Alaris Equity Partners Income Trust Releases 2024 Second Quarter Financial Results

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CALGARY, Aug. 01, 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 and six months ended June 30, 2024. 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.

In January 2024, Alaris determined that it met the definition of an investment entity, as defined by IFRS 10, Consolidated financial statements. This change in status has fundamentally changed how Alaris prepares, presents and discusses its financial results relative to prior periods. IFRS requires that this change in accounting be made prospectively and as a result prior periods are not restated to reflect the change in Alaris' investment entity status. Accordingly, the readers of this press release, Alaris' second quarter interim MD&A and unaudited condensed consolidated interim financial statements should exercise significant caution in reviewing, considering, and drawing conclusions from period-to-period comparisons and changes, as the direct comparisons between dates or across periods can be inappropriate if not carefully considered in this context.

Highlights:

- For the three months ended June 30, 2024 Alaris generated $0.36 per unit of additional book value, improving this metric to $22.01;
- For the three months ended June 30, 2024 the Trust, together with its wholly owned subsidiaries (the "Acquisition Entities"), earned a total of $42.1 million of revenue, including, $41.6 million of Partner Distribution revenue net of foreign exchange, and $0.5 million of transaction fee income, which was ahead of previous guidance of $39.3 million, and compares to $36.9 million of Partner Revenue in Q2 2023, an increase of 14%;
- During the quarter the Trust, via the Acquisition Entities, invested $69.8 million of capital including: US$20.0 million in a new partner Cresa, LLC ("Cresa"), US$27.5 million to facilitate an acquisition by The Shipyard, LLC ("Shipyard") along with smaller follow on investments into existing partners. This incremental investment brings the total capital deployed for the six months ended June 30, 2024 to $77.5 million;
- Alaris net distributable cash flow (6) for the six months ended June 30, 2024 of $55.2 million or $1.21 per unit increased by 14% and 13% respectively, from $48.5 million and $1.07 per unit in the six months ended June 30, 2023 after adjusting the comparable period for non-recurring settlement and litigation costs that occurred in 2023;
- The Actual Payout Ratio (2) for the Trust, based on Alaris net distributable cash flow (8) for the six months ended June 30, 2024 was 56%;
- The current weighted average combined Earnings Coverage Ratio (3) for Alaris' Partners remains at approximately 1.5x with ten of nineteen Partners greater than 1.5x. In addition, eleven of our partners have either no debt or less than 1.0x Senior Debt to EBITDA on a trailing twelve-month basis.

"Another positive quarter for our company. Stable portfolio performance, a low payout ratio and ample room on our balance sheet set us up for continued growth in the second half of the year. Deployment opportunities into both current and prospectively new partners are in various stages of their processes and we continue to be encouraged by the current deal environment. Having declining borrowing costs in Canada while being able to invest in a higher rate, higher growth environment in the U.S. is an excellent position to be in for Alaris."" said Steve King President and CEO.

Results of Operations

Note where the financial information for Q2 2024 is comparable to specific information from the prior period Q2 2023 condensed consolidated interim financial statements, amounts have been provided for comparative *purposes. As noted above, users of this press release, interim management discussion and analysis and the unaudited condensed consolidated interim financial statements to which it relates should exercise significant caution in reviewing, considering and drawing conclusions from period-to-period comparisons and changes*.

Per Unit Results	Three months ended				Six months ended		
Period ending June 30	2024	2023	% Change		2024	2023	% Char
Partner related changes in net gain on Corporate Investment	$ 0.91	$ 1.02	-10.8	%	$ 1.95	$ 1.84	+6.0
Adjusted EBITDA	$ 0.79	$ 0.98	-19.4	%	$ 1.65	$ 1.64	+0.6
Alaris net distributable cashflow	$ 0.70	$ 0.23	+204.3	%	$ 1.21	$ 0.77	+57.1
Fully diluted earnings	$ 0.69	$ 0.61	+13.1	%	$ 2.30	$ 0.74	+210.8
Weighted average basic units (000's)	45,498	45,487			45,498	45,423	

During the three months ended June 30, 2024, Partner related changes in net gain on Corporate Investments (5), decreased by 10.8% as compared to the three months ended June 30, 2023. Preferred Partner Distribution revenue increased by 7.5% during the three months ended Q2 2024, driven by new investments in Federal Management Partners, LLC ("FMP"), Shipyard and Cresa, as well as LMS Management LP and LMS Reinforcing Steel USA LP (collectively, "LMS") paying full Distributions as compared to 2023, when LMS had deferred Distributions for the first half of the year. These increases were partially offset by a reduction in Partner Distributions in Q2 2024 due to the redemption of Brown & Settle Investments, LLC and a subsidiary thereof (collectively, "Brown & Settle"), which occurred in April 2024, and Heritage deferring Distributions to support cashflow flexibility. Common distributions received from Partner investments also increased in the quarter. These increases were offset by a net impact of realized and unrealized loss on Partner investments of $0.2 million, which is made up of varying increases and decreases to the fair value of Partner investments. During the six months ended June 30, 2024, Partner related changes in net gain on Corporate Investments (5), increased by 6.0% as compared to the six months ended June 30, 2023. This increase is reflective of net increases in revenue and income from Partners, partially offset by a lower net gain to the realized and unrealized fair value on Partner investments. Net realized and unrealized gains on Partner investments decreased in the six months ended June 30, 2024 to $8.4 million, as compared to $10.8 million in the prior period.

For the three months ended June 30, 2024, Adjusted EBITDA (1) per unit decreased by 19.4% compared to Q2 2023 primarily due to the net realized and unrealized loss to the fair value of Partner investments in Q2 2024 and a net realized and unrealized gain in the prior quarter. Partially offsetting the decrease in Adjusted EBITDA (1) per unit was an increase in Partner Distribution revenue in Q2 2024. During the six months ended June 30, 2024, Adjusted EBITDA (1) per unit remained relatively consistent with a nominal increase year over year. Higher Partner Distribution revenue in the six months ended June 30, 2024 was partially offset by a lower net realized and unrealized gain to the fair value of Partner investments as compared to the prior year.

Alaris' net distributable cashflow (6) provides a summary of third-party cash receipts less operating cash outflows by the Trust in combination with the Acquisition Entities. Alaris' net distributable cashflow (6) per unit increased by 57.1% in the six months ended June 30, 2024 as compared to Q2 2023. The increase is primarily due to the Sandbox settlement in the prior year and associated legal costs, as well as higher Partner Distribution revenue during the current year. These increases in the current period's per unit Alaris net distributable cashflow (6) are partially offset by higher total cash interest paid in in the period as a result of the senior credit facility having a higher realized interest rate on a larger average amount of debt outstanding as compared to Q2 2023. The Actual Payout Ratio (2) for the Trust, based on Alaris net distributable cashflow (6) for the six months ended June 30, 2024, is 56%.

As of at June 30, 2024, net book value (4) increased by $0.90 per unit to $22.01 per unit as compared to $21.12 per unit at December 31, 2023. The increase in per unit net book value (4) is the result of the $2.32 basic earnings per unit in the six months ended June 30, 2024, less the earnings impact of the gain on reclassification of the translation reserve of $0.74 per unit, and further reduced by the quarterly dividends declared and paid a total of $0.68 per unit.

Outlook

During the six months ended June 30, 2024, the Trust, through its Acquisition Entities invested approximately $77.5 million, which was used in follow-on Partner investments and the addition of Cresa as a new partner. Also, during the quarter, the Trust's investment in Brown & Settle was fully redeemed. These transactions, along with Alaris' total investment portfolio are included in Run Rate Revenue [7] for the next twelve months, which is expected to be approximately $163 million as detailed in the outlook below. This includes current contracted amounts, an additional US$0.5 million from Ohana related to Distributions deferred during the COVID-19 pandemic, and an estimated $12.5 million of common dividends. In Q2 2024, the Trust together with its Acquisition Entities earned $42.1 million, $41.6 million in Partner Distributions net of foreign exchange and $0.5 million of third party transaction fee revenue, which was ahead of previous guidance of $39.3 million, primarily due to Shipyard's follow on investments that occurred subsequent to Q1 2024 as well a higher exchange rate on US denominated distributions. Alaris expects total revenue from its Partners in Q3 2024 of approximately $38.7 million.

The Run Rate Cash Flow [8] table below outlines the Trust and its Acquisitions Entities combined expectation for Partners Distribution revenue, transaction fee revenue, general and administrative expenses, third party interest expense, tax expense and distributions to unitholders for the next twelve months. The Run Rate Cash Flow [8] is a forward looking supplementary financial measure and outlines the net cash from operating activities, less the distributions paid, that Alaris is expecting to generate over the next twelve months. The Trust's method of calculating this measure may differ from the methods used by other issuers. Therefore, it may not be comparable to similar measures presented by other issuers.

Run rate general and administrative expenses are currently estimated at $16.5 million and include all public company costs incurred by the Trust and its Acquisition Entities. The Trust's Run Rate Payout Ratio [9] is expected to be within a range of 65% and 70% when including Run Rate Revenue [7], overhead expenses and its existing capital structure. The table below sets out our estimated Run Rate Cash Flow [8] as well as the after-tax impact of positive net investment, the impact of every 1% increase in Secure Overnight Financing Rate ("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
Run Rate Revenue, Partner Distribution revenue		$ 162,600	$ 3.57
General and administrative expenses		(16,500)	(0.36)
Third party Interest and taxes		(56,100)	(1.23)
Net cash from operating activities		$ 90,000	$ 1.98
Distributions paid		(61,900)	(1.36)
Run Rate Cash Flow		$ 28,100	$ 0.62
Other considerations (after taxes and interest):			
New investments	Every $50 million deployed @ 14%	+2,325	+0.05
Interest rates	Every 1.0% increase in SOFR	-2,400	-0.05
USD to CAD	Every $0.01 change of USD to CAD	+/- 900	+/- 0.02

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, August 2, 2024 to discuss the financial results and outlook for the Trust.

Participants must register for the call using this link: Q2 2024 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: Q2 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' investment and investing activity refers to providing, through the Acquisition Entities, alternative equity to private companies ("Partners") to meet their business and capital objectives, which includes management buyouts, dividend recapitalization, growth and acquisitions. Alaris achieves this by investing its unitholder capital, as well as debt, through the Acquisition Entities, in exchange for distributions, dividends or interest (collectively, "Distributions") as well as capital appreciation on both preferred and common equity, with the principal objectives of generating predictable cash flows for distribution payments to its unitholders and growing net book value through returns from capital appreciation. Distributions, other than common equity 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 common equity position.

Non-GAAP and Other Financial Measures

The terms Adjusted Earnings, components of Corporate investments, EBITDA, Adjusted EBITDA, Extended group net distributable cashflow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, and Per Unit amounts (collectively, the "Non-GAAP and Other Financial Measures") are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards ("IFRS") . The Trust's method of calculating the Non-GAAP and Other Financial Measures may differ from the methods used by other issuers. Therefore, the Trust's Non-GAAP and Other Financial Measures may not be comparable to similar measures presented by other issuers.

(1) "Adjusted EBITDA" and "EBITDA: 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. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. "Adjusted EBITDA" and "Adjusted EBITDA per unit", which is a non-GAAP ratio that removes the impact from unrealized fluctuations in exchange rates and their impact on the Trust's investments at fair value, as well as one time items and the impact of finance costs and taxes included within the net gain on Corporate Investments incurred by the Acquisition Entities and, on a per unit basis, is and the same amount divided by weighted average basic units outstanding. Management believes Adjusted EBITDA, EBITDA and Adjusted 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. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures and ratios presented by other issuers.

	Three months ended June 30			Six months ended Jun		
$ thousands except per unit amounts	2024	2023	% Change	2024	2023	%
Earnings	$ 31,675	$ 28,387		$ 105,448	$ 33,940	
Depreciation and amortization	135	55		261	111	
Finance costs	1,150	6,882		2,295	13,399	
Total income tax expense	585	4,593		303	9,291	
EBITDA	$ 33,545	$ 39,917	-16.0 %	$ 108,307	$ 56,741	+
Adjustments:						
Gain on derecognition of previously consolidated entities	$ -	$ -		$ (30,260)	$ -	
Foreign exchange	(9,779)	3,888		(30,558)	4,103	
Sandbox litigation and legal costs	-	576		-	13,676	
Finance costs, senior credit facility and convertible debentures	7,220	-		15,231	-	
Acquisition Entities income tax expense - current	2,000	-		7,031	-	
Acquisition Entities income tax expense - deferred	2,838	-		5,163	-	
Adjusted EBITDA	$ 35,824	$ 44,381	-19.3 %	$ 74,914	$ 74,520	+
Adjusted EBITDA per unit	$ 0.79	$ 0.98	-19.4 %	$ 1.65	$ 1.64	+

(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) "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.

(4) "Net book value" and "net book value per unit" are Non-GAAP financial measures and represents the equity value of the company or total assts less total liabilities and the same amount divided by weighted average basic units outstanding. Net book value and net book value per unit are used by management to determine the growth in assets over the period net of amounts paid out to unitholders as distributions. Management believes net book value and net book value per unit are useful supplemental measures from which to compare the Trust's growth period over period. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers*.*

$ thousands except per unit amounts	30-Jun 2024	31-Dec 2023	Change in	% Change	
Total Assets	$ 1,093,177	$ 1,474,894			
Total Liabilities	$ 91,556	$ 514,071			
Net book value	$ 1,001,621	$ 960,823	$ 40,798	+4.2	%
Weighted average basic units (000's)	45,498	45,498			
Net book value per unit	$ 22.01	$ 21.12	$ 0.90	+4.2	%

*(5) "*Partner related changes in net gain on Corporate Investments" The components of Corporate Investments are Non-GAAP financial measures and are presented for better comparability to prior year reporting. These amounts are reconciled to information from note 3 of the condensed consolidated interim financial statements below. The Trust's method of calculating these Non-GAAP financial measures may differ from the methods used by other issuers. Therefore, they may not be comparable to similar measures presented by other issuers.

	Three months ended June 30				Si
$ thousands	2024	2023	% Change		
Partner Distribution revenue - Preferred, including realized foreign exchange Note 1	$ 37,848	$ 35,204	+7.5	%	$
Partner Distribution revenue - Common	$ 3,705	$ 1,152	+221.6	%	$
Net realized gain from Partners investments Note 2	$ 7,017	$ 49	+14220.4	%	$
Net unrealized gain / (loss) on Partners investments Note 2	$ (7,218)	$ 9,938	-172.6	%	$
Partner related changes in net gain on Corporate Investment	$ 41,352	$ 46,343	-10.8	%	$
Partner related changes in net gain on Corporate Investment per unit	$ 0.91	$ 1.02	-10.8	%	$

Note 1 - In Q2 2023, Partner Distribution revenue - Preferred, including realized foreign exchange and Partner Distribution revenue - Common were presented as one line on the face of the income statement titled "Revenues, including realized foreign exchange gain" in the amount of $36,853 for the three months ended and $73,541 for the six months ended. Prior period Partner Distribution revenue - Preferred, including realized foreign exchange for the three and six months ended June 30, 2024 above has been adjusted to exclude Sono Bello's management fee income (Q2 2023 three months - $496, Q2 2023 six months ended - $753) for period over period comparability, which in 2024 is recognized in the Trust's Management and advisory fee income.

Note 2 - The Net realized and unrealized gain / (loss) on Partner investments, which is the sum of Net realized gain from Partner investments and Net unrealized gain / (loss) on Partner Investments, for the three and six months ended June 30, 2024 is a loss of $0.2 million and gain of $8.4 million respectively, and for the three and six months ended June 30, 2023 are gains of $10.0 million and $10.8 million respectively.

*(6) "*Alaris net distributable cashflow*"* is a non-GAAP measure that refers to all sources of external revenue in both the Trust and the Acquisition Entities less all general and administrative expenses, third party interest expense and tax expense. Alaris net distributable cashflow is a useful metric for management and investors as it provides a summary of the total cash from operating activities that can be used to pay the Trust distribution, repay senior debt and/or be used for additional investment purposes. The Trust's method of calculating this Non-GAAP measure may differ from the methods used by other issuers. Therefore, it may

not be comparable to similar measures presented by other issuers. The 2023 comparatives are presented prior to the Trust's change in status as a investment entity and have been aligned with the most comparative balance in the 2024 presentation.

	Six months ended June 30		
$ thousands except per unit amounts	2024	2023	% Change
Partner Distribution revenue - Preferred, including realized foreign exchange	$ 76,041	$ 70,700	
Partner Distribution revenue - Common	4,306	2,088	
Third party management and advisory fees	1,022	753	
Expenditures of the Trust:			
General and administrative	(8,824)	(20,389)	
Current income tax expense	(836)	-	
Third party cash interest paid by the Trust	(2,031)	(2,030)	
Expenditures incurred by Acquisition Entities:			
Operating costs and other	(1,759)	(1,118)	
Transactions costs	(2,153)	(1,511)	
Acquisition Entities income tax expense - current	(7,031)	(6,202)	
Cash interest paid, senior credit facility and convertible debentures	(11,370)	(6,257)	
Alaris' changes in net working capital	7,816	(1,190)	
Alaris net distributable cashflow	$ 55,181	$ 34,844	+58.4 %
Alaris net distributable cashflow per unit	$ 1.21	$ 0.77	+57.1 %

(7) "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.

(8) "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.

(9) "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.

(10) "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 Net Book Value, Components of Corporate investments, EBITDA, Adjusted EBITDA, Alaris net distributable cashflow, Earnings Coverage Ratio, Run Rate Payout Ratio, Actual Payout Ratio, Run Rate Revenue, Run Rate Cash Flow and Per Unit amounts should only be used in conjunction with the Trust's unaudited interim condensed consolidated 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; use of proceeds from Partner redemptions; impact of future deployment; the Trust's ability to deploy capital; the yield on the Trust's investments and expected resets on Distributions; changes in SOFR and exchange rates; 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, the impact of any global health crisis, like 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; global heath crises, like COVID-19 or variants 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: widespread health crisis, like COVID-19 (or its variants), 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:

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