

NOT FOR DISTRIBUTION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.

[Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX:AD) is pleased to announce the redemption of all the Corporation's preferred units (the "LifeMark Units") in LifeMark Health Limited Partnership ("LifeMark") by Centric Health Corp. ("Centric") for total consideration of \$38.4 million (the "LifeMark Redemption") consisting of \$30.0 million in cash (the "Cash Proceeds") as well as a note in Centric for \$8.4 million (the "Centric Note"). The Corporation is also pleased to announce that it expects to redeploy the Cash Proceeds with a contribution to a new partner of approximately \$30.0 million in the coming days (such contribution is subject to completion and execution of final transaction documents and satisfying customary closing conditions). Alaris will issue a press release upon the redeployment of Cash Proceeds. The net impact of redeploying the Cash Proceeds at a yield of 15% vs the implied yield of 11.2% on the LifeMark Units will be an increase in revenue of approximately \$1.0 million to Alaris, or \$0.03 on a per share basis. Alaris has now received total consideration of \$123.4 million on its \$67.5 of capital contributed to LifeMark since 2004 as well as over \$77.2 million in distributions from LifeMark over that time period.

#### LifeMark Redemption

Alaris first contributed \$35 million to LifeMark in December 2004 and contributed capital for LifeMark's acquisition program an additional seven times for a total of \$67.5 million of contributions. In June 2011 Centric acquired the common equity of LifeMark and, in connection therewith, Centric also acquired approximately half of Alaris' LifeMark Units for \$55 million. Since that date Centric redeemed a further \$30 million of Alaris' LifeMark Units leaving the remaining value of Alaris' LifeMark Units at \$38.4 million prior to the LifeMark Redemption.

In December 2015, Centric sold all of the assets of LifeMark (the "LifeMark Sale") and after satisfying other required obligations with the proceeds from the LifeMark Sale, Centric has purchased all of Alaris' remaining LifeMark Units for \$38.4 million consisting of the \$30.0 million in Cash Proceeds as well as the \$8.4 million Centric Note.

The Centric Note has a 15 year term and will entitle Alaris to an annualized interest payment of \$934,000 (the "Centric Payment"), payable monthly, and will have substantially all of the same features as the LifeMark Units in terms of an annual 4% increase to both the principal amount outstanding on the Centric Note and the Centric Payment, effective each July 1<sup>st</sup> until the Centric Note is repaid with the first increase occurring on July 1, 2016. Centric has indicated that it will likely repay the full balance of the Centric Note by the end of 2016 if it has cash available and if permitted to do so by its senior lenders.

As previously announced, Alaris will be reporting results for the year ending December 31, 2015 on March 8, 2016 after regular trading hours on the Toronto Stock Exchange and holding a conference call and webcast on March 9, 2016 at 9:00am MST. For more information please refer to the "Investor Section" of our website under "Calendar of Events".

#### About the Corporation:

Alaris provides alternative financing to the Partners in exchange for distributions with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Distributions from the Partners are adjusted each year based on the percentage change of a "top line" financial performance measure such as gross margin and same-store sales and rank in priority to the owners' common equity position.

#### Forward-Looking Statements

This news release contains forward-looking statements as defined under applicable securities laws. Statements other than statements of historical fact contained in this news release may be forward-looking statements under applicable securities legislation, including, without limitation, management's expectations, intentions and beliefs concerning: the return to Alaris on the new partner contribution described above and the timing and closing thereof; the interest payment and repurchase price (and adjustments thereto) of the Centric Note and timing of repayment of the Centric Note. 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. To the extent any forward-looking statements herein constitute a financial outlook, including, without limitation, estimates regarding the expected increase in revenue, 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 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 grow

moderately over the next 12 months, that interest rates will not rise in a material way over the next 12 to 24 months, that the Partners will continue to make distributions to Alaris as and when required, that the businesses of the Partners will continue to grow, what the Corporation expects to experience regarding resets to its annual royalties and distributions from its Partners upon the reset dates for each Partner, 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 capital markets will remain stable and that the Canadian dollar will remain in a range of approximately plus or minus 10% relative to the U.S. dollar over a 12 month period. 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.

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 Corporation and the Private Company 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 dependence of Alaris on the Private Company Partners; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Private Company Partners; a failure to realize the anticipated benefits of the redeployment of Cash Proceeds; a failure to close the new partner contribution referenced herein on time or at all; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; a material adjustment to the unaudited financial information of a Private Company Partner provided to Alaris; and risks relating to the Private Company Partners and their businesses, including, without limitation, a material change in the operations of a Private Company Partner or the industries they operate in and a change in the ability of the Private Company Partners to continue to pay Alaris' preferred distributions. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2014, which is filed under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this news release as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Statements containing forward-looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this news release. Although management believes that the assumptions reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release 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.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

## Contact

Curtis Krawetz  
Vice President, Investments and Investor Relations  
[Alaris Royalty Corp.](http://AlarisRoyaltyCorp.com)  
P: (403) 221-7305

Suite 250, 333 24th Avenue S.W.  
Calgary, Alberta T2S 3E6  
[www.alarisroyalty.com](http://www.alarisroyalty.com)