Alaris Royalty Corp. provides a corporate update, January 2020

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CALGARY, Jan. 7, 2020 - Alaris Royalty Corp. ("Alaris" or the "Corporation") (TSX: AD) is pleased to provide a corporate update today. (All figures listed in this press release are in US dollars unless otherwise noted)

Alaris made three investments in the fourth quarter of 2019: (i) a $10.5 million follow-on contribution (the "Unify Follow-On") into an existing partner, Unify Consulting LLC ("Unify"); (ii) a $6.0 million contribution (the "Stride Contribution") into a new partner, Stride Consulting LLC ("Stride"); and (iii) a $1.0 million follow-on contribution (the "PFGP Follow-On") in to Planet Fitness Growth Partners, LLC ("PFGP"), which was part of a previous commitment of capital of up to $8.0 million (the remaining $7.0 million is expected to be contributed throughout 2020). Alaris is also announcing today the redemption of all of the units (the "SBI Units") in Sales Benchmark Index LLC ("SBI") for total gross proceeds of $91.3 million (the "SBI Gross Proceeds"). Lastly, Alaris continues to work on the anticipated redemption (the "Sandbox Redemption") of Alaris' units and repayment of debt held in Sandbox Acquisitions, LLC ("Sandbox").

"With the investments Alaris made in Q4 2019, gross capital deployment for the year ended at approximately CAD$194.0 million, a record for the company. Given the robust deployment landscape that we continue to see, we are pleased to have also realized such a significant return on the redemption of our units in SBI. Alaris has a strong balance sheet, which now includes over CAD$215.0 million of undrawn capacity on its credit facility to fund capital deployment opportunities in 2020," said Steve King, President and CEO, Alaris Royalty Corp.

Follow-on Investment - Unify

In addition to the $10.5 million Unify Follow-On, the transaction also included an exchange (the "Unit Exchange") of Alaris' existing preferred units in Unify, which were valued at $14.5 million (original cost of $12.5 million). As a result of the Unify Follow-On and Unit Exchange (collectively the "Unify Investment") Alaris received new units in Unify worth a total of $25.0 million. To date, Alaris has generated an IRR of 20% on its investment in Unify. The Unify Investment closed on December 17, 2019.

The Unify Investment will result in an annualized distribution to Alaris of $3.3 million (the "Unify Distribution"). The Unify Distribution will have a payment in kind ("PIK") feature, pursuant to which Unify can elect to PIK up to 2.0% of Alaris' invested capital and any such PIK'd amounts will accrue at the rate equal to the current yield of the Unify Distribution. Commencing on January 1, 2021, the Unify Distribution will be adjusted annually based on the percentage change in net revenue year over year subject to a collar of 5%. The proceeds from the Unify Investment were used to achieve capital goals for Unify equity holders and to fund future growth as the company continues growing in new markets. Over the past three years Unify has expanded its operations from offices in Seattle to now also include offices in San Francisco, San Jose and Sioux Falls as well as three new markets expected to open in the next 18 months.

Based on Alaris' review of Unify's internal pro forma financial results for the most recent trailing twelve-month period in 2019, Unify would have an Earnings Coverage Ratio between 1.2x to 1.5x, after giving effect to the Unify Investment, other changes to Unify's capital structure as well as unfinanced growth capital expenditures.

"We're delighted to be furthering our relationship with one of our top performing partners and helping Unify and its equity holders with their objectives," said Gregg Delcourt, Senior Vice President, Alaris.

"Alaris has been the perfect non-controlling capital partner to allow Unify to focus on our consultants and our culture and do what is right for our clients long-term. Alaris understands and respects our values and we are extremely grateful for the continued confidence in our mission," said Darren Alger, President and Chief

Executive Officer, Unify.

Unify is a locally based management consulting firm that offers Data Driven, People Powered solutions. Unify works with a blend of Fortune 500 companies across a diverse set of industries in Seattle and the Bay Area with a new office expected to open in Chicago the first half of 2020. Comprised of over 400 experienced consultants, Unify provides solutions across four service lines: Business Agility, Data Driven Insights, Customer Experience, and Technology Enablement.

New Investment - Stride

Alaris made the $6.0 million Stride Contribution in exchange for preferred units in Stride (the "Stride Units"). The Stride Units will result in an annualized cash distribution to Alaris of $840 thousand (the "Stride Distribution"). Commencing on January 1, 2021, the Stride Distribution will be adjusted annually based on the percentage change in gross revenue year over year subject to a collar of 6%. In addition to the Stride Contribution, Alaris has committed to contributing, at the option of Stride, an additional $4.0 million (the "Additional Stride Contribution"), subject to Alaris conducting confirmatory due diligence and Stride achieving certain financial targets. The proceeds from the Stride Contribution were used for growth and partial liquidity to existing Stride equity holders. The Stride Contribution closed on November 7, 2019.

Based on Alaris' review of Stride's internal pro forma financial results for the most recent trailing twelve-month period in 2019, management of Alaris believes that Stride would have an Earnings Coverage Ratio between 1.5x to 2.0x, after giving effect to the Stride Contribution, other changes to Stride's capital structure and the Stride Distribution payable to Alaris.

Headquartered in New York City, Stride is a leading Agile software development consultancy comprised of developers, product managers, coaches, and designers, empowering technology teams to implement industry best practices, build better software, and scale efficiently and successfully. Founded in 2014 by Debbie Madden, Stride has helped hundreds of technology teams, including companies such as NBC Universal, Sony, Casper, Saks Fifth Avenue, Clear, among many others, deliver transformative results. Stride ranked on the Inc 5000 list of Fastest Growing Companies for the past two years, and in 2019 was recognized as the Fastest Growing Women-Owned Business in New York by the Women Presidents' Organization.

"We are excited to partner with Stride. Debbie has passionately built an impressive company around the high-quality people at Stride and we are delighted to assist them as they build their future," said Mr. Delcourt.

"I am delighted to partner with Alaris, with the number of options in the market we are very fortunate to be partnering with a group that allows us to maintain our culture and the majority of upside in future growth. Stride is built off its tremendous workforce, therefore finding a financial partner that keeps our innovative culture and entrepreneurial DNA was essential to Stride. At Stride, we have worked very hard to create the leading Agile software development consultancy in New York City and look forward to continuing to provide our clients with significant and permanent improvements in their software development capabilities," said Debbie Madden, Founder and CEO Stride Consulting.

SBI Redemption

SBI has entered into a purchase and sale agreement with a third party (the "Third Party"), pursuant to which the Third Party acquired SBI (the "SBI Sale"). The SBI Sale closed on January 7, 2020 and resulted in the redemption (the "SBI Redemption") of all of Alaris' SBI Units and Alaris receiving the $91.3 million SBI Gross Proceeds.

The SBI Gross Proceeds consisted of the following: (i) $84.3 million for the SBI Units, which represents a premium of $9.2 million over Alaris' original cost of $75.0 million and a $1.2 million gain over the current book value of the SBI Units and (ii) $7.0 million (the "Make Whole Distributions") for distributions owed up to the third anniversary date of Alaris' initial investment, which is August 31, 2020. As per the agreements between SBI and Alaris, if a sale of SBI was to occur within the first three years after the first investment by Alaris, all distributions owed up to the end of the three-year period would be paid on closing of the SBI Sale. Alaris achieved a total return of approximately 50% and an IRR of approximately 22% by collecting over $32.8

million of distributions from SBI (including the Make Whole Distributions) as well as $94.3 million of redemption proceeds since its first investment in SBI in August 2017 (a partial redemption of $10.0 million of SBI Units took place in May 2019).

"The owners of SBI were wonderful partners and we wish them the best in the future," said Mr. King.

After today's announcements, Alaris will have approximately CAD$165.0 million drawn on its senior credit facility (the "Facility") and CAD$215.0 million available for investment purposes (CAD$165.0 million available under the Facility and CAD$50.0 million available on the accordion feature) while the total senior debt to EBITDA on a proforma basis is approximately 1.60x. Alaris estimates its run rate payout ratio to be under 90% following today's announcements and the expected Sandbox Redemption.

ABOUT THE CORPORATION:

Alaris provides alternative financing to private companies ("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.

NON-IFRS MEASURES:

Earnings Coverage Ratio refers to the Normalized EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded maintenance capital expenditures and distributions to Alaris.

Run Rate Payout Ratio refers to Alaris' total 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) of a Partner 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.

Normalized EBITDA refers to the EBITDA of a Partner excluding items that are non-recurring in nature and is calculated by adjusting for nonrecurring expenses and gains to EBITDA. Management deems non-recurring items to be unusual and/or infrequent items that its Partner incurs outside of its common day-to-day operations.

The terms Earnings Coverage Ratio, Run Rate Payout Ratio, EBITDA and Normalized EBITDA (the "Non-IFRS Measures") are not standard measures under IFRS. Alaris' calculation of the Non-IFRS Measures may differ from those of other issuers and, therefore, should only be used in conjunction with the Corporation's annual audited financial statements, which are available on SEDAR at www.sedar.com.

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 impact of the Unify Investment, Stride Contribution, PFGP Follow-On, potential Sandbox Redemption and SBI Redemption (including the impact on revenues, distributions to be received from Partners, run rate payout ratio, and total senior debt to EBITDA); outstanding indebtedness under the Facility; the Additional Stride Contribution; Alaris' Run Rate Payout Ratio; expected growth of Alaris' Partners; and expected Earnings Coverage Ratio's. Many of these statements can be identified by 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 the impact on revenues, distributions to be received from Partners, Run Rate

Payout Ratio and total senior debt to EBITDA), 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 Alaris will achieve the benefits of any concessions or relief measures provided to any Partners, that the Partners will continue to make distributions to Alaris as and when required and in line with management's expectations, that the businesses of the Partners will continue to grow 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 the next twelve 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; a failure of the Corporation or any Partners 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 in a timely fashion, or at all; a change in the ability of the Partners to continue to pay Alaris' distributions; a change in the unaudited information provided to the Corporation; a failure of a Partner (or Partners) to realize on their anticipated growth strategies; a failure to achieve resolutions for outstanding issues with Partners on terms materially in line with management's expectations or at all; 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 the Corporation's Management Discussion and Analysis for the year ended December 31, 2018, 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 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.

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