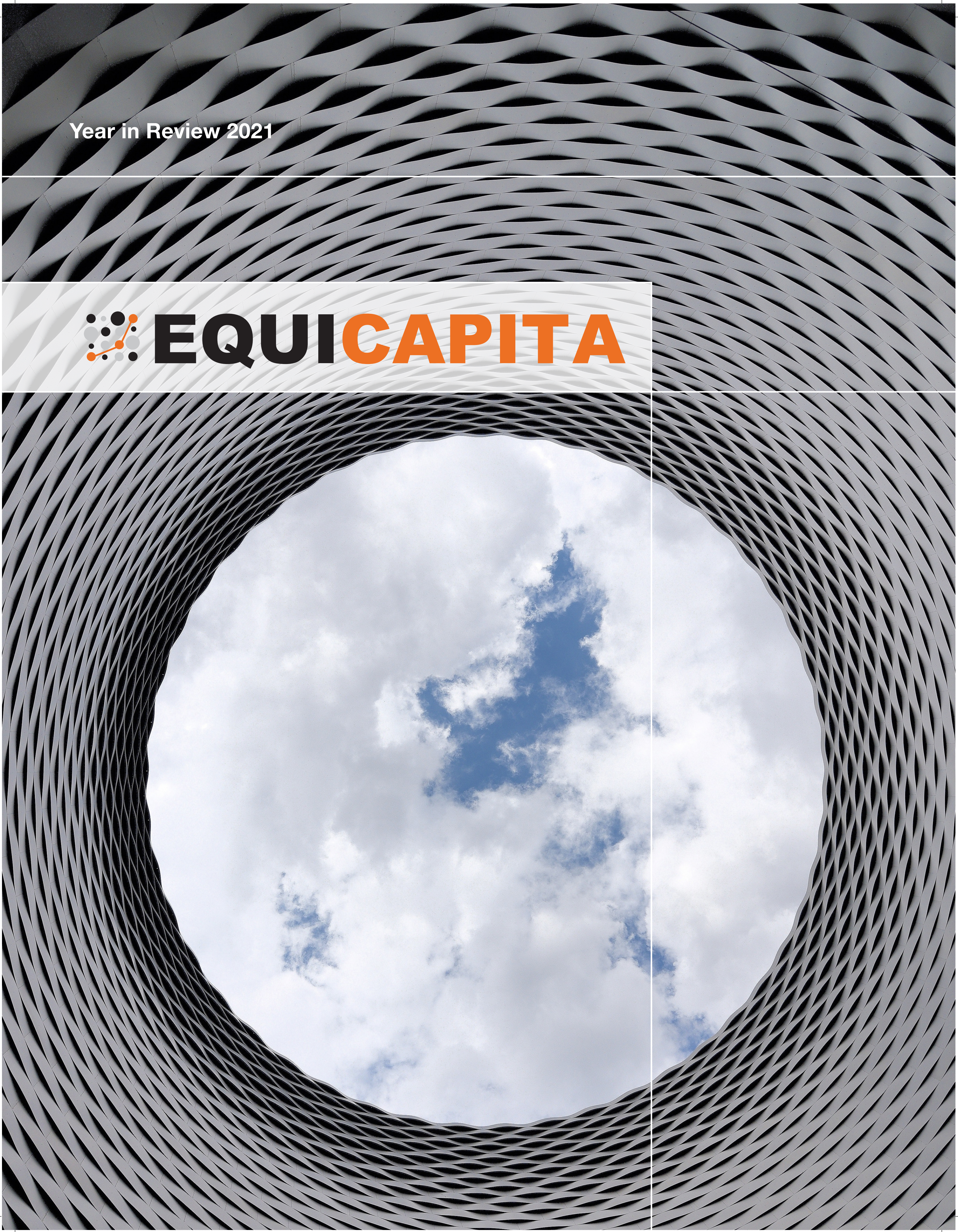
Year in Review 2021

EQUICAPITA



EQUICAPITA

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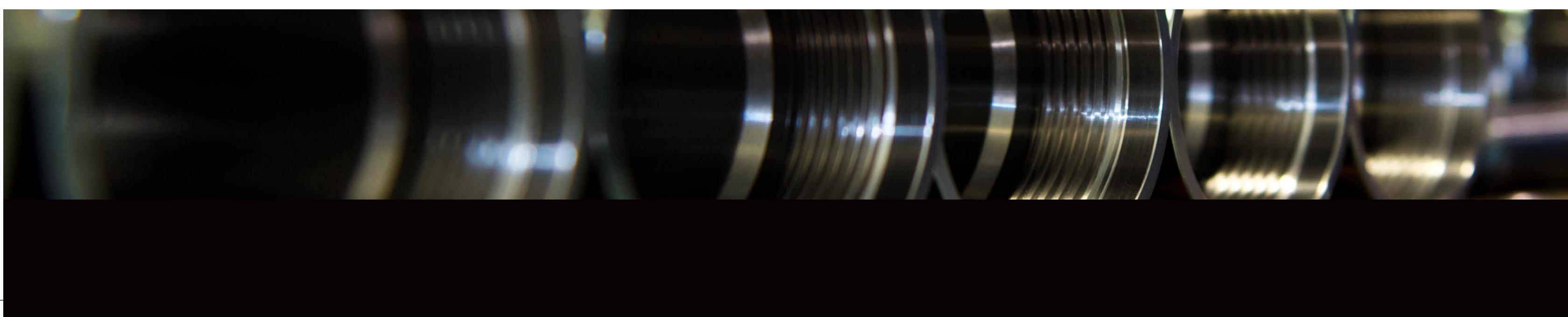

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MESSAGE TO OUR INVESTORS

As the pandemic maintained its grip in the first half of 2021, Equicapita continued its proactive response to the ever-changing environment. Despite global supply chain disruptions and government mandated restrictions and lockdowns, Equicapita is pleased to announce that it met and slightly exceeded its plan for the year with aggregate net normalized portfolio company EBITDA of $28.3m. In the absence of government subsidies, the results reflect a 7.7% year over year growth in revenue and a 12% year over year growth in operating income, bringing the fund closer in line with pre-pandemic performance levels.

As commenced in the prior year, cost reduction initiatives continued to focus on minimizing discretionary spending to maintain strong liquidity across the group. The Fund's operations team continued to work closely with the portfolio companies to identify and implement solutions to issues as they arose to successfully navigate the uncertainty of the times. As strong signs of recovery began to become evident in the second half of the year, it became more important than ever to maintain momentum to offset the risk of further disruption.

In the fourth quarter, Equicapita completed the acquisition of the Protec Group of Dental Laboratories alongside its first co-investment partner, while simultaneously forming the first of its industry vertical limited partnerships, Canadian Dental Laboratories Limited Partnership ("CDLLP"). CDLLP holds Equicapita's interest in both Protec and Shaw Dental Laboratory Inc. ("Shaw"). This transaction resulted in a full cycle EBITDA addition of $2.5m to the portfolio.

Distributions to unitholders in 2021 were nil, however, the accumulation of cash and repayment of debt were accretive to the value of the fund. Accumulated unpaid distributions become hurdle obligations on the wind up of the fund and the current Aggregate Fund Net Asset Value ("NAV") of $1.1776 per unit reflects coverage of approximately 88.4% of total accumulated unpaid distributions. We are pleased to announce that distributions are currently forecast for the second half of 2022 and the quantum of such distributions will be communicated in due course.

During the period since the last Year in Review, there has been an update to the fund management team. After 8 years with the fund, founder Michael Cook stepped down as partner and director and the fund enhanced its bench strength by welcoming three new partners, Kerri Furlong, Yannick Ferket and Harold Kunik. Michael will remain as an advisor to the board to facilitate the transition. We would like to take this opportunity to wish Michael all the best and thank him for his contributions to Equicapita.

Overall, the portfolio is well set for a successful upcoming year as COVID restrictions lift, oil prices improve and the economy rebounds. EBITDA guidance for 2022 has been set at a net normalized EBITDA of $31.5m.

We would like to take this opportunity to thank you, our fellow investors, for continuing to believe in Equicapita and for your unwavering support.

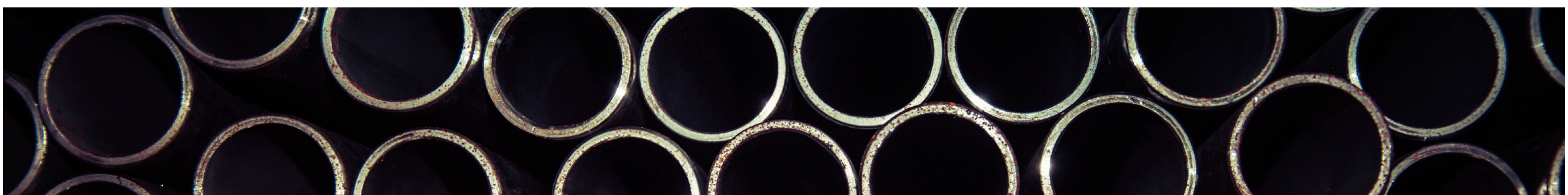
Stephen Johnston
Partner

Matt Barr
Partner

Kerri Furlong
Partner

Yannick Ferket
Partner

Harold Kunik
Partner



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EQUICAPITA AND ITS PORTFOLIO

Equicapita is a private SME buyout fund founded in 2013 to acquire a diversified pool of cash streams to provide investors with a combined yield and growth return. The fund acquires inexpensive, but more variable SME cash flows and improves its quality and reduces its operational complexity through diversification and integration with the goal of increasing its aggregate value. At the end of fiscal 2021, Equicapita had a majority ownership in thirteen operating companies.

KEY PERFORMANCE MEASURES AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2021

Assets Under Management ($M)	331
NAV ($/unit)	1.1776
Management Expense Ratio (%)	1.9
Acquisitions (inception to date)	14
Divestitures (inception to date)	1
Distributions (inception to date) ($M)	60
Gross Revenue ($M)	226
Net Portfolio Company EBITDA ($M)	28.3

ACQUISITION ANNOUNCEMENTS

Effective October 1, 2021, Equicapita, along with BMO Capital Partners as a co-investor, formed CDLLP in conjunction with the acquisition of Protec. CDLLP holds controlling equity interests in both Protec and Equicapita's existing dental lab investment, Shaw. Founded in 1983 and based in Vancouver, Protec is the leading dental laboratory in British Columbia, serving over 2,500 dentists across Canada and is considered a Canadian market leader in dental lab technology, including 3D printing and digital scanning. The formation of CDLLP creates a leading dental laboratory roll-up platform and one in which Equicapita can grow with BMO Capital Partners' participation, and the experienced Shaw and Protec management teams. The formation also gives investors exposure to the strong macro drivers of the healthcare segment combined with the reliable returns generated from scale as Equicapita actively makes follow-on acquisitions in the space.

On February 22, 2022, Ali Rezaei, President and CEO of Shaw, accepted an offer to take Protec under his leadership and become President of both entities to facilitate the planned retirement of Protec's General Manager. Ali has since begun the process of identifying and optimizing economy of scale between the two entities and he's looking forward to moving both entities towards their full potential.

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NET ASSET VALUE

NAV per unit at December 31, 2021 was $1.1776, an increase of $0.226 or 24% over the prior year. The NAV improvement is a result of a combination of factors, including a return to pre-pandemic forecasts, the repayment of debt, the accumulation of cash and the acquisition of Protec.

NAV is calculated quarterly in accordance with the published NAV policy and is meant to reflect the aggregate fair market value of the Fund expressed per unit, which assumes all units are of the same Series (i.e. identical Specified Rate) and were acquired before distributions were first reduced in Q3 2019.

The proceeds on a wind up of Equicapita Income LP (LP) is distributed as follows:

- First, 100% to the Preferred LP Unit holders on a pro rata basis until the holder of each Preferred LP Unit has received aggregate distributions in an amount equal to $1.00 with respect to each Preferred LP Unit, excluding previous distributions of this nature if applicable
- Second, 100% to the Preferred LP Unit holders until the holder of each Preferred LP Unit has received an amount equal to the outstanding and unpaid Preferred Return. If the proceeds are not sufficient to cover all outstanding and unpaid Preferred Return on all Preferred LP Units, then each Preferred LP Unit shall receive an amount equal to such Preferred LP Unit's pro rata portion of the remaining wind-up proceeds based on the outstanding and unpaid Preferred Return owed to such Preferred LP Unit relative to the aggregate outstanding and unpaid Preferred Returns owed to all Preferred LP Units
- Thereafter, 20% to the Special Limited Partner and 80% to the Preferred LP Unit holders on a pro rata basis

For clarity, each Equicapita Income Trust Unit has a corresponding LP Unit. The distribution of proceeds on wind up of the LP to those corresponding Preferred LP units will flow through to the Preferred Trust Unit holders.

Each investment in an LP unit has a unique NAV that together forms the Aggregate Fund NAV. The date of entry into the fund contributes to variations in NAV within a Series and the Specified Rate associated with a Series contributes to variations in NAV between Series.

Preferred Returns began to accumulate in Q3 2019 when distributions were first reduced. As a result, all LP units issued and outstanding in any given Series on or before June 30, 2019, have the same NAV. As Preferred LP C and D units are the only units issued post June 30, 2019, NAV per unit within each of these Series varies based on the timing of units issued.

Moving forward, Equicapita will be enhancing its NAV reporting by publishing series NAVs in 2022.

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CAPITAL RAISED

Despite the challenging conditions during 2021, Equicapita continued to attract capital, focusing on institutional investments. The fund has added $18.4M to its LP capital base since the beginning of 2021.

DISTRIBUTIONS

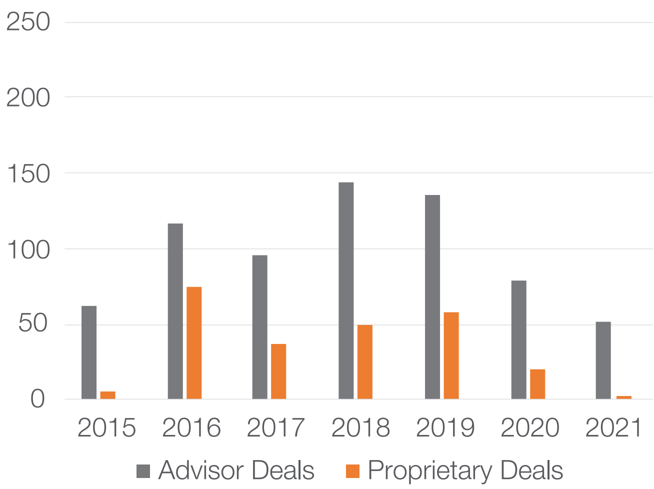
Distributions to unitholders in 2021 were nil, however the accumulation of cash and repayment of debt were accretive to the value of the fund. We are pleased to announce that distributions are currently forecast for the second half of 2022.

It is important to note that suspended distributions become hurdle obligations upon the wind-up of the fund and return of capital to investors.

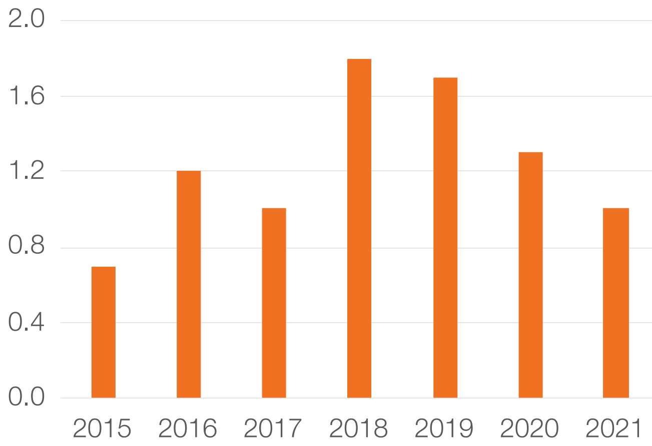
DEAL GENERATION

The deal pipeline continues to be robust with advisor and proprietary deal flow. The market in which we invest is competitive, but the investment opportunity continues to be significant with favourable macro conditions in the SME space (retirement demographics), but reduced volume due to COVID restrictions. We believe the window for our investment thesis will continue to be relevant over the long-term, as long as there are good businesses in the market where an ownership transition needs to occur.

Deals Reviewed



Notional EV of Deals Reviewed ($B)



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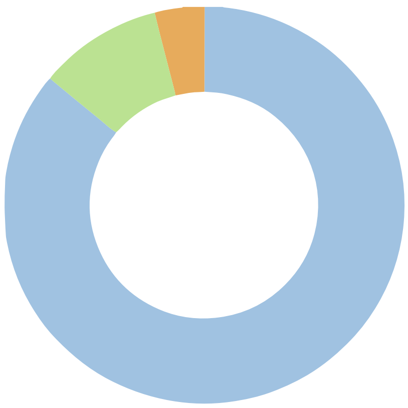
DIVERSIFIED PORTFOLIO DRIVERS

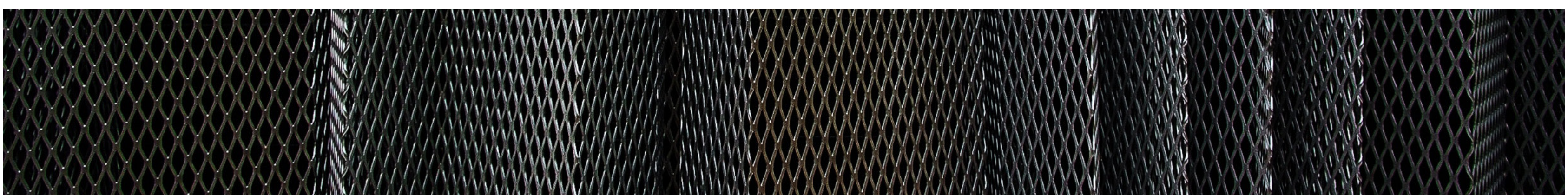
Equicapita has constructed a diversified portfolio with multiple earnings drivers and continues to seek to add unique return profiles. The following is a sample of three of our diversification profiles:



Industry	
Distribution	29%
Industrial	26%
Royalty/Franchise	19%
Regulatory	13%
Healthcare	13%

Revenue Geography	
Canada	86%
United States	10%
International	4%

Customer Type	
Retailers	29%
Franchisees/Consumers	19%
Regulatory bodies	13%
Fortune 500 customers	13%
Financial institution	13%
Healthcare providers	13%



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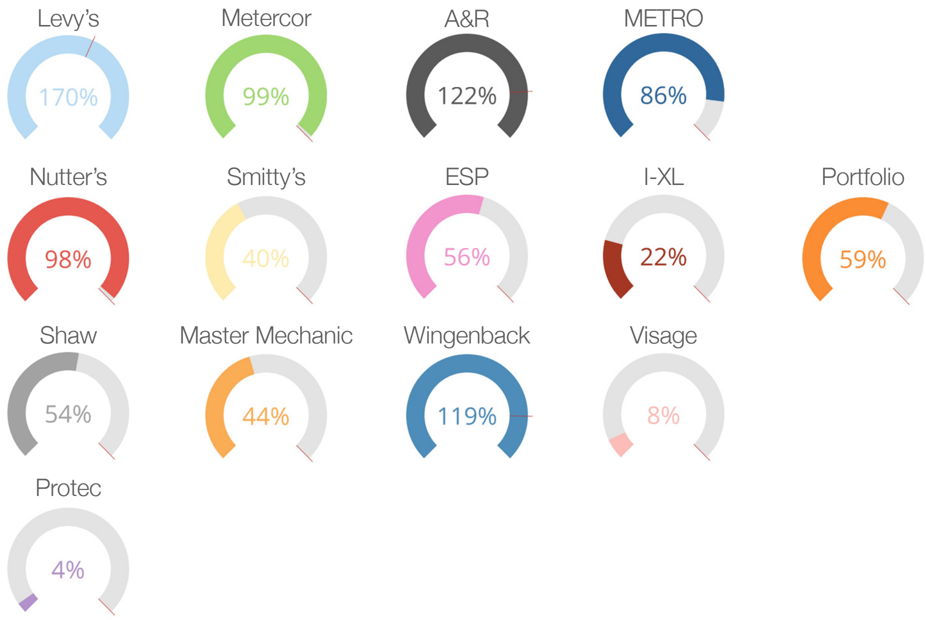
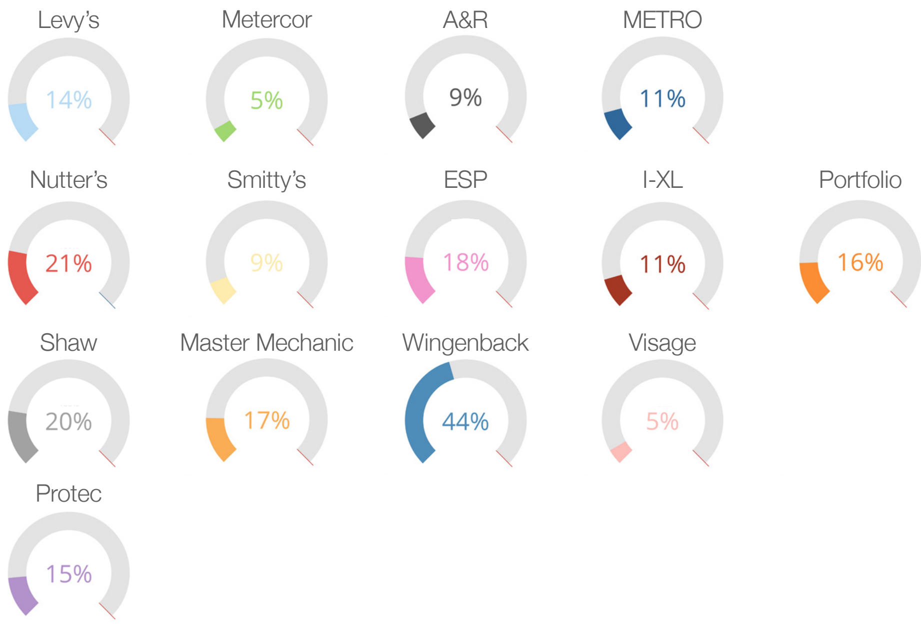
RETURN ON INVESTMENTS

Management utilizes normalized EBITDA as a percentage of capital deployed to measure return on investment in two ways. The first is by calculating the inception to date cumulative EBITDA as a percentage of capital deployed as shown by the visuals that follow:



The second is by calculating TTM EBITDA as a percentage of capital deployed as shown by the visuals below:



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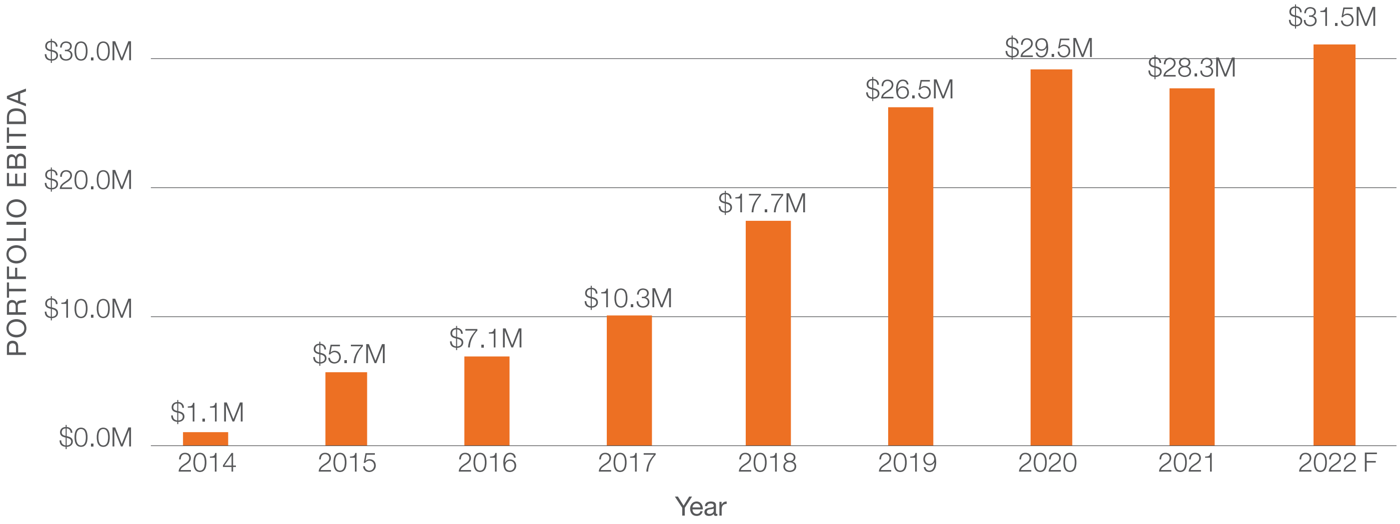
PORTFOLIO EBITDA

Equicapita's portfolio EBITDA continues to increase with acquisitions and organic investee company growth:

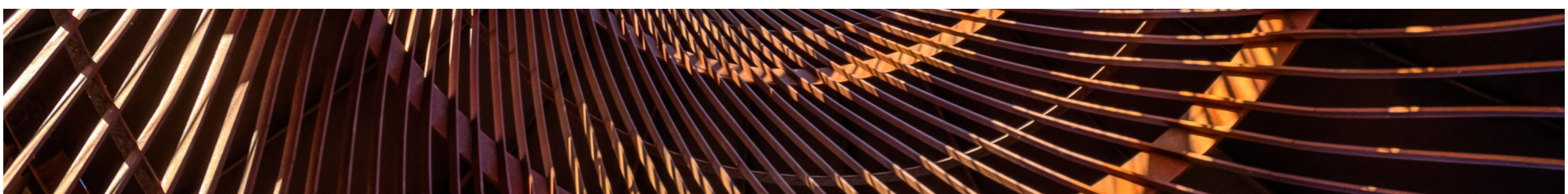
HISTORICAL AND FORECAST EBITDA



The following table reconciles operating income on the audited financial statements to Net Normalized Portfolio Company EBITDA.

Operating Income Summarized ($M)	2021	2020
Operating Income - Gross	30.7	30.5
Discontinued Operations (excluding non-cash items)	(0.1)	(0.2)
Interest Income	0.1	0.1
Less: Lease Payments	(6.8)	(5.6)
Add back:		
Fund Expenses	6.6	4.9
Portfolio Company Normalizations*	3.1	4.2
Non-Cash Provisions included in Operating Income	0.3	1.9
Gross Portfolio Company EBITDA	33.9	35.8
Less: Non-Controlling Interests	(5.6)	(6.3)
Net Normalized Portfolio Company EBITDA	28.3	29.5

Note:
**Normalizations include legal, accounting and other transaction-related expenses, non-recurring costs, severance and recruitment costs.*



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EQUIONE

EquiONE is a proprietary operational framework that uses business intelligence software to provide a platform for good companies to become great companies. The focus is on continuously improving our business processes. It is not a project, it is the fabric and new normal of how the businesses function. In conjunction with our software driven oversight and KPI systems, EquiONE allows us to quickly and cost effectively integrate new acquisitions into the portfolio and improve operational effectiveness. We believe this is a core competitive advantage and an additional source of returns in our portfolio.

KAIZEN SPOTLIGHT

Kaizen: Reduce Raw Material Scrap Rate
Before: High scrap rate in materials due to sheet size variations
After: Consolidation of sheet metal sizes to maximize the metal yield. Material loss reduction by 79% in muffler shield.
Annual Savings: ~$60,263

Kaizen: Sticky Foam Usage Reduction
Before: Sticky foam used to pack muffler shields before shipping
After: Sticky foam was removed from the muffler shield packaging, and alternative pads were installed on the edges to prevent metal-to-metal touching. The change saves approximately 936 sticky foam rolls per year.
Annual Savings: ~$47,890

Kaizen: Eliminate chronic defect of cracked/bubble on porcelain
Before: Issue with cracking on porcelain, resulting in products being rejected and materials, people hour and machine time loss.
After: Detailed RCA was completed using rapid kaizen resulting in change in alloy material used and furnace temperature settings modification. Eliminated the issue of product cracking with quality rate improvement from 90% to 100% (10% defect reduction rate).
Annual Savings: ~$80,000

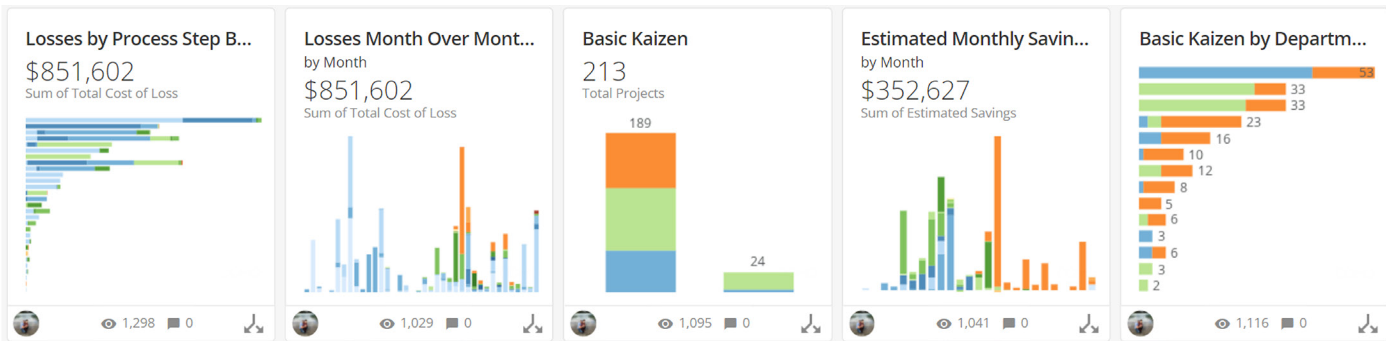
Kaizen: Store merchandizing relining – Store 5s and employee training
Before: Products were not organized by category and employees lacked knowledge about certain store processes.
After: Corporate stores merchandize re-lined, and employees trained on standards processes. Resulted in 0.8% increase in sales.
Annual Savings: ~$48,000

EQUIONE (CONTINUED)

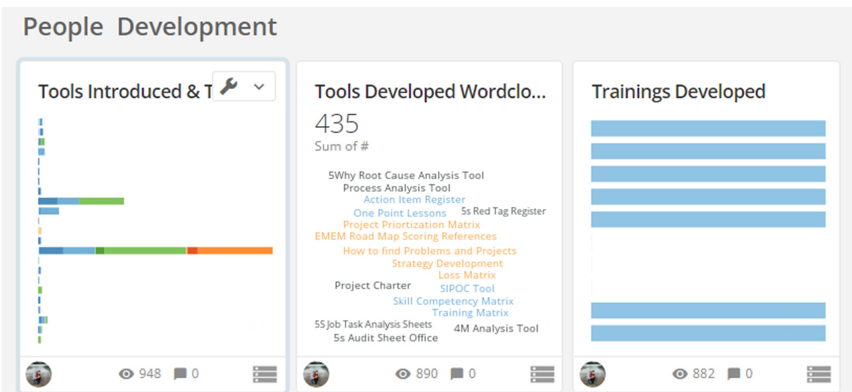
In 2021, 624 improvement projects were initiated and 417 of those were completed. These completed projects have resulted in an estimated annual cost savings/avoidance of $2.4M. As is illustrated in the above examples, the "Kaizen" methodology can convert seemingly small business/process changes into large savings that are highly accretive to the fund. The goal is for investee companies to have a pervasive ethos of continuous improvement such that there will be ongoing operational efficiencies contributing to the bottom line.

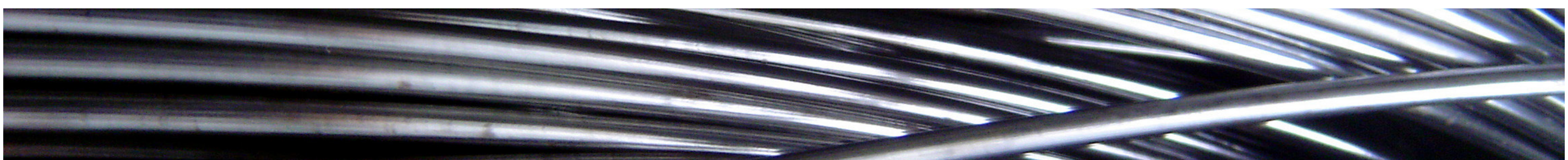
To identify where these waste and losses are located, we use a data first mindset. Visualizing the performance in our Business Intelligence platform creates a predictive rather than reactive, decision-making culture which allows for swift attention to presented opportunities and challenges. The EquiONE intelligence business platform has a centralized data repository of over 1.6B records, of which 660M are currently live. This tool enables data-driven decision making across the portfolio, departments and all levels of management.

PORTFOLIO COMPANY EXAMPLE



The success of EquiONE system lies with continuous skill development of employees through training on various lean six sigma tools. In 2021, more than 210 employees across the portfolio were trained in various problem-solving tools including loss analysis, waste elimination, and rapid kaizens. The EquiONE lean six sigma training library is available to support the skill development of our portfolio teams.





TEAM UPDATES

Equicapita is pleased to announce the following changes to its team:

Harold Kunik has joined the team as a partner and will be joining the various executives and boards of EIC and its portfolio companies. Harold was a co-founder with Stephen Johnston in Agcapita Farmland Funds. Harold is an experienced private equity professional whose previous role was as co-founder of Mosaic Capital Corporation. There, he led the Corporation in the acquisition of 15 mid-market businesses across Canada over a 13-year period ending in 2020 before the holdings were sold in a go-private transaction.

Kerri Furlong has become a partner after 7 years as key management of the fund. Kerri has over 12 years of experience working in finance across a variety of industries. In her current role, Kerri provides strategic management of the finance function including financial planning and risk management for the fund and its subsidiaries. Prior to joining Equicapita in 2015, Kerri spent 8 years at BDO Canada where her focus was both public and private entities across a variety of industries.

Yannick Ferket has become a partner after 5 years as key management of the fund. Yannick has over 10 years of experience working with business leaders in diverse industries implementing and project managing technological solutions for business requirements. In his current role, Yannick leads the onboarding of companies and provides oversight to portfolio company operations through real-time performance indicators and strategic execution.

John Lafkas has joined our team as Director of Real Estate, rounding out our Franchise Development Team. John brings with him a breadth of knowledge and is diligently working with each of our franchise businesses to source new locations for network growth opportunities.

Shameer Abdool has joined our team as Financial Controller. Shameer has progressive leadership experience in the financial services industry where his focus was on finance, strategic planning, and improvement of management reporting to create maximum business value. Scott Mahn, who was previously in the role has since moved into a new role as Manager of Finance, Portfolio Investments where he will use his finance and accounting technical expertise to guide the portfolio companies in operational growth decision making and analyses.

LEVY'S MACHINE WORKS LTD.
REPORT ON OPERATIONS

INVESTMENT DATE:	May 7, 2014	COMPANY WEBSITE:	www.levysmachineworks.com
EMPLOYEES:	29	OWNERSHIP:	100%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Industrial

BUSINESS DESCRIPTION

Levy's Machine Works Ltd. ("Levy's") specializes in producing precision machined components and offers services in CNC & conventional machining, welding and fabrication, equipment repairs and manufacturing, and construction of prototypes.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	6,299,699	52%	65%	(12%)
EBITDA	918,860	100%	682%	(38%)

KEY POINTS OF INTEREST

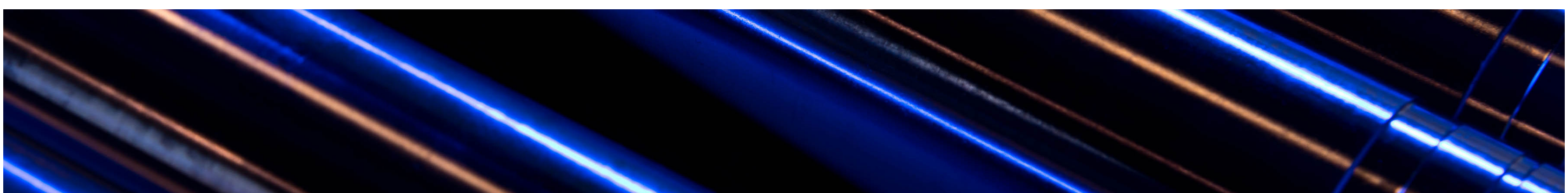
- Strategic stock agreement signed with multinational corporation to increase batch sizing, reduce production costs and provide stable long-term demand
- Optimization of production planning processes and machining to offset volatile pricing
- Challenges persist with supply chain driven raw material availability and experienced machinist labour shortages

RECENT DEVELOPMENTS

- Customer demand volume returning to 2019 levels, while market remains price competitive - operating temporarily at lower margins
- Working on alternate sourcing of raw materials and strategic pre-buys on fast moving items to combat supply chain challenges

OUTLOOK

- Positive outlook as prices and global oil demand continue to improve



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METERCOR
THE UTILITY METER PEOPLE™

METERCOR INC.
REPORT ON OPERATIONS

INVESTMENT DATE: May 26, 2014
EMPLOYEES: 12
FISCAL YEAR END: Dec 31

COMPANY WEBSITE: www.metercor.com
OWNERSHIP: 100%
INDUSTRY SECTOR: Regulatory

BUSINESS DESCRIPTION
Metercor Inc. (“Metercor”) offers utility metering and management services. The company works closely with utility service providers to execute new meter installation and replacement programs, and to provide industry leading leak detection.

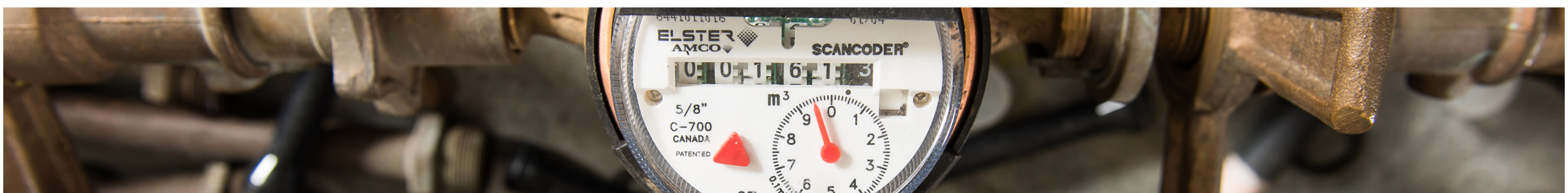
KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	5,881,485	(15%)	(14%)	(34%)
EBITDA	411,739	(53%)	(60%)	(66%)

KEY POINTS OF INTEREST
- Streamlined certain business development processes during the year
- Proactively selling into high value account opportunities as part of business development strategy
- City of Calgary contract back at full site capacity
- Meter delivery disruption and supply chain challenges deferred revenue into early 2022

RECENT DEVELOPMENTS
- Continuing to explore service opportunity in the United States
- Increased quoting on several new and potentially material projects for 2022

OUTLOOK
- Well positioned for continued growth with US expansion opportunities



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A&R

A&R METAL INDUSTRIES LTD.
REPORT ON OPERATIONS

INVESTMENT DATE:	December 31, 2015	COMPANY WEBSITE:	www.armetal.net
EMPLOYEES:	54	OWNERSHIP:	100%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Industrial

BUSINESS DESCRIPTION

A&R Metal Industries Ltd. ("A&R") is a metal processing and steel fabricating company that is dedicated to excellence in specialty metal manufacturing of OEM truck trims, accessories and other specialty parts including automotive, commercial finishings & architecture, exhaust & filtration, construction & agriculture and safety products.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	19,219,564	14%	17%	(4%)
EBITDA	1,036,264	(22%)	37%	(41%)

KEY POINTS OF INTEREST

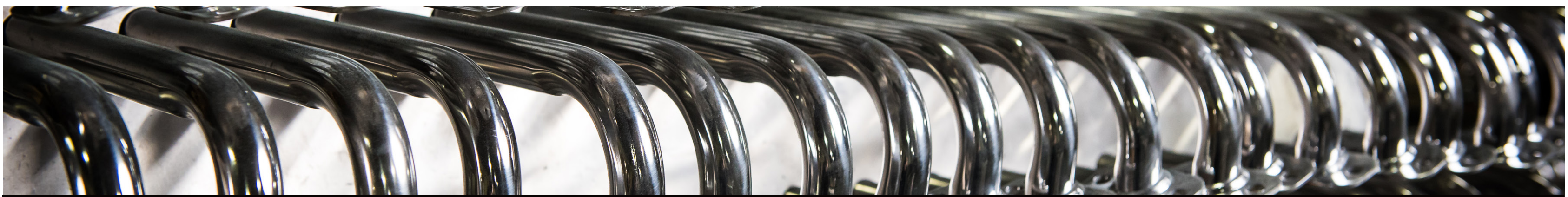
- Quality control external audit completed with strongest results in over 10 years
- Completed multiple continuous improvement plans and continuous improvement projects to enable greater production with less resources
- Global circuit board shortage and supply chain disruptions caused slowdown in truck build rates
- Significant raw material price increases created challenges, offset by successful negotiations with key customers

RECENT DEVELOPMENTS

- Long-term agreement re-negotiations in final stage with potential to secure additional muffler shield business
- Truck build rates ramping up in early 2022

OUTLOOK

- Stable



METRO TESTING + ENGINEERING LTD.
REPORT ON OPERATIONS

INVESTMENT DATE:	March 21, 2016	COMPANY WEBSITE:	www.metrotesting.ca
EMPLOYEES:	201	OWNERSHIP:	70%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Regulatory

BUSINESS DESCRIPTION

Metro Testing + Engineering Ltd. (“METRO”) is a leading provider of materials testing, materials engineering, geotechnical engineering, concrete restoration, environmental engineering and total quality management. Core revenue segments are: concrete testing, soil testing, asphalt testing, geotechnical testing, construction testing and environmental consulting. METRO has 27 years of operating history, fifteen locations in British Columbia and one in Alberta. METRO provides exposure to long-term government and private sector infrastructure investments.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	27,590,196	(10%)	(1%)	(5%)
EBITDA	4,226,981	(46%)	(17%)	(22%)

KEY POINTS OF INTEREST

- Increase in activities in the real estate market and infrastructure projects and additional high-rise opportunities continue to strengthen results
- Streamlining of workflow leading to greater efficiencies with improved alignment with COVID related safety guidelines
- Unprecedented heatwave and forest fires resulted in the closure of several worksites, while floods in British Columbia created delays, pushing expected work into 2022
- Market wide shortage in skilled labour created challenges in securing and retaining staff

RECENT DEVELOPMENTS

- Expecting reclamation work in early 2022 as a result of the floods in British Columbia
- Fleet overhaul planned over next four years to reduce maintenance, fuel costs and downtime and increase productivity

OUTLOOK

- Stable and positioned well for continued growth

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NUTTERS EVERYDAY NATURALS

NUTTERS BULK AND NATURAL FOODS INC.
REPORT ON OPERATIONS

INVESTMENT DATE:	November 22, 2016	COMPANY WEBSITE:	www.nutters.com
EMPLOYEES:	145	OWNERSHIP:	80%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Royalty/Franchise

BUSINESS DESCRIPTION

The Nutters Bulk and Natural Foods Inc. (“Nutters”) investment represented an opportunity to partner with a strong management team/owner and provided geographic, as well as industry diversification. Nutters is a strong player in its niche – offering natural foods and health products across western Canada in 24 retail outlets located in smaller metropolitan areas. Natural foods are a growing sector and the management group has consistently demonstrated that they are among the leading retailers in western Canada in this space.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	27,721,432	(2%)	0%	(3%)
EBITDA	3,065,775	(7%)	19%	(1%)

KEY POINTS OF INTEREST

- Implementation of measures to reduce discounted inventory before expiry and identification of spoilage reduction opportunities in place
- Implementation of 100-day continuous improvement plan and roll out of rapid Kaizen program with rewards offered to employees for operational efficiencies and financial improvements

RECENT DEVELOPMENTS

- Kamloops location set to open doors in May 2022
- Expansion of locked-in retail pricing on core items by head office across the network

OUTLOOK

- Stable and well positioned for growth

SMITTY'S CANADA INC.
REPORT ON OPERATIONS

INVESTMENT DATE:	April 9, 2018	COMPANY WEBSITE:	www.smittys.ca
EMPLOYEES:	11	OWNERSHIP:	100%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Royalty/Franchise

BUSINESS DESCRIPTION

Smitty's Canada Inc. ("Smitty's") is one of Canada's largest family restaurant chains, with 85 locations across Canada (83 franchise locations and 2 corporate locations). Smitty's has developed a long-term sustainable business model that attracts loyal customers, entrepreneurial franchisees, and has a strong supplier and franchise support system.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	6,684,688	11%	21%	(12%)
EBITDA	3,235,859	25%	13%	(31%)

KEY POINTS OF INTEREST

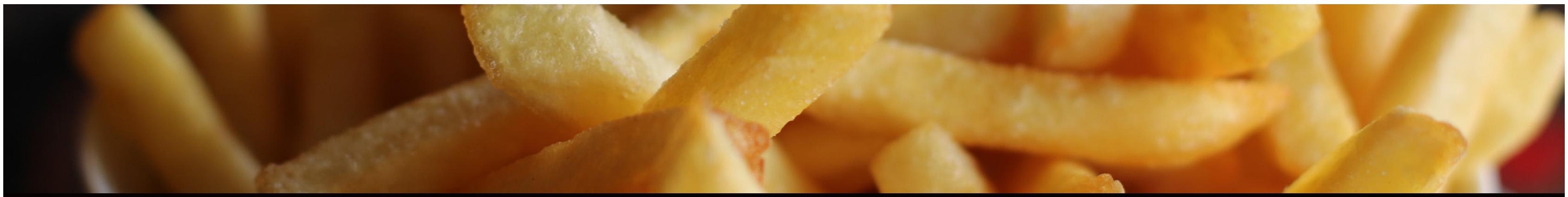
- Strong rebound during summer months and market share increases due to decision to remain open during periods of lower demand resulting in improved staff retention compared to industry
- One new franchise location opened its doors during the fourth quarter
- Provincial closures in Manitoba, Alberta and the Maritimes throughout the year and COVID-19 related restrictions created challenges
- Labour shortages resulted in reduced hours in periods when mandated closures were lifted

RECENT DEVELOPMENTS

- Three franchises in varying stages of disclosure and another significant opportunity in mid stages of discussion

OUTLOOK

- Stable with expected continued growth



ESP SALON SALES INC.
REPORT ON OPERATIONS

INVESTMENT DATE:	July 1, 2018	COMPANY WEBSITE:	www.espsalonsales.com
EMPLOYEES:	91	OWNERSHIP:	100%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Distribution

BUSINESS DESCRIPTION

ESP Salon Sales Inc. ("ESP") was founded in 1990 and is headquartered in Saskatoon, Saskatchewan, with seven additional locations across Canada. ESP is a leading wholesale distributor of hair and beauty products to professional stylists and salons across five provinces. ESP has developed a long-term sustainable business model with over four thousand active customers and best in class suppliers.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	23,792,906	9%	11%	(6%)
EBITDA	2,737,129	9%	17%	18%

KEY POINTS OF INTEREST

- Onboarded new President with 20+ years industry experience
- Robust fourth quarter performance due to margin improvements and successful marketing
- New brands launched in prior year continuing to improve sales over pre-COVID levels, while several new and existing brands in advanced stages of contract initiation and renewal
- Supply-chain disruption resulting in increased customer backorders

RECENT DEVELOPMENTS

- E-commerce platform expected to go live Q2 2022
- Multinational partnership scheduled to launch mid 2022

OUTLOOK

- Positive and positioned well for continued growth

EQUICAPITA

I·XL

I-XL BUILDING PRODUCTS INC.
REPORT ON OPERATIONS

INVESTMENT DATE: Dec 14, 2018
EMPLOYEES: 49
FISCAL YEAR END: Dec 31

COMPANY WEBSITE: www.ixlbuild.com
OWNERSHIP: 100%
INDUSTRY SECTOR: Distribution

BUSINESS DESCRIPTION

I-XL Building Products Inc. ("I-XL") is one of the largest importers and distributors of brick, stone and building products in Canada with roots dating back to 1912. With a focus on premier products from around the world, I-XL offers customers one of the most comprehensive selections of building envelope products available.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	33,285,483	14%	16%	(14%)
EBITDA	2,298,479	15%	38%	(22%)

KEY POINTS OF INTEREST

- Significant year over year growth due to improved margins and strengthening residential market
- Toronto design center doubled prior year sales
- Dealer Business Channel growing exponentially
- Continued focus on supply-chain bottlenecks and back orders as impact of restrictions ease

RECENT DEVELOPMENTS

- Strategic pre-buy of product ahead of supplier price increases will improve margins in 2022
- New partnership announcement as preferred vendor in the prairies

OUTLOOK

- Stable and positioned well for continued growth

EQUICAPITA

THE MASTER MECHANIC INC.
REPORT ON OPERATIONS

INVESTMENT DATE: April 4, 2019
EMPLOYEES: 4
FISCAL YEAR END: Dec 31

COMPANY WEBSITE: www.mastermechanic.ca
OWNERSHIP: 90%
INDUSTRY SECTOR: Royalty/Franchise

BUSINESS DESCRIPTION

Founded in 1982, The Master Mechanic Inc. ("TMMI") is one of the leading franchisors of aftermarket automotive maintenance and repair service centers in Ontario and has 39 locations throughout Ontario. Master Mechanic has a diverse and growing base of recurring royalty revenue and has a strong reputation for high quality auto repair and regular vehicle maintenance.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	2,975,816	4%	4%	2%
EBITDA	1,805,893	21%	22%	15%

KEY POINTS OF INTEREST

- Strongest fourth quarter sales in history of the company
- Store sales are up 10% compared to last two years, driven by return to work and school demand
- Tire sales up 19% due to successful launch of tire connect software facilitating customer ordering process and successful promotional campaign
- MyShopManager launched to improve customer retention

RECENT DEVELOPMENTS

- Named 'Shop of the Year' in CARS magazine
- Several franchise/location opportunities under review

OUTLOOK

- Stable and positioned well for continued growth

WINGENBACK INC.
REPORT ON OPERATIONS

INVESTMENT DATE:	Aug 1, 2019	COMPANY WEBSITE:	www.wingenback.com
EMPLOYEES:	109	OWNERSHIP:	70%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Industrial

BUSINESS DESCRIPTION

Wingenback Inc. ("Wingenback") specializes in industrial and commercial moving and manufacturing of surrounds and kiosks for ATMs and related products. Founded in 1975, Wingenback has provided efficient and reliable service and has attributed much of its success to its "yes we can" approach. Wingenback has moving and storage divisions across Canada and its head office is located in Calgary, Alberta.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	35,807,178	(19%)	(19%)	13%
EBITDA	8,301,859	(17%)	(20%)	103%

KEY POINTS OF INTEREST

- Robust fourth quarter sales with the return of banking ATM surround revenue
- Increased profitability due to evening and weekend jobs and strong cost/loss management
- Reduction of safety incidents by 17% through EquiONE Continuous Improvement program
- Strong quotation funnel for mobile banking units

RECENT DEVELOPMENTS

- Actively pursuing governmental infrastructure contracts as part of its project growth strategy
- Negotiation with large Canadian bank for product sales in 2022

OUTLOOK

- Stable and positioned well for continued growth

VISAGE COSMETICS LIMITED
REPORT ON OPERATIONS

INVESTMENT DATE: Dec 31, 2019
EMPLOYEES: 21
FISCAL YEAR END: Dec 31

COMPANY WEBSITE: www.carylbakervisage.com
OWNERSHIP: 100%
INDUSTRY SECTOR: Royalty/Franchise

BUSINESS DESCRIPTION

Founded in 1969, Visage Cosmetics Limited ("VCL") is the leading franchisor of retail beauty and cosmetics services and products in Ontario. With 30 locations in Ontario and one in Alberta, Visage Cosmetics has established enduring franchisee relationships and a reputation for outstanding guest service.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	4,663,711	6%	3%	4%
EBITDA	656,209	277%	(102%)	188%

KEY POINTS OF INTEREST

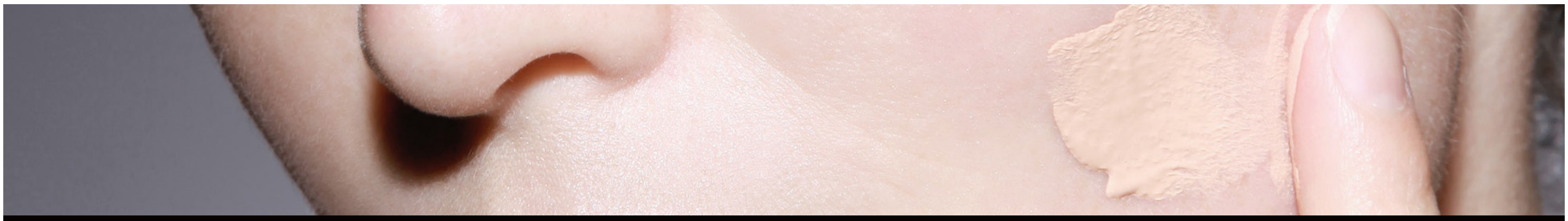
- COVID-19 related lockdowns and staffing challenges during the first half of the year significantly impacted sales targets
- Strong third and fourth quarters on par with 2019 levels due to lifting of health restrictions and successful promotions
- Cost management allowed the company to exceed expectations set at the beginning of the year

RECENT DEVELOPMENTS

- Marketing initiatives top priority going into 2022

OUTLOOK

- Stable but continuously monitoring economic uncertainty through recovery of pandemic impacts



EQUICAPITA

SHAW Lab Group

SHAW DENTAL LABORATORY INC.
REPORT ON OPERATIONS

INVESTMENT DATE:	Dec 20, 2018	COMPANY WEBSITE:	www.shawlabgroup.com
EMPLOYEES:	178	OWNERSHIP:	93%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Healthcare

BUSINESS DESCRIPTION

Shaw Dental Laboratory Inc. (“Shaw”) is one of the leading networks of dental laboratories in Ontario, with locations in Toronto, London, Ottawa and Kingston. Shaw, whose diverse customer base includes over 1,500 dentists, has an established reputation for technical leadership and outstanding customer service.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	24,148,314	26%	39%	4%
EBITDA	3,698,649	14%	71%	15%

KEY POINTS OF INTEREST

- Record sales and focus on cost management, improving margins over pre-COVID levels
- Cash management, employee retention and return of invested capital continues to be top priority
- Onboarded 880 new customers during the year

RECENT DEVELOPMENTS

- Education center approved for development and expecting to be operational in early 2022
- Preparation of a new lecture room for education purposes, creating an avenue to bring in new clientele

OUTLOOK

- Positive and positioned well for continued growth

PROTEC DENTAL LABORATORIES LTD.
REPORT ON OPERATIONS

INVESTMENT DATE:	Oct 1, 2021	COMPANY WEBSITE:	www.protecdental.com
EMPLOYEES:	200	OWNERSHIP:	80%
FISCAL YEAR END:	Dec 31	INDUSTRY SECTOR:	Healthcare

BUSINESS DESCRIPTION

Protec Dental Laboratories Ltd. ("Protec") is the leading dental laboratory in British Columbia serving over 2,500 dentists across Canada and is considered a Canadian market leader in dental lab technology, including 3D printing and digital scanning.

KEY PERFORMANCE INDICATORS

	$	% Variance YOY*	% Variance YOY (excluding subsidies)	% Variance to Budget
Revenue	7,686,889	NA	NA	10%
EBITDA	1,582,410	NA	NA	36%

** First year post-acquisition, acquired October 1, 2021*

KEY POINTS OF INTEREST

- Fully integrated into Equicapita business intelligence platform
- Active in marketing with national advertising in major dental journals, direct mail and email campaigns
- Return of education programs for Dentists
- Developed a portal for online digital case submission

RECENT DEVELOPMENTS

- Ali Rezaei, President and CEO of Shaw accepted an offer to take Protec under his leadership and become President of both entities

OUTLOOK

- Stable and positioned well for continued growth

EQUICAPITA

FUND MANAGERS

Stephen Johnston
403 218 6506
Partner
sjohnston@equicapita.com

Matt Barr
587 393 0835
Partner
mbarr@equicapita.com

Kerri Furlong
587 349 9766
Partner
kfurlong@equicapita.com

Yannick Ferket
587 349 7445
Partner
yferket@equicapita.com

Harold Kunik
403 607 2134
Partner
hkunik@equicapita.com

OPERATIONS

Scott Mahn
587 393 0834
Manager of Finance, Portfolio Investments
smahn@equicapita.com

Manpreet Brar
587 393 1265
Lean and Continuous Improvement Manager
manpreet@equicapita.com

Keenan Viney
587 393 1266
Business Intelligence Analyst
kviney@equicapita.com

Roger Aubé
905 441 2055
Director of Franchise Development
raube@equicapita.com

John Lafkas
647 641 3339
Director of Real Estate
jlafkas@equicapita.com

ACQUISITIONS

Adam Jezewski
905 336 8951
Managing Director Eastern Canada
adam@equicapita.com

INVESTOR RELATIONS

Marc Drabinsky
647 407 0001
VP Business Development
mdrabinsky@equicapita.com

FINANCE

Shameer Abdool
587 393 0836
Financial Controller
sabdool@equicapita.com

Nadia Houssaine-Clare
587 887 1535
Senior Investment Administrator
nhc@equicapita.com

Nicole Babla
587 887 1541
Senior Investment Administrator
nbabla@equicapita.com

Danielle Bertram
587 349 9765
Investment Administrator
dbertram@equicapita.com

Dheryll Haya
587 349 5692
Investment Fund Accountant
dhaya@equicapita.com

EQUICAPITA

KEY TERMS

Aggregate Fund Net Asset Value (NAV) – Aggregate fair market value of Equicapita Income Limited Partnership. The NAV on a per unit basis is averaged across all of Equicapita's units and does not reflect the value of any particular unit. The NAV of units will vary based on the series of unit and the accrued preferred return of such unit.

AUM – Assets Under Management

EBITDA – Defined as income from continuing operations before (i) finance expense, (ii) income taxes, (iii) depreciation and amortization and (iv) other non-cash expenses, including but not limited to gains and losses on foreign currency and disposition of property - net of minority interests. References to EBITDA in 2021 include funding provided by government subsidies.

MER – Management Expense Ratio calculated by dividing normalized fund G&A, including management fees, by the Assets Under Management.

Normalized EBITDA – EBITDA without fund level G&A, non-recurring items, but with acquisition company economic contributions only from date of purchase.

Preferred Return – a cumulative distribution at an annual rate equal to the Specified Rate per Preferred Unit of the LP per year calculated on an amount equal to $1.00 less the Return of Capital in respect of such Preferred Unit of the LP calculated from the later of:

(a) March 22, 2019; and
(b) issuance date of such Preferred Unit of the LP; through the calendar day immediately preceding the date on which the Return of Capital is distributed to the holder of such Preferred Unit of the LP. The Preferred Return in respect of a Preferred Unit of the LP will compound annually only with respect to the portion of the Preferred Return that is not paid or payable to the holder of such Preferred Unit of the LP as at the end of each fiscal year of the Partnership.

Series –

Preferred LP Units
Preferred A1 LP Units
Preferred B LP Units
Preferred B1 LP Units
Preferred B1 LP Units, Series A
Preferred B1 LP Units, Series F
Preferred C LP Units
Preferred C1 LP Units
Preferred C1 LP Units, Series A
Preferred C1 LP Units, Series F
Preferred D LP Units
Preferred D1 LP Units
Preferred E LP Units
Preferred E1 LP Units

SME – Small and medium sized enterprises

Specified Rate –

(a) in respect of the Preferred LP Units and Preferred A1 LP Units, 10%;
(b) in respect of the Preferred B LP Units, Preferred B1 LP Units, Preferred B1 LP Units, Series A and Preferred B1 LP Units, Series F, 9%;
(c) in respect of the Preferred C LP Units, Preferred C1 LP Units, Preferred C1 LP Units, Series A and Preferred C1 LP Units, Series F, 8%;
(d) in respect of the Preferred D LP Units and Preferred D1 LP Units, 7%; and
(e) in respect of the Preferred E LP Units and Preferred E1 LP Units, 6%.

#2210, 8561 8A Ave SW
Calgary, Alberta, T3H 0V5
Tel: +1.587.887.1541
www.equicapita.com

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Forward-looking information is based on a number of assumptions which have been used to develop such information but which may prove to be incorrect. In addition to other assumptions which may be identified in this document, assumptions have been made regarding, among other things: past industry-related revenue and customer demand trends will continue and not be adversely impacted by COVID-19; availability of and opportunity to engage in future deal flow; benefits of the acquisitions of the portfolio companies; the general stability of the economic and political environment in which Equicapita operates; treatment under governmental regulatory regimes, securities laws and tax laws; the ability of Equicapita to integrate the portfolio companies, increase efficiencies and successfully automate key performance indicators (KPIs); the ability of Equicapita to obtain qualified staff, equipment and services in a timely and cost efficient manner; that the global economy, general economic conditions and financial markets will not, in the long-term, be adversely impacted by COVID-19; operational disruptions to Equicapita and its portfolio companies resulting from the temporary restrictions that governments imposed on businesses to address COVID-19 will not be long-term; the ability of Equicapita and its portfolio companies to keep essential operational staff in place as a result of COVID-19; valuation of Equicapita’s investments; and currency, exchange and interest rates. Forward-looking information is based on the current expectations, estimates and projections of Equicapita and involve a number of known and unknown risks and uncertainties which may cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, general economic, political, market and business factors and conditions; interest rate fluctuations; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; return on investment and distributions are not guaranteed and distributions may be reduced or suspended; longer term commitment being required for Equicapita’s investments and the illiquidity associated with such investments; the Trust’s status as not being a “mutual fund” under securities laws and the level of foreign ownership; the ability of Equicapita to achieve or continue to achieve its investment objectives; the ability of Equicapita to obtain financing and meet interest or principal payments; risks associated with COVID-19 including the risk that the business, reputation, financial condition, trade flow, results of operations or cash flows of Equicapita will be adversely affected; availability of workforce generally and as COVID-19 persists; operational risks associated with Equicapita’s business including competition, managing growth, losses, litigation, debt-related risks and cyber-security; operational risks associated with the portfolio companies’ businesses including: competition, hazards, compliance with environmental laws, losses, litigation (including product liability), meeting customer demands to continuously improve operating equipment and enhance product and solutions portfolios, cyber-security, functioning computer and data processing systems; attracting and maintaining contracts with customers (including government agencies), intellectual property risks, unionization, reliance on supply chains and increases to energy and commodity prices; fluctuations in foreign currency exchange rates; attracting and retaining skilled employees; the impact of severe weather conditions on portfolio company operations and government policies enacted to address climate change; operation of franchises in accordance with portfolio company standards; availability and success of future acquisitions, the timing of such investments and the potential for undisclosed liabilities; and disposition risks including representations, indemnification and contingent liabilities. Readers are cautioned that the list above is not exhaustive.

This document contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about Equicapita’s prospective results of operations and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The FOFI contained in this document is provided for the purpose of providing further information about Equicapita’s anticipated future business operations. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein and reliance on such information may not be appropriate for other purposes.

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