Alaris Equity Partners Invests a Combined US$47.5 Million in a New Partner and a Follow-On Investment with an Existing Partner

14.05.2024 | GlobeNewswire

CALGARY, May 14, 2024 - Alaris Equity Partners Income Trust (the "Trust") (TSX: AD.UN) is pleased to announce that its subsidiary, Alaris Equity Partners USA Inc. (collectively, with the Trust and its other subsidiaries, "Alaris") has made an investment into Cresa LLC ("Cresa") (the "Cresa Investment"). The Trust is also pleased to announce a total of US$27.5 million of funding to The Shipyard, LLC ("The Shipyard" or "TSY").

Cresa Investment

Cresa is in an active growth phase and sought an equity partner to help it achieve its goals. Alaris was selected as an ideal equity partner given its focus on collaboration and ability to support a growth plan. Alaris and Cresa have a shared vision and values, and the investment is a strong endorsement of Cresa's occupier focus model on the commercial real estate industry.

"Alaris is excited to be partnering with Cresa. Cresa has an excellent reputation in the industry and a strong growth profile which makes it a perfect fit for Alaris. We look forward to growing with Cresa over the course of our partnership", said Steve King, Chief Executive Officer, Alaris.

"Alaris has a distinguished track record of partnerships and we are delighted to welcome them as a minority investor in Cresa. Their partnership is a testament to the strength of our business model. This investment will accelerate Cresa's robust growth plans", said Tod Lickerman, Chief Executive Officer, Cresa.

In exchange for an initial US$20.0 million investment, Alaris will receive preferred equity with an initial annual distribution of US$2.8 million resetting annually, up to a maximum of $^{+}$/- 7%, based on changes in Cresa's revenue. Cresa may pay-in-kind up to a specified percentage of the total annual pre-tax yield ("PIK Distribution"), which Cresa must fully pay on the earlier of the 5th anniversary of the initial investment or redemption of Alaris' preferred equity.

Alaris' management believes that Cresa will have an earnings coverage ration above 2.0x based on: (a) Cresa's pro forma financial results for the most recent trailing twelve-month period, (b) certain other changes to Cresa's capital structure, and (c) the preferred equity distributions payable to Alaris.

To further accelerate Cresa's growth plans, the Cresa Investment includes a commitment to fund two follow-on investments of US$10.0 million and US$15.0 million, for which Alaris will receive additional preferred equity. Each tranche of the Cresa Investment will have the same metrics as the initial tranche.

The Cresa Investment will be used to fund Cresa's growth initiatives, including mergers & acquisitions.

About Cresa:

Cresa is a leading global commercial real estate advisory firm dedicated to exclusively representing tenants, with 50 offices across North America. With a unique approach that integrates full-spectrum real estate solutions, Cresa advocates for tenants without conflicts of interest, ensuring tenant business environments align with corporate strategies. Cresa emphasizes strategic partnership, innovation, and client-centric services to enhance business operations and real estate efficiency.

Shipyard Follow-On Investments

Alaris has invested an additional US$22.0 million in The Shipyard with proceeds being used to make a strategic acquisition.

Alaris is also pleased to announce it has completed its commitment to invest a second tranche of US$5.5 million in The Shipyard. The Shipyard achieved the performance targets agreed to in the original investment (announced by Alaris on August 31, 2023), which resulted in the funding of the TSY Second Tranche.

The follow-on investments in The Shipyard collectively increase Alaris' preferred equity investment to US$70.0 million and the annualized distribution from US$6.0 million to US$9.8 million. Alaris also has US$17.0 million of common equity in TSY. Alaris' management believes that The Shipyard will have an earnings coverage ration between 1.2x and 1.5x based on: (a) Alaris' review of TSY's pro forma financial results for the most recent trailing twelve-month period, (b) certain other changes to TSY's capital structure, and (c) the preferred equity distributions payable to Alaris.

About Alaris:

Alaris, through its subsidiaries, provides alternative financing to private companies ("Partners") in exchange for distributions, dividends and interest (collectively, "distributions") with the principal objective of generating stable and predictable cash flows for dividend payments to its unitholders. 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 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.

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 charges to be unusual and/or infrequent charges that our Partners incur outside of its common day-to-day operations.

EBITDA refers to earnings 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.

The terms Earnings Coverage Ratio, Normalized EBITDA and 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 Trust's annual audited and unaudited interim financial statements, which are available under the Trust's (and its predecessor's) profile on SEDAR+ at www.sedarplus.ca.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements, including forward-looking statements within the meaning of "safe harbor" provisions under applicable securities laws ("forward-looking statements"). Statements other than statements of historical fact contained in this news release may be forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning the Cresa Investment and The Shipyard Follow-On. 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. Forward looking statements in this news release include, without limitation, statements regarding: future tranches of the Cresa investment; the annualized distributions for the Cresa Investment and

The Shipyard investments; Cresa's growth plans; the earnings coverage ratios for Cresa, and The Shipyard. Any forward-looking statements herein which constitute a financial outlook or future-oriented financial information (including the impact on Run Rate Payout Ratio) were approved by management as of the date hereof and have been included to provide an understanding of 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: interest rates will not rise in a matter materially different from the prevailing market expectations over the next 12 to 24 months; that COVID-19 or any variants therefore will not impact the economy or any partners' operations in a material way in the next 12 months; the businesses of the majority of our partners will continue to grow; the businesses of new partners and those of existing partners will perform in line with Alaris' expectations and diligence; 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 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.

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 ability of our partners and, correspondingly, Alaris to meet performance expectations for 2024; any change in the senior lenders under our credit facility's outlook for Alaris' business; management's ability to assess and mitigate the impacts of any local, regional, national or international health crises like COVID-19; the dependence of Alaris on the partners; reliance on key personnel; general economic conditions in Canada, North America and globally; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the partners; a failure of the Trust 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 Trust; a failure of a partner (or partners) to realize on their anticipated growth strategies; a failure to achieve the expected benefits of the third-party asset management strategy or similar new investment structures and 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 Trust's Management Discussion and Analysis for the year ended December 31, 2023, which is filed under the Trust's profile at www.sedarplus.ca and on its website at www.alarisequitypartners.com.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about increases to the Trust's net operating cash per flow per unit and liquidity, each of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. Alaris' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and FOFI, or if any of them do so, what benefits the Trust will derive therefrom. 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. 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.

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.

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