CALGARY, ALBERTA--(Marketwired - March 8, 2016) -

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. (TSX:AD) ("Alaris" or the "Corporation") is pleased to announce its results for the year ended December 31, 2015. The results are prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2015 Highlights:

- Deployed a record CAD$178.2 million in capital through three new Partners and two follow on transactions
- Improved diversification by adding three new revenue streams:
    - USD$10.5 million from DNT Construction, LLC ("DNT")
    - USD$7.1 million from Federal Resources Supply Company ("Federal Resources")
    - USD$2.0 million from MAHC Holdings, LLC ("MAHC")
- Subsequent to December 31, 2015, added another new partner, Sandbox Acquisitions, LLC for approximately $29 million CAD to bring the total capital deployed in the past twelve months to $207 million
- Increased the dividend twice to $1.62 per share annualized from $1.50 per share at December 31, 2014, an 8% increase and the ninth and tenth consecutive dividend increases since 2010
- Paid dividends per share of $1.565 vs $1.475 in 2014, a 6.1% increase
- Increased gross revenue by 16.5%, +7.1% on a per share basis
- Increased Normalized EBITDA by 21.5%, +9.6% on a per share basis
- Increased net cash from operating activities by 12.6%, +1.2% on a per share basis
- For the five years ending December 31, 2015 revenue, Normalized EBITDA and net cash from operating activities have increased by a compound annual return of 14%, 17% and 12%, respectively
- Entered into a new $200 million credit facility with a $50 million accordion feature (increased from $90 million) with approximately $170 million of availability at March 8, 2016

Presidents Message

2015 was another record year for Alaris. The Corporation was able to show another year of strong growth, with revenue up 20% and Normalized EBITDA up by 21.5%, while continuing to provide a low volatility free cash flow stream to our shareholders. This continued growth allowed us to increase our dividends twice during 2015 - our ninth and tenth dividend increases since the summer of 2010.

At the heart of this financial performance are preferred revenue streams from a group of 16 (and counting) private companies that are diverse in their businesses and geographies such that our shareholders can be confident in our dividend stream even when the economy is not firing on all cylinders. Only two of our private company partners represent more than 10% of our revenue and given that our dividend only represents less than 80% of our monthly EBITDA, this provides safety to weather life's inevitable storms. Our defensive way of investing and our careful selection of partners is essential but as with any form of investing, diversification is the most important element of risk reduction.

The double edged sword of diversification is that the more partners you have in your portfolio, the more likely it is that some of them will, from time to time, encounter operational issues. Alaris' management and board continue to work with the few partners in our portfolio that are having challenges to find solutions to both short-term as well as fundamental long-term issues. Our ability to navigate through these issues have led to very positive outcomes in the past for companies like Labstat and LMS and we feel that similarly positive outcomes are likely for SM and Kimco. We are pleased to have reached a tentative agreement with the management of KMH in a very challenging situation and we also expect a positive outcome for Alaris shareholders from that strategic process.

The Alaris portfolio continues to perform admirably. Based on 2015 results, the average organic growth of the annual distributions across the portfolio grew by an estimated 2.1% (using a weighted average), which is our sixth straight year of organic growth as the majority of our portfolio continues to operate at or above expectations. It should also be noted that if you add up all of the private companies that have exited our company over the years, taking all of the good and the bad (and including the partial write off of KMH), our net result is a gain of $31 million and including distributions taken out along the way, that number is $169 million - a net gain of nearly 80% on invested capital. Whether calculated by annual financial results, tracking of organic distribution resets or through full investment cycle gains, we are very proud of the track record that we have created over our twelve year history.

Moving forward, the environment for capital deployment that not only powers our diversification but also our growth rate has improved substantially over the course of the last six months. The last few years has seen an overheated market for private equity fueled by access to inexpensive and large amounts of senior debt, particularly in the US. The debt markets have tightened considerably in the last few months and has made alternative financiers such as Alaris even more attractive. While we still do not see any direct competitors in our market place, the normalized behavior of other types of capital providers is contributing to a very robust outlook for 2016. Even in a highly competitive environment in 2015, Alaris set a new record for capital deployment in 2015 of $178.2 million and based on our current pipeline of opportunities, I would expect another very strong year in 2016.

Financial Results:

The Corporation deployed a record $178.2 million CAD of capital in 2015 through contributions to three new Partners; DNT Construction, LLC ("DNT"), Federal Resources Supply Company ("Federal Resources") and MAHC Holdings, LLC ("MAHC") as well as follow on investments into two current Partners: PF Growth Partners, LLC ("Planet Fitness") and Kimco Holdings, LLC ("Kimco"). Due to the accretive nature of each of these transactions as well as steady organic growth of existing cash flows, Alaris increased its monthly dividend twice during the year to a current annualized rate of $1.62 per share with $1.565 per share paid in 2015, a total increase of 6.1% over dividends paid in 2014 on a per share basis.

Subsequent to December 31, 2015, the Corporation had all of its preferred units in LifeMark Health Limited Partnership ("LifeMark") redeemed in exchange for $30 million in cash and an $8.4 million promissory note from Centric Health Corporation ("Centric"). Centric sold all the assets in LifeMark on December 31, 2015 and in connection with the sale, the Corporation had requested a redemption of a significant portion of the LifeMark units. Alaris had originally contributed $67.5 million to LifeMark beginning in 2004. Since that date Alaris collected $77.2 million in distributions and has redeemed all of its units for total proceeds of $123.4 million for total gross return of $200.6 million or 297%.

Alaris has continued to see increases in its four key performance metrics of revenue, Normalized EBITDA, net cash from operating activities and dividends on a per share basis in the three and twelve months ended December 31, 2015 as a result of strong organic growth and accretive investments into new private company partners (the Corporation uses Normalized EBITDA rather than EBITDA to back out the non-cash foreign exchange gains and losses, as well as gains and losses on the redemption or sale of the Corporation`s financial interest in partners no longer with Alaris).

	Three months ending Dec 31			Year ending Dec 31		
	2015	2014	% Change	2015	2014	% Change
Revenue from partners per share[1]	$0.64	$0.60	+6.7%	$2.44	$2.28	+7.2%
Normalized EBITDA per share[1]	$0.56	$0.50	+12.0%	$2.05	$1.87	+9.6%
Dividends per share[1]	$0.405	$0.375	+8.0%	$1.565	$1.475	+6.1%
Net cash from operating activities per share[1]	$0.64	$0.53	+20.8%	$1.65	$1.63	+1.2%

[1] Using the weighted average shares outstanding for the period.

For the year ended December 31, 2015, revenues from partners increased 19.5% to $82.8 million from $69.3 million in 2014, a 7.2% increase on a per share basis. Over the same period, the Corporation recorded earnings of $57.9 million, EBITDA of $75.6 million and Normalized EBITDA of $69.7 million, compared to earnings of $49.0 million, EBITDA of $62.7 million and Normalized EBITDA of $57.4 million in the prior year. The increase in earnings and EBITDA can be attributed predominantly to the addition of new partners in DNT (June 2015) and Federal Resources (July 2015) and follow on contributions to Planet Fitness and Kimco.

Reconciliation of Earnings to EBITDA (thousands)	Three months ending Dec 31		Year ending Dec 31	
	2015	2014	2015	2014
Earnings	$20,550	$13,593	$57,861	$49,049
Adjustments to Earnings:				
Amortization & depreciation	63	28	203	110
Interest	853	470	3,205	2,759
Income tax expense	3,925	3,382	14,315	10,801
EBITDA	$25,391	$17,473	$75,584	$62,719
Normalizing Adjustments:				
(Gain)/loss on reduction of Partner interests	-	860	(2,792)	860
Impairment of units	-	-	20,460	-
Bad debt expense	-	500	1,880	500
Unrealized foreign exchange loss/(gain)	(5,153)	(2,753)	(26,121)	(6,707)
Normalized EBITDA	$20,238	$16,080	$69,686	$57,372

The results for the three months ended December 31, 2015 were strong on a gross and per share basis. Revenue from partners increased 19.9% to $23.0 million from $19.2 million in the prior period and increased 6.7% on a per share basis. For the three months ended December 31, 2015, the Corporation recorded earnings of $20.6 million, EBITDA of $25.4 million and Normalized EBITDA of $20.2 million, compared to earnings of $13.6 million, EBITDA of $17.5 million and Normalized EBITDA of $16.1

million in the prior year period.

Operational Update

For further details on all Private Company Partners, please review the "Partner Company Update" section of the MD&A filed today under Alaris' profile on SEDAR (www.sedar.com), or the Corporation's website. Brief updates include:

- Alaris now collects 67% of its revenue from US based Partners
- Of the 33% from Canadian Partners, only 4% is derived from Partners generating the majority of their revenue from Western Canada (LMS), a significant portion of LMS' revenue is from infrastructure projects
- Only two revenue streams account for more than 10% of total revenue
- Companies representing 42% of total annualized revenue hit the top end of their performance metric collars based on 2015 fiscal year
- Companies representing 45% of total annualized revenue were relatively flat from a performance metric perspective based on 2015 fiscal year
- Companies representing 13% of total annualized revenue hit the lower end of the performance metric collars based on 2015 fiscal year
- KMH - The strategic process at KMH has taken much longer than anticipated but the Corporation has recently reached an agreement in principle with KMH management on a transaction that would see Alaris receive approximately $35 million in value for its preferred units consisting of between $15 and $20 million in cash and the remainder in a note payable or some other form of negotiated future compensation. The Corporation expects a letter of intent to be signed in the near term with the timing to close to be determined between all parties involved, with the expectation that it will close as soon as commercially possible. Given the length of the process thus far and the fact that the Corporation is not counting on any distributions from KMH to support its cash flows or earnings, the Corporation will no longer attempt to estimate timelines for the process and will provide an update when a resolution has been finalized.

Outlook

Alaris' agreements with its Partners provide for estimated revenues to Alaris of approximately $95 million for the 2016 fiscal year. Revenues from our Partners for the three months ended March 31, 2016 are expected to be approximately $23.4 million. Annual general and administrative expenses are currently estimated at $7.5 million annually and include all public company costs. Cash requirements after earnings are expected to remain at minimal levels. The Corporation's annualized payout ratio is at approximately 80% today.

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.alarisroyalty.com.

Conference Call Details

Alaris management will host a conference call at 9am MST (11am EST), Wednesday, March 9, 2016 to discuss the financial results for the year ended December 31, 2015 and the outlook for the Corporation.

Participants can access the conference call by dialing toll free 1-800-355-4959 (or 1-416-340-8527). Alternatively, to listen to this event online, please enter http://www.gowebcasting.com/7250 in to your web browser and follow the prompts given. 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 replay until 11am EST March 16, 2016. You can access the replay by dialing toll free 1-800-408-3053 (or 1-905-694-9451) and entering the passcode 8988200. The webcast will be archived for 90 days and is available for replay by using the same link as above or by clicking on the link we'll have stored under the "Investor" section. "Presentation and Events", on our website.

An updated corporate presentation will be available on the Corporation's website within the next 24 hours.

About the Corporation:

Alaris provides alternative financing to the Private Company Partners ("Partners") in exchange for royalties or distributions with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Royalties or distributions from the Private Company Partners are structured as a percentage 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.

Non-IFRS Measures

The terms EBITDA, Normalized EBITDA and Annualized Payout Ratio are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). The Corporation's method of calculating EBITDA, Normalized EBITDA and Annualized Payout ratio may differ from the methods used by other issuers. Therefore, the Corporation's EBITDA, Normalized EBITDA and Annualized Payout Ratio may not be comparable to similar measures presented by other issuers.

Annualized Payout Ratio: Annualized payout ratio refers to Alaris' total annualized dividend per share expected to be paid over the next twelve months divided by the estimated net cash from operating activities per share Alaris expects to generate over the same twelve-month period (after giving effect to the impact of all information disclosed as of the date of this report).

EBITDA refers to net earnings (loss) determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends. The Corporation has provided a reconciliation of net income to EBITDA in this news release.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature and is calculated by adjusting for non-recurring expenses and gains to EBITDA. Management deems non-recurring items to be unusual and/or infrequent items that the Corporation incurs outside of its common day-to-day operations. For the year ended December 31, 2015, the gain on the redemption of the Killick units, bad debt expense, impairment of investments and the unrealized foreign exchange gains and losses are considered by management to be non-recurring charges. Adjusting for these non-recurring items allows management to assess EBITDA from ongoing operations.

The terms EBITDA and Normalized EBITDA should only be used in conjunction with the Corporation's annual audited and quarterly reviewed financial statements, excerpts of which are available below, while complete versions are available on SEDAR at www.sedar.com.

Forward-Looking Statements

This news release contains forward-looking statements under applicable securities laws. 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 Corporation and the Private Company Partners, the future financial position or results of the Corporation, business strategy, and plans and objectives of or involving the Corporation 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 nature (including without limitation the structure and amount to be recovered by Alaris) of the resolution of KMH's strategic process, the impact and timing of cost reduction strategies, working capital improvements and other cash flow initiatives of certain Partners, anticipated financial and operating performance of the Partners in 2016, adjustments to Partner distributions for 2016, the revenues to be received by Alaris in 2016 (annually and quarterly), its general and administrative expenses in 2016, the cash requirements of the Corporation in 2016, the anticipated level of capital deployment for 2016, Alaris' current deal pipeline, and the estimated contractual distributions for 2016. To the extent any forward-looking statements herein constitute a financial outlook, 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 in 2016 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 in 2016, 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, Alaris will obtain the intended benefit of any concessions provided to any Partners, that the businesses of the Partners will continue to grow, that the Corporation will experience net positive resets to its annual royalties and distributions from its Partners in 2016, more private companies will require access to alternative sources of capital, 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 and U.S. dollar trading pair will remain in a range of approximately plus or minus 10% 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.

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 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 Partners; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Partners (including, without limitation, the anticipated benefit of any concessions that Alaris may provide a Partner); 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; a failure by the Corporation or a Partner to comply with their respective covenants under senior debt facilities; inability to close additional Partner contributions in a timely fashion, or at all; a change in the ability of the Partners to continue to pay Alaris' preferred distributions; a change in the unaudited information provided to the Corporation; and risks relating to the Partners and their businesses. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risks & Uncertainty" and "Forward Looking Statements" in the Corporation's Management Discussion and Analysis for the year ended December 31, 2015, which is filed under the Corporation's profile at www.sedar.com and on its website at www.alarisroyalty.com. Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this news release. 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 expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

Alaris Royalty Corp.

Consolidated statement of financial position

	December 31 2015	December 31 2014
Assets		
Cash and cash equivalents	$20,990,702	$13,483,524
Prepayments	2,434,451	200,495
Income tax receivable	3,528,509	1,866,572
Trade and other receivables	10,577,985	5,551,730
Investment tax credit receivable	3,796,888	-
Promissory note receivable	11,750,000	8,965,000
Current Assets	53,078,535	30,067,321
Promissory note receivable	7,234,945	3,500,000
Deposits	11,981,345	1,267,377
Equipment	791,942	109,565
Intangible assets	6,297,392	6,388,328
Investments at fair value	704,109,367	527,641,735
Investment tax credit receivable	4,716,919	10,922,393
Non-current assets	735,131,910	549,829,398
Total Assets	$788,210,445	$579,896,719
Liabilities		
Accounts payable and accrued liabilities	$2,138,132	$1,453,661
Dividends payable	4,900,869	4,009,045
Foreign exchange contracts	5,345,488	1,541,630
Income tax payable	1,841,634	-
Current Liabilities	14,226,123	7,004,336
Deferred income taxes	19,490,794	7,712,668
Loans and borrowings	77,447,075	35,500,000
Non-current liabilities	96,937,869	43,212,668
Total Liabilities	$111,163,992	$50,217,004
Equity		
Share capital	$617,626,773	$498,363,066
Equity reserve	7,525,767	8,858,711
Fair value reserve	1,874,903	(2,637,352)
Translation reserve	27,651,191	7,071,417
Retained earnings	22,367,819	18,023,873
Total Equity	$677,046,453	$529,679,715
Total Liabilities and Equity	$788,210,445	$579,896,719

Alaris Royalty Corp.

Consolidated statement of comprehensive income

For the years ended December 31

	2015	2014
Revenues		
Royalties and distributions	$81,894,788	$68,170,968
Interest and other	951,683	1,134,918
Gain on reduction of partnership interest	2,792,457	-
Loss on disposal of partnerships	-	(860,337)
Realized loss on foreign exchange contracts	(4,155,100)	(927,614)
Unrealized loss on foreign exchange contracts	(3,803,858)	(842,772)
Total Revenue	77,679,970	66,675,163
Salaries and benefits	2,822,459	3,621,464
Corporate and office	2,849,447	1,947,484
Legal and accounting fees	2,262,792	2,219,063
Non-cash stock-based compensation	3,535,268	4,143,549
Bad debts	3,570,277	500,000
Permanent impairment of units	20,460,000	-
Depreciation and amortization	203,170	110,536
Subtotal	35,703,413	12,542,096
Earnings from operations	41,976,557	54,133,067
Finance costs	3,205,244	2,759,380
Unrealized foreign exchange loss/(gain)	(33,405,320)	(8,476,913)
Earnings before taxes	72,176,633	59,850,600
Deferred income tax expense	12,052,333	11,901,005
Current income tax expense	2,262,824	(1,099,516)
Total income tax expense	14,315,157	10,801,489
Earnings	57,861,476	49,049,111
Other comprehensive income		
Net change in fair value of Preferred Units	3,972,055	2,853,470
Net change in fair value of Preferred Units reclassified to earnings	2,667,543	-
Tax impact of change in fair value	(2,127,342)	(606,871)
Foreign currency translation differences	20,579,774	5,869,534
Other comprehensive income for the year, net of income tax	25,092,030	8,116,133
Total comprehensive income for the year	$82,953,506	$ 57,165,244
Earnings per share		
Basic earnings per share	$1.70	$1.61
Fully diluted earnings per share	$1.68	$1.58
Weighted average shares outstanding		
Basic	33,960,479	30,446,449
Fully Diluted	34,390,355	31,095,740

Alaris Royalty Corp.

Consolidated statement of cash flows

For the years ended December 31

	2015	2014
Cash flows from operating activities		
Earnings from the year	$57,861,476	$49,049,111
Adjustments for:		
Finance costs	3,205,244	2,759,380
Deferred income tax expense	12,052,333	11,901,005
Depreciation and amortization	203,170	110,536
Bad debts expense	3,570,277	500,000
Permanent impairment of units	20,460,000	-

Loss on Quetico redemption	-	860,337
Gain on reduction of partnership interest	(2,792,457)	-
Unrealized loss on foreign exchange contracts	3,803,858	842,772
Unrealized foreign exchange gain	(33,405,320)	(8,476,913)
Non-cash stock-based compensation	3,535,268	4,143,549
	68,493,849	61,689,777
Change in:		
-trade and other receivables	(9,758,469)	(6,962,471)
-prepayments	(2,233,956)	(1,342,329)
-trade and other payables	2,526,105	(977,977)
Cash generated from operating activities	59,027,529	52,407,000
Finance costs	(3,205,244)	(2,759,380)
Net cash from operating activities	$55,822,285	$49,647,620
Cash flows from investing activities		
Acquisition of equipment	(794,611)	(69,340)
Acquisition of Preferred LP Units	(178,150,381)	(107,763,746)
Proceeds from Partner redemptions, reduction of interest	44,300,000	30,386,240
Net cash used in investing activities	$(134,644,992)	$(77,446,846)
Cash flows from financing activities		
New share capital, net of share issue costs	109,580,622	82,795,636
Proceeds from exercise of options	3,370,975	123,739
Repayment of debt	(150,800,000)	(84,200,000)
Proceeds from debt	192,747,075	75,200,000
Promissory notes issued	(12,214,850)	(50,000)
Promissory notes repaid	5,821,505	3,000,000
Dividends paid	(52,625,706)	(44,713,396)
Deposits with CRA	(10,713,968)	-
Payments in lieu of dividends on RSUs	-	(261,630)
Net cash used in financing activities	$85,165,653	$31,894,349
Net increase in cash and cash equivalents	6,342,946	4,095,123
Impact of foreign exchange on cash balances	1,164,232	390,059
Cash and cash equivalents, Beginning of year	13,483,524	8,998,342
Cash and cash equivalents, End of year	$20,990,702	$13,483,524

Contact

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