Alaris Equity Partners Income Trust Releases 2023 Fourth Quarter and Annual Financial Results

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CALGARY, March 14, 2024 - Alaris Equity Partners Income Trust (together, as applicable, with its subsidiaries, "Alaris" or the "Trust") is pleased to announce its results for the three months and year ended December 31, 2023. The results are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. All amounts below are in Canadian dollars unless otherwise noted.

Highlights:

- For the year ended December 31, 2023, the Trust had a net unrealized gain on investments at fair value of $65.2 million, of which $58.2 million relates to Alaris' common equity investments. During the year, Alaris' common equity investments realized an increase in fair value of 34.3% on the opening carrying value in addition to a 7.5% return in common Distribution revenue earned in 2023 of $12.8 million. In total, Alaris' investment in common equity earned a total return of 41.8% in the year on the opening carrying value. Over the years, Alaris' holding of common equity investments as part of its overall investment strategy has grown with 13 of 20 investments now containing common equity. It is management's belief that participating in minority common equity along side preferred equity investments allows Alaris to participate in the growth of that Partner and can amplify returns;
- During the year the Trust completed a strategic transaction in Sono Bello, LLC ("BCC") which involved an exchange of its existing preferred units for newly issued convertible units. Alaris receives an 8.5% preferred Distribution, as well as an annual transaction fee of US$1.5 million, with a total of US$12.2 million received in 2023. Over the year there was also an increase of US$13.9 million in the fair value of the convertible preferred units, resulting in a total annualized rate of return of approximately 20%. In addition, the convertible preferred units also participate in common distributions paid in excess of 8.5% and receive an additional allocation of profits in the event specific return-based threshold are achieved;
- Revenue in the three months ended December 31, 2023 of $41.9 million exceeded previous guidance of $39.9 million by $2.0 million as a result of higher than expected common dividends from Alaris' Partners;
- EBITDA (1) in the three months ended December 31, 2023 of $61.3 million or $1.35 per unit and in the year ended 2023 of $202.0 million or $4.44 per unit represent increases of 30% and 10%, respectively, as compared to the respective periods in 2022;
- For the year ended December 31, 2023, Alaris generated basic earnings per unit of $3.05 and paid out $1.36 of Distributions per unit, resulting in $1.28 per unit of additional book value, improving the metric at year-end to $21.12 which represents a record book value per unit for Alaris;
- Capital deployment of $130.1 million in 2023, which included initial annual contracted Distributions of approximately $14.0 million, or incremental revenue of $0.30 per unit;

- In Q4 2023, Alaris completed an amendment to its credit facility with senior lenders which included increasing the base of its credit facility from $450.0 million to $500.0 million, a reduction in pricing, and an increase in the senior debt to contracted EBITDA covenant from 2.5:1 to 3.0:1, and as a result of these amendments, Alaris expects its realized interest rate to decline on a go forward basis as compared to the realized interest rate in 2023;
- Revenue of $162.6 million in 2023 is comparable to $161.6 million generated in 2022 after normalizing for one-time items including the collection of previously deferred Distributions of $17.2 million from Kimco Holdings, LLC ("Kimco") and $4.1 million from Ohana Growth Partners, LLC ("Ohana"), as well as $7.1 million in make whole Distributions from Falcon Master Holdings LLC, dba FNC Title Service ("FNC") as part or their redemption;
- The weighted average combined Earnings Coverage Ratio (5) for Alaris' Partners remains above 1.5x with eleven of twenty Partners greater than 1.5x. In addition, twelve of our total partners have either no debt or less than 1.0x Senior Debt to EBITDA on a trailing twelve-month basis; and

- Alaris' Actual Payout Ratio(2) for the year ended December 31, 2023, was 64% after adjusting for the settlement and legal costs related the Sandbox Acquisitions, LLC and Sandbox Advertising LP (collectively, "Sandbox") litigation. The settlement of this dispute has resulted in a reduction of legal costs within general and administrative expenses in the second half of 2023.

President's Message

In 2023 we saw the growing impact of the common equity strategy that we put in place five years ago. Over that period, we have added significantly more upside exposure to our total returns, all while maintaining an adjusted payout ratio on our current distribution of less than 65%. While the foundation of our company has not changed - cash distributions from a diversified portfolio of no, or low-debt companies that have a long track record of repeatable free cash flow, we have added equity upside on expected exits. Adding significant upside through common equity positions as well as a profits interest in third party capital has changed our return profile considerably without materially changing the level of risk taken. Year-over-year returns of nearly 42% on our common equity portfolio plus the more than 13% current cash yield on our preferred equity portfolio creates a unique return profile for our shareholders that did not exist in previous years.

The year came up short of management's expectations for capital deployment. At the micro level, we walked away from two deals that were scheduled to close before year-end that would have seen us hit our internal targets. Regardless of how attractive our capital is to companies in this environment, we will continue to be uncompromising in our investment criteria. On a macro level, the higher interest rate environment has caused a slowdown for the entire private equity industry, prompting many deals to be delayed until there is a more favourable environment. In addition to seeking out great new partners, we will make a more concerted push in 2024 to also grow through our twenty platform partners. Now that we have common equity upside in most of our partners, creating value through strategic acquisitions is a sound strategy that will potentially increase our returns while also increasing our annual capital deployment.

We are moving through 2024 in a strong position. We have capital on our balance sheet to deploy, a low payout ratio that gives us flexibility in our capital allocation decisions, a healthy portfolio and a twenty year track record of creating true win-win partnerships between owner-operated businesses and our shareholders. I look forward to what the next twenty years has to bring for our company.

Results of Operations

Per Unit Results	Three months ended			Year ended		
Period ending December 31	2023	2022	% Change	2023	2022	% Change
Revenue	$ 0.92	$ 1.13	-18.6%	$ 3.58	$ 4.20	-14.8%
EBITDA *(Note 1)*	$ 1.35	$ 1.04	+29.8%	$ 4.44	$ 4.05	+9.6%
Cash from operations, prior to changes in working capital	$ 0.80	$ 1.04	-23.1%	$ 2.60	$ 3.78	-31.2%
Distributions declared	$ 0.34	$ 0.34	+0.0%	$ 1.36	$ 1.33	+2.3%
Basic earnings	$ 0.90	$ 0.76	+18.4%	$ 3.05	$ 2.89	+5.5%
Fully diluted earnings	$ 0.86	$ 0.73	+17.8%	$ 2.93	$ 2.79	+5.0%
Weighted average basic units (000's)	45,498	45,280		45,449	45,249	

For the three months ended December 31, 2023, revenue per unit decreased by 18.6% compared to the same period in 2022. This decrease is primarily due to Distributions received in Q4 2022 that were one-time in nature. In Q4 2022, revenue included $7.1 million of Distributions received upon FNC's early redemption and $4.1 million related to Ohana catch up Distributions which were deferred in prior periods as a result of the impact of COVID-19. Also contributing to the decrease in revenue per unit was a reduction in Distributions as a result of the BCC strategic transaction that occurred in Q1 2023. The previous preferred units in BCC were exchanged for newly issued convertible preferred units that are entitled to an 8.5% Distribution as well as participation in any common Distribution above 8.5%, paid when declared and as cashflows permit. Partially offsetting these decreases were Distributions earned from new investments in Federal Management Partners, LLC ("FMP") and The Shipyard, LLC ("Shipyard").

During the year ended December 31, 2023, revenue per unit decreased by 14.8% compared to the year ended 2022. The decrease is largely a result of additional Distributions received in 2022 as part of certain Partner redemptions and that were non-recurring in 2023. For the year ended December 31, 2022, $17.2

million of additional Distributions were received from Kimco as part of their redemption, as well as the additional Distributions received from Ohana and FNC's redemption described above. The remaining decrease can be attributed to the deferral of Distributions by LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "LMS") in the first six months of 2023 and the BCC strategic transaction in Q1 2023 described above. Partially offsetting these decreases were higher common Distributions earned in 2023 as compared to 2022 and Distributions from new investments in Sagamore Plumbing and Heating, LLC ("Sagamore"), FMP, and Shipyard.

As the Trust's Cash from operations, prior to changes in working capital, excludes primarily all non-cash items in the Trust's consolidated statement of comprehensive income, the Cash from operations, prior to changes in working capital per unit and the changes from period to period is an important tool to use to summarize the ability for Alaris to generate cash. In the three months ended December 31, 2023, Cash generated from operations, prior to changes in working capital per unit decreased by 23.1% compared Q4 2022, which is the result of the decrease in revenue per unit discussed above as well as higher current income tax expense in Q4 2023. For the year ended 2023, cash generated from operations, prior to changes in working capital per unit decreased by 31.2% compared to 2022 primarily due to the year over year decrease in revenue per unit, higher general and administrative costs in 2023 as a result of the litigation and legals costs associated to the Sandbox settlement, and higher current income tax expense in 2023.

The Actual Payout Ratio (2) for Alaris for the year ended December 31, 2023 was 75%, an increase from 39% in 2022, largely due to tax payments in 2023 as well as the decrease in revenue and increased general and administrative costs as discussed above. Excluding the settlement and associated legal costs in the year ended December 31, 2023, the adjusted payout ratio would be 64%.

EBITDA (1) per unit increased by 29.8% in Q4 2023 and by 9.6% in the year ended December 31, 2022, each as compared to the respective comparable periods in 2022, primarily as a result of an increase in the net realized and unrealized gain from investments in 2023. In 2023, net realized and unrealized gain on investments was $28.3 million in Q4 2023 and $70.6 million for the year ended, as compared to $5.6 million in Q4 2022 and $8.0 million in the year ended 2022. Driving these gains in 2023 were relatively higher increases to the fair value of investments in both comparable periods. Partially offsetting the increase in EBITDA (1) per unit in Q4 2023 and the year ended 2023 were the decreases in revenue per unit as described above as well as higher general and administrative costs in the year due to costs associated to the Sandbox settlement in the first half of 2023.

Basic earnings per unit increased by 18.4% in Q4 2023 and by 5.5% in the year ended December 31, 2023, each as compared to the respective comparable periods in 2022, primarily due to the same reasons described above for increases in EBITDA (1) per unit; however, also negatively impacted by higher income tax expense and an increase in finance costs in Q4 2023 and year ended 2023 as compared to the same periods in 2022.

Outlook

The Trust deployed approximately $130.1 million in the year ended December 31, 2023, consistent with the Trust's total acquisition of investments in its consolidated statement of cash flows. Total revenue of $41.9 million in Q4 2023 exceeded previous guidance of $39.9 million as a result of higher than expected common dividends from Alaris' Partners. As presented below, the outlook for the next twelve months Run Rate Revenue (3) is approximately $169.6 million, which includes an overall flat reset expectation on preferred Distributions that are resetting in 2024. This includes current contracted amounts, an additional US$2.4 million from Ohana related to deferred Distributions during COVID-19 and an estimated $10.5 million of common dividends. Alaris expects total revenue from its Partners in Q1 2024 of approximately $39.2 million.

The Run Rate Cash Flow (6) table below outlines the Trust's expectation for revenue, general and administrative expenses, interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow (6) is a Non-GAAP financial measure and outlines the net cash from operating activities, net of distributions paid, that Alaris is expecting to have over the next twelve months. This measure is comparable to net cash from operating activities less distributions paid, as outlined in Alaris' condensed consolidated interim statements of cash flows. Annual general and administrative expenses are currently estimated at $16.5 million and include all public company costs. The Trust's Run Rate Payout Ratio

(4) is expected to be within a range of 65% and 70% when including Run Rate Revenue (3), overhead

expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow alongside the after-tax impact of positive net deployment and the impact of every 1% increase in SOFR based on current outstanding USD debt and the impact of every $0.01 change in the USD to CAD exchange rate.

Run Rate Cash Flow *($ thousands except per unit)*		Amount ($)	$ / Unit
Revenue		$ 169,600	$ 3.73
General and administrative expenses		(16,500)	(0.36)
Interest and taxes		(56,100)	(1.23)
Net cash from operating activities		$ 97,000	$ 2.14
Distributions paid		(61,900)	(1.36)
Run Rate Cash Flow		$ 35,100	$ 0.78
Other considerations (after taxes and interest):			
New investments	Every $50 million deployed @ 14%	+2,378	+0.05
Interest rates	Every 1.0% increase in SOFR	-1,700	-0.04
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

The senior debt facility was drawn to $242.4 million at December 31, 2023 net of the unamortized debt amendment and extension fees of $3.2 million. The annual interest rate on that debt, inclusive of standby charges on available capacity, was approximately 7.9% for the year. Subsequent to December 31, 2023, Alaris drew on senior debt to fund a follow-on investment with a current partner as well as used proceeds from excess cashflow to repay senior debt. Following these draws and repayments, the total drawn on the facility on the date of this MD&A is approximately $247 million with the capacity to draw up to an additional $253 million based on covenants and credit terms.

The Condensed Consolidated Interim Statements of Financial Position, Condensed Consolidated Interim Statements of Comprehensive Income, and Condensed Consolidated Interim Statements of Cash Flows are attached to this news release. Alaris' financial statements and MD&A are available on SEDAR+ at www.sedarplus.ca and on our website at www.alarisequitypartners.com.

Earnings Release Date and Conference Call Details

Alaris management will host a conference call at 9am MT (11am ET), Friday, March 15, 2024 to discuss the financial results and outlook for the Trust.

Participants must register for the call using this link: Q4 2023 Conference Call. Pre-register to receive the dial-in numbers and unique PIN to access the call seamlessly. It is recommended that you join 10 minutes prior to the event start (although you may register and dial in at any time during the call). Participants can access the webcast here: Q4 Webcast. A replay of the webcast will be available two hours after the call and archived on the same web page for six months. Participants can also find the link on our website, stored under the "Investors" section - "Presentations and Events", at www.alarisequitypartners.com.

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

About the Trust:

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

Non-GAAP and Other Financial Measures
The terms EBITDA, Actual Payout Ratio, Run Rate Revenue, Run Rate Payout Ratio, Earnings Coverage Ratio, Run Rate Cash Flow, IRR and Per Unit amounts (collectively, the "Non-GAAP and Other Financial

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

(1) "EBITDA" and "EBITDA per unit" are Non-GAAP financial measures and refer to earnings determined in accordance with IFRS, before depreciation and amortization, interest expense (finance costs) and income tax expense and the same amount divided by weighted average basic units outstanding. EBITDA and EBITDA per unit are used by management and many investors to determine the ability of an issuer to generate cash from operations, aside from still including fluctuations due to changes in exchange rates and changes in the Trust's investments at fair value. Management believes EBITDA and EBITDA per unit are useful supplemental measures from which to determine the Trust's ability to generate cash available for servicing its loans and borrowings, income taxes and distributions to unitholders. Refer to the reconciliation of EBITDA and calculation of EBITDA per unit in the table below.

	Three months ended December 31			Year ended December 31		
$ thousands except per unit amounts	2023	2022	% Change	2023	2022	% Change
Earnings	$ 40,738	$ 34,504	+18.1%	$ 138,448	$ 130,676	+5.9%
Depreciation and amortization	58	55	+5.5%	227	216	+5.1%
Finance costs	9,624	7,543	+27.6%	31,533	28,185	+11.9%
Total income tax expense	10,865	4,956	+119.2%	31,767	24,280	+30.8%
EBITDA	$ 61,285	$ 47,058	+30.2%	$ 202,075	$ 183,357	+10.2%
Weighted average basic units (000's)	45,498	45,280		45,449	45,249	
EBITDA per unit	$ 1.35	$ 1.04	+29.8%	$ 4.44	$ 4.05	+9.6%

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

(3) "Run Rate Revenue" is a supplementary financial measure and refers to Alaris' total revenue expected to be generated over the next twelve months based on contracted distributions from current Partners, excluding any potential Partner redemptions, it also includes an estimate for common dividends or distributions based on past practices, where applicable. Run Rate Revenue is a useful metric as it provides an expectation for the amount of revenue Alaris can expect to generate in the next twelve months based on information known.

(4) "Run Rate Payout Ratio" is a Non-GAAP financial ratio that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by the net cash from operating activities per unit calculated in the Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for Alaris to track and to outline as it provides a summary of the percentage of the net cash from operating activities that can be used to either repay senior debt during the next twelve months and/or be used for additional investment purposes. Run Rate Payout Ratio is comparable to Actual Payout Ratio as defined above.

(5) "Earnings Coverage Ratio ("ECR")" is a supplementary financial measure and refers to the EBITDA of a Partner divided by such Partner's sum of debt servicing (interest and principal), unfunded capital expenditures and distributions to Alaris. Management believes the earnings coverage ratio is a useful metric in assessing our partners continued ability to make their contracted distributions.

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

(7) "Per Unit" values, other than earnings per unit, refer to the related financial statement caption as defined

under IFRS or related term as defined herein, divided by the weighted average basic units outstanding for the period.

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

Forward-Looking Statements

This news release contains forward-looking information and forward-looking statements (collectively, "forward-looking statements") under applicable securities laws, including any applicable "safe harbor" provisions. Statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning the growth, results of operations, performance of the Trust and the Partners, the future financial position or results of the Trust, business strategy and plans and objectives of or involving the Trust or the Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this news release contains forward-looking statements regarding: the anticipated financial and operating performance of the Partners; the attractiveness of Alaris' capital offering; the Trust's Run Rate Payout Ratio, Run Rate Cash Flow, Run Rate Revenue and total revenue; the impact of recent new investments and follow-on investments; expectations regarding receipt (and amount of) any common equity distributions or dividends from Partners in which Alaris holds common equity, including the impact on the Trust's net cash from operating activities, Run Rate Revenue, Run Rate Cash Flow and Run Rate Payout Ratio; the use of proceeds from the senior credit facility; impact of future deployment; the Trust's ability to deploy capital; the yield on the Trust's investments and expected resets on Distributions; the impact of deferred Distributions and the timing of repayment there of; the Trust's return on its investments; and Alaris' expenses for 2024. To the extent any forward-looking statements herein constitute a financial outlook or future oriented financial information (collectively, "FOFI"), including estimates regarding revenues, Distributions from Partners (including expected resets, restarting full or partial Distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Cash Flow, net cash from operating activities, expenses and impact of capital deployment, they were approved by management as of the date hereof and have been included to provide an understanding with respect to Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Alaris' business and that of its Partners (including, without limitation, any ongoing impact of COVID-19 and global economic and political factors) are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that: the Russia/Ukraine conflict, conflicts in the Middle East, and other global economic pressures over the next twelve months will not materially impact Alaris, its Partners or the global economy; interest rates will not rise in a matter materially different from the prevailing market expectation over the next 12 months; that COVID-19 or any variants or other global heath crises there of will not impact the economy or our partners operations in a material way in the next 12 months; the businesses of the majority of our Partners will continue to grow; more private companies will require access to alternative sources of capital; the businesses of new Partners and those of existing Partners will perform in line with Alaris' expectations and diligence; and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that the Canadian and U.S. dollar trading pair will remain in a range of approximately plus or minus 15% of the current rate over the next 6 months. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies as well as prevailing economic conditions at the time of such determinations.

There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Trust and the Partners could materially differ from those anticipated in the forward-looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: any increase in COVID-19 (or its variants) or other widespread health crises; and other global economic factors (including, without limitation, the Russia/Ukraine conflict, conflicts in the Middle East, inflationary measures and global supply chain disruptions on the global economy, Trust and the Partners (including how many Partners will experience a slowdown of their business and the length of time of such slowdown), the dependence of Alaris on the Partners, including any new investment structures; leverage and restrictive covenants under credit facilities; reliance on key personnel; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Partners; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; risks relating to the Partners and their businesses, including, without limitation, a material change in the operations of a Partner or the industries they operate in; inability to close additional Partner contributions or collect proceeds from any redemptions in a timely fashion on anticipated terms, or at all; a failure to settle outstanding litigation on expected terms, or at all; a change in the ability of the Partners to continue to pay Alaris at expected Distribution levels or restart distributions (in full or in part); a failure to collect material deferred Distributions; a change in the unaudited information provided to the Trust; and a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partner or to successfully execute an exit strategy for a Partner where desired. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" and "Forward Looking Statements" in Alaris' Management Discussion and Analysis and Annual Information Form for the year ended December 31, 2023, which is or will be (in the case of the AIF) filed under Alaris' profile at www.sedarplus.ca and on its website at www.alarisequitypartners.com.

Readers are cautioned that the assumptions used in the preparation of forward-looking statements, including FOFI, although considered reasonable at the time of preparation, based on information in Alaris' possession as of the date hereof, may prove to be imprecise. In addition, there are a number of factors that could cause Alaris' actual results, performance or achievement to differ materially from those expressed in, or implied by, forward looking statements and FOFI, or if any of them do so occur, what benefits the Trust will derive therefrom. As such, undue reliance should not be placed on any forward-looking statements, including FOFI.

The Trust has included the forward-looking statements and FOFI in order to provide readers with a more complete perspective on Alaris' future operations and such information may not be appropriate for other purposes. The forward-looking statements, including FOFI, contained herein are expressly qualified in their entirety by this cautionary statement. Alaris disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

For more information please contact:
Investor Relations
Alaris Equity Partners Income Trust
403-260-1457
ir@alarisequity.com

Alaris Equity Partners Income Trust
Consolidated statements of financial position

	31-Dec	31-Dec
$ thousands	2023	2022
Assets		
Cash	$ 15,184	$ 60,193
Derivative contracts	1,012	2,507
Accounts receivable and prepayments	2,972	2,689
Income taxes receivable	29,104	22,675
Current Assets	$ 48,272	$ 88,064
Property and equipment	327	485
Other long-term assets	33,537	33,395
Investments	1,392,758	1,248,159
Non-current assets	$ 1,426,622	$ 1,282,039
Total Assets	$ 1,474,894	$ 1,370,103
Liabilities		
Accounts payable and accrued liabilities	$ 10,668	$ 11,517
Distributions payable	15,469	15,395
Derivative contracts	341	2,818

Office Lease	208	352
Convertible debenture	97,709	-
Income tax payable	-	306
Current Liabilities	$ 124,395	$ 30,388
Deferred income taxes	82,301	67,386
Loans and borrowings	242,359	216,077
Convertible debenture	-	93,446
Senior unsecured debenture	63,112	62,613
Other long-term liabilities	1,904	1,938
Non-current liabilities	$ 389,676	$ 441,460
Total Liabilities	$ 514,071	$ 471,848
Equity		
Unitholders' capital	$ 760,891	$ 757,220
Translation reserve	33,711	51,391
Retained earnings	166,221	89,644
Total Equity	$ 960,823	$ 898,255
Total Liabilities and Equity	$ 1,474,894	$ 1,370,103

Alaris Equity Partners Income Trust
Consolidated statements of comprehensive income

	Year ended December 31	
$ thousands except per unit amounts	2023	2022
Revenues, including realized foreign exchange	$ 162,567	$ 190,046
Net realized gain from investments	13,474	37,941
Net unrealized gain / (loss) on investments at fair value	65,210	(29,906)
Total revenue and other operating income	$ 241,251	$ 198,081
General and administrative	29,186	22,032
Transaction diligence costs	5,220	4,640
Unit-based compensation	4,188	2,762
Depreciation and amortization	227	216
Total operating expenses	38,821	29,650
Earnings from operations	$ 202,430	$ 168,431
Finance costs	31,533	28,185
Net unrealized (gain) / loss on derivative contracts	(1,880)	106
Foreign exchange (gain) / loss	2,562	(14,816)
Earnings before taxes	$ 170,215	$ 154,956
Current income tax expense	15,093	3,970
Deferred income tax expense	16,674	20,310
Total income tax expense	31,767	24,280
Earnings	$ 138,448	$ 130,676
Other comprehensive income		
Foreign currency translation differences	(17,680)	36,339
Total comprehensive income	$ 120,768	$ 167,015
Earnings per unit		
Basic	$ 3.05	$ 2.89
Fully diluted	$ 2.93	$ 2.79
Weighted average units outstanding		
Basic	45,449	45,249
Fully Diluted	50,012	49,728

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

	Year ended December 31	
$ thousands	2023	2022
Cash flows from operating activities		
Earnings for the period	$ 138,448	$ 130,676
Adjustments for:		
Finance costs	31,533	28,185
Deferred income tax expense	16,674	20,310
Depreciation and amortization	227	216
Net realized gain from investments	(13,474)	(32,097)
Net unrealized (gain) / loss on investments at fair value	(65,210)	29,906
Unrealized (gain) / loss on derivative contracts	(1,880)	106
Unrealized foreign exchange (gain) / loss	2,559	(13,690)
Transaction diligence costs	5,220	4,640
Unit-based compensation	4,188	2,762
Cash from operations, prior to changes in working capital	$ 118,285	$ 171,014
Changes in working capital:		
Accounts receivable and prepayments	(283)	492
Income tax receivable / payable	(8,494)	9,056
Other long-term assets	69	(7,448)
Accounts payable, accrued liabilities	(1,536)	1,466
Cash generated from operating activities	$ 108,041	$ 174,580
Cash interest paid	(25,079)	(22,164)
Net cash from operating activities	$ 82,962	$ 152,416
Cash flows from investing activities		
Acquisition of investments	$ (130,103)	$ (155,884)
Transaction diligence costs	(5,220)	(4,640)
Proceeds from partner redemptions	36,999	161,838
Promissory notes and other assets issued	-	(2,738)
Promissory notes and other assets repaid	-	16,274
Net cash from / (used in) investing activities	$ (98,324)	$ 14,850
Cash flows from financing activities		
Repayment of loans and borrowings	$ (97,283)	$ (267,692)
Proceeds from loans and borrowings	130,480	142,528
Debt amendment and extension fees	(1,169)	(2,317)
Proceeds from senior unsecured debenture, net of fees	-	62,192
Distributions paid	(61,797)	(59,721)
Office lease payments	(144)	(148)
Net cash used in financing activities	$ (29,913)	$ (125,158)
Net increase / (decrease) in cash	$ (45,275)	$ 42,108
Impact of foreign exchange on cash balances	266	(362)
Cash, Beginning of year	60,193	18,447
Cash, End of year	$ 15,184	$ 60,193
Cash taxes paid / (received)	$ 22,067	$ (3,010)