair value in 2021 outlines the recovery in the financial performance of Alaris' Partners since 2020, while the $41.5 million net decrease in 2020 was due to the initial impact that COVID-19 had collectively on all the Partners.

Outlook

The Trust deployed approximately $357.8 million in 2021, consistent with the Trust's total acquisition of investments in its consolidated statement of cash flows. This deployment has contributed to a record year of revenue for Alaris of $147.7 million or $3.36 per unit. Total revenue in Q4 2021 of $37.6 million was higher than expected due to follow-on investments in 3E, D&M and BCC, incremental common distributions from FNC, as well as a higher average exchange rate than forecasted. As outlined below, the outlook for the next twelve months remains positive with Run Rate Revenue (3) in 2022 expected to be approximately $150.7 million. This includes current contracted amounts, an additional US$2.4 million from PFGP related to deferred distributions from during COVID-19 and an estimated $3.1 million of common dividends or distributions. Alaris expects total revenue from its Partners in Q1 2022 of approximately $38.6 million.

The Run Rate Cash Flow (6) table below outlines the Trust's expectation for revenue, general and administrative expenses, interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow outlines the net cash from operating activities, net of distributions paid, that Alaris is expecting to have after the next twelve months. This measure is comparable to net cash from operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows. Annual general and administrative expenses are currently estimated at $14.0 million and include all public company costs. The Trust's Run Rate Payout Ratio (4) is expected to be within a range of 60% and 65% when including Run Rate Revenue (3), overhead expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow (6) alongside the after-tax impact of positive net deployment and the impact of every $0.01 change in the USD to CAD exchange rate.

Run Rate Cash Flow *($ thousands except per unit)*		Amount ($)	$ / Unit
Revenue		$ 150,700	$ 3.34
General and administrative expenses		(14,000)	(0.31)
Interest and taxes		(44,600)	(0.99)
Net cash from operating activities		$ 92,100	$ 2.04
Distributions paid		(59,600)	(1.32)
Run Rate Cash Flow		$ 32,500	$ 0.72
Other considerations (after taxes and interest):			
New investments	Every $50 million deployed @ 14%	+3,563	+0.08
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

The senior debt facility was drawn to $326.6 million at December 31, 2021 in the Trust's statement of financial position. The annual interest rate on that debt, inclusive of standby charges on available capacity, was approximately 4.5% for the year ended December 31, 2021. Subsequent to year-end, the proceeds from the senior unsecured debentures issued in February 2022 of $62.0 million ($65.0 million of proceeds net of $3.0 million of transaction costs) were used to repay senior debt. Following this repayment the total drawn as of the date of this release is approximately $265 million, with the capacity to draw up to an additional $135 million based on covenants and credit terms.

The Consolidated Statement of Financial Position, Statement of Comprehensive Income, and Statement of

Cash Flows are attached to this news release. Alaris' financial statements and MD&A are available on SEDAR at www.sedar.com and on our website at www.alarisequitypartners.com.

Earnings Release Date and Conference Call Details

Alaris management will host a conference call at 9am MT (11am ET), Thursday, March 10, 2022 to discuss the financial results and outlook for the Trust.

Participants in North America can access the conference call by dialing toll free 1-866-475-5449. Alternatively, to listen to this event online, please click the webcast link and follow the prompts given: Q4 Webcast. Please connect to the call or log into the webcast at least 10 minutes prior to the beginning of the event.

For those unable to participate in the conference call at the scheduled time, it will be archived for instant replay for a week. You can access the replay by dialing toll free 1-855-859-2056 and entering the Conference ID: 8765653 with Web PIN: 7852. The webcast will be archived and is available for replay by using the same link as above or by finding the link we'll have stored under the "Investor" section - "Presentation and Events", on our website at www.alarisequitypartners.com.

An updated corporate presentation will be posted to the Trust's website within 24 hours at www.alarisequitypartners.com.

About the Trust:

Alaris, through its subsidiaries, provides alternative financing to private companies ("Partners") in exchange for distributions, dividends or interest (collectively, "Distributions") with the principal objective of generating stable and predictable cash flows for distribution payments to its unitholders. Distributions from the Partners are adjusted annually based on the percentage change of a "top-line" financial performance measure such as gross margin or same store sales and rank in priority to the owner's common equity position.

Non-GAAP and Other Financial Measures
The terms EBITDA, Actual Payout Ratio, Run Rate Revenue, Run Rate Payout Ratio, Earnings Coverage Ratio, Run Rate Cash Flow, IRR and Per Unit amounts (collectively, the "Non-GAAP and Other Financial Measures") are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). The Trust's method of calculating EBITDA, Actual Payout Ratio, Run Rate Revenue, Run Rate Payout Ratio, Earnings Coverage Ratio, Run Rate Cash Flow, IRR, Book Value per unit and Per Unit amounts may differ from the methods used by other issuers. Therefore, the Trust's EBITDA, Actual Payout Ratio, Run Rate Revenue, Run Rate Payout Ratio, Earnings Coverage Ratio, Run Rate Cash Flow, IRR, Book Value per unit and Per Unit amounts may not be comparable to similar measures presented by other issuers.

(1) "EBITDA" and "EBITDA per unit" 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 and the same amount divided by weighted average basic units outstanding. EBITDA and EBITDA per unit are used by management and many investors to determine the ability of an issuer to generate cash from operations, aside from still including fluctuations due to changes in exchange rates and changes in the Trust's investments at fair value. Management believes EBITDA and EBITDA per unit are useful supplemental 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. Refer to the reconciliation of EBITDA and calculation of EBITDA per unit in the table below.

	Three months ended December 31				Year ended December 31			
$ thousands except per unit amounts	2021	2020	% Change		2021	2020	% Change	
Earnings	$46,102	$30,847	+49.5	%	$144,244	$20,291	+610.9	%
Depreciation and amortization	46	53	-13.2	%	211	222	-5.0	%
Finance costs	6,723	4,772	+40.9	%	24,988	18,103	+38.0	%

Total income tax expense	3,756	5,181	-27.5	%	21,801	14,757	+47.7	%
EBITDA	$56,627	$40,853	+38.6	%	$191,244	$53,373	+258.3	%
Weighted average basic units (000's)	45,121	36,472			43,994	36,121		
EBITDA per unit	$1.26	$1.12	+12.5	%	$4.35	$1.48	+193.9	%

(2) "Actual Payout Ratio" is a supplementary financial measure and refers to Alaris' total distributions paid during the period (annually or quarterly) divided by the actual net cash from operating activities Alaris generated for the period. It represents the net cash from operating activities after distributions paid to unitholders available for either repayments of senior debt and/or to be used in investing activities.

(3) "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 as well as 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.

(4) "Run Rate Payout Ratio" is a Non-GAAP financial ratio 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. Run Rate Payout Ratio is comparable to Actual Payout Ratio as defined above.

(5) "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.

(6) "Run Rate Cash Flow" is a Non-GAAP financial measure and outlines the net cash from operating activities, net of distributions paid, that Alaris is expecting to have after the next twelve months. This measure is comparable to net cash from operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows.

(7) "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.

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

(9) "Book Value per unit" - is a supplementary financial measure and refers to Alaris' total equity divided by the basic weighted average number of units outstanding. Management uses Book Value per unit to outline an approximate equity value of each unit as at each reporting date.

The terms EBITDA, Actual Payout Ratio, Run Rate Revenue, Run Rate Payout Ratio, Earnings Coverage Ratio, Run Rate Cash Flow, IRR, Book Value per unit and Per Unit amounts should only be used in conjunction with the Trust's annual audited financial statements, complete versions of which available on SEDAR at www.sedar.com.

Forward-Looking Statements

This news release 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 news release are 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 news release contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners; the Trust's Run Rate Payout Ratio, Run Rate Cash Flow and Run Rate Revenue; the impact of recent new investments and follow-on investments; expected resets of Distributions in 2022; the Trust's consolidated expenses; expectations regarding receipt (and amount of) any common equity distributions or dividends from Partners in which Alaris holds common equity, including the impact on the Trust's net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the use of proceeds from the senior credit facility; the Trust's ability to deploy capital and expectations regarding the same; the yield on the Trust's investments; the Trust's return on its investments; potential Partner redemptions, including the timing, if at all, thereof and the amounts to be received by the Trust (including, specifically, the potential Kimco redemption); Q1 2022 revenue; and the Trust's expenses for 2022. To the extent any forward-looking statements herein constitute a financial outlook or future oriented financial information (collectively, "FOFI"), including estimates regarding revenues, Distributions from Partners (including expected resets, restarting full or partial Distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Cash Flow, net cash from operating activities, expenses and impact of capital deployment, they were approved by management as of the date hereof and have been included to provide an understanding with respect to 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.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Alaris' business and that of its Partners (including, without limitation, the ongoing impact of COVID-19) are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: the Canadian and U.S. economies will continue to stabilize from the economic downturn created by COVID-19 and will not be detrimentally impacted over the next twelve months, interest rates will not rise in a material way over the next 12 months, that those Alaris Partners previously affected by COVID-19 will not see a detrimental impact from COVID-19 over 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.

There can be no assurance that the assumptions, 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. The actual results of the Trust and the Partners could materially differ from those anticipated in the forward-looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: the ongoing impact of the COVID-19 pandemic on the Trust and the Partners (including how many Partners will experience a slowdown or closure of their business and the length of time of such slowdown or closure); management's ability to assess and mitigate the impacts of COVID-19; the dependence of Alaris on the Partners; leverage and restrictive covenants under credit facilities; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, U.S. and global economies; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Partners; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; risks relating to the Partners and their businesses, including, without limitation, a material change in the operations of a Partner or the industries they operate in; inability to close additional Partner contributions or collect proceeds from any redemptions in a timely fashion on anticipated terms, or at all; 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 change in the unaudited information provided to the Trust; and 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. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" and "Forward Looking Statements" in Alaris' Management Discussion and Analysis and Annual Information Form for the year ended December 31, 2021, which is filed under Alaris' profile at www.sedar.com and on its website at www.alarisequitypartners.com.

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.

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.

For more information please contact:
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Alaris Equity Partners Income Trust
Consolidated statements of financial position

	31-Dec	31-Dec
$ thousands	2021	2020
Assets		
Cash and cash equivalents	$ 18,447	$ 16,498
Derivative contracts	71	1,489
Accounts receivable and prepayments	3,181	981
Income taxes receivable	28,991	12,669
Promissory notes and other assets	13,555	4,000
Current Assets	$ 64,245	$ 35,637
Promissory notes and other assets	-	19,233
Deposits	24,979	20,206
Property and equipment	658	846
Investments	1,185,327	880,512
Non-current assets	$ 1,210,964	$ 920,797
Total Assets	$ 1,275,209	$ 956,434
Liabilities		
Accounts payable and accrued liabilities	$ 8,214	$ 5,351
Distributions payable	14,899	12,089
Office Lease	500	659
Income tax payable	740	723
Current Liabilities	$ 24,353	$ 18,822
Deferred income taxes	43,903	16,112
Loans and borrowings	326,569	229,477
Convertible debenture	89,592	86,029
Other long-term liabilities	1,933	980
Non-current liabilities	$ 461,997	$ 332,598
Total Liabilities	$ 486,350	$ 351,420
Equity		
Unitholders' capital	$ 754,622	$ 659,988

Equity reserve	-	17,621
Translation reserve	15,052	12,431
Retained earnings / (deficit)	19,185	(85,026)
Total Equity	$ 788,859	$ 605,014
Total Liabilities and Equity	$ 1,275,209	$ 956,434

[Alaris Equity Partners Income Trust]
Consolidated statements of comprehensive income

	Year ended December 31	
$ thousands except per unit amounts	2021	2020
Revenues, including realized foreign exchange gain	$ 147,664	$ 109,568
Net realized gain / (loss) from investments	9,921	(26,863)
Net unrealized gain / (loss) of investments at fair value	53,275	(14,623)
Bad debt recovery	4,030	183
Total revenue and other operating income	$ 214,890	$ 68,265
General and administrative	13,273	14,519
Transaction diligence costs	4,246	5,532
Unit-based compensation	5,362	2,708
Depreciation and amortization	211	222
Total operating expenses	23,092	22,981
Earnings from operations	$ 191,798	$ 45,284
Finance costs	24,988	18,103
Unrealized (gain) / loss on derivative contracts	1,419	(935)
Unrealized foreign exchange (gain) / loss	(654)	206
Non-cash impact of trust conversion	-	(7,138)
Earnings before taxes	$ 166,045	$ 35,048
Current income tax (recovery)	(5,682)	(875)
Deferred income tax expense	27,483	15,632
Total income tax expense	21,801	14,757
Earnings	$ 144,244	$ 20,291
Other comprehensive income		
Foreign currency translation differences	2,621	(4,645)
Total comprehensive income	$ 146,865	$ 15,646
Earnings per unit		
Basic	$ 3.28	$ 0.56
Fully diluted	$ 3.13	$ 0.56
Weighted average units outstanding		
Basic	43,994	36,121
Fully Diluted	48,432	36,482

[Alaris Equity Partners Income Trust]
Consolidated statements of cash flows

	Year ended December 31	
$ thousands	2021	2020
Cash flows from operating activities		
Earnings for the period	$ 144,244	$ 20,291

Adjustments for:		
Finance costs	24,988	18,103
Deferred income tax expense	27,483	15,632
Depreciation and amortization	211	222
Bad debt recovery	(4,030)	-
Net realized (gain) / loss from investments	(9,921)	26,863
Net unrealized (gain) / loss of investments at fair value	(53,275)	14,623
Unrealized (gain) / loss on derivative contracts	1,419	(935)
Unrealized foreign exchange (gain) / loss	(654)	206
Non-cash impact of trust conversion	-	(7,138)
Transaction diligence costs	4,246	5,532
Unit-based compensation	5,362	2,708
Changes in working capital:		
- accounts receivable and prepayments	(2,200)	(183)
- income tax receivable / payable	(15,997)	(11,424)
- accounts payable, accrued liabilities	2,805	2,327
Cash generated from operating activities	124,681	86,827
Cash interest paid	(20,523)	(14,965)
Net cash from operating activities	$ 104,158	$ 71,862
Cash flows from investing activities		
Acquisition of investments	$ (357,750)	$ (170,465)
Transaction diligence costs	(4,246)	(5,532)
Proceeds from partner redemptions	119,600	117,698
Proceeds on disposal of assets and liabilities held for sale	-	39,196
Promissory notes and other assets issued	(1,030)	-
Promissory notes and other assets repaid	14,435	2,499
Net cash used in investing activities	$ (228,991)	$ (16,604)
Cash flows from financing activities		
Repayment of loans and borrowings	$ (219,624)	$ (228,970)
Proceeds from loans and borrowings	318,130	184,465
Debt amendment and extension fees	(552)	-
Issuance of unitholders' capital, net of unit issue costs	90,287	43,375
Proceeds from convertible debenture, net of fees	-	-
Distributions paid	(54,844)	(41,511)
Trust unit repurchases	-	(10,051)
Office lease payments	(159)	(178)
Deposits with CRA	(4,773)	-
Net cash from / (used in) financing activities	$ 128,465	$ (52,870)
Net increase in cash and cash equivalents	$ 3,632	$ 2,388
Impact of foreign exchange on cash balances	(1,683)	(2,994)
Cash and cash equivalents, Beginning of year	16,498	17,104
Cash and cash equivalents, End of year	$ 18,447	$ 16,498
Cash taxes paid	$ 14,267	$ 7,616