

Alaris Royalty Corp. Contributes US\$15 Million to a New Partner and an Additional US\$3 Million to Accscient

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CALGARY, Alberta, June 18, 2018 (GLOBE NEWSWIRE) -- [Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX:AD) is pleased to announce that it has contributed US\$15.0 million (approximately CAD\$19.5 million) (the "Fleet Contribution") to Fleet Advantage, LLC ("Fleet"), which will entitle Alaris to an annual distribution of US\$2.1 million (approximately CAD\$2.7 million) (the "Fleet Distribution"). The Corporation is also pleased to announce it has contributed an additional US\$3.0 million (CAD\$3.9 million) to Accscient, LLC (the "Accscient Contribution") in exchange for an additional US\$0.4 million (CAD\$0.6 million) of distributions from Accscient. The Fleet Distribution accounts for approximately 4% of Alaris's annualized revenue and both deals above are accretive to cash flow adding over \$0.04 cents per share to Alaris's net cash from operations (after tax). Alaris has approximately \$150.0 million of undrawn capacity on its credit facility following today's announcement.

New Partner – Fleet Advantage, LLC

Alaris entered into subscription and operating agreements with Fleet, pursuant to which Alaris made the US\$15.0 million Fleet Contribution in exchange for preferred units in Fleet (the "Fleet Units"), which entitle Alaris to the US\$2.1 million Fleet Distribution for the first full year following the transaction. Fleet has the option to pay a portion of the Fleet Distribution, subject to a maximum of 2% (US\$0.3 million in the first year) of the annualized yield in any given year as payment-in-kind ("PIK") provided that any amounts subject to the PIK must be paid every three years. US\$7.5 million of the Fleet Units are redeemable at par at any time. The Fleet Distribution will be adjusted annually (commencing January 1, 2020) based on the change in net revenues, subject to a 6% collar. The Fleet Contribution was used to fund continued growth and provide partial liquidity to existing shareholders.

"Alaris is excited to partner with a best in class business and best in class management team and we look forward to our partnership with Fleet over the coming years," said Gregg Delcourt, Alaris Senior Vice President, Small Cap Investments.

Fleet serves America's top truck fleets and guarantees the absolute lowest cost of operation by providing truck leasing and matching proprietary data driven IT processes with fleet analytics using the latest eco-efficient clean diesel technology to achieve optimum vehicle productivity, while reducing operating costs. Fleet Advantage is ranked as one of the fastest-growing privately held companies in the state of Florida and the fastest growing independent truck lessor in the U.S. In 2018, Fleet Advantage was ranked the 9th Top Private Independent from Monitor Daily; and in 2015 and 2013, the company was named to Inc. magazine's 500/5000 list of fastest growing companies in the nation. In 2011, CEO John Flynn received the Ernst & Young Entrepreneur of the Year® 2011 Florida - Emerging Category award.

Based on Alaris' review of Fleet's internal pro forma results for the most recent trailing twelve month period in 2018, management of Alaris believes that Fleet would have an earnings coverage ratio of between 1.5x and 2.0x, after giving effect to the Fleet Contribution, other changes to Fleet's capital structure and the Fleet Distribution payable to Alaris.

Accscient Follow-on

Following the additional US\$3.0 million Accscient Contribution, Alaris has US\$23.0 million invested in Accscient and is collecting approximately US\$3.4 million in annualized distributions from the company. Proceeds from the Accscient Contribution were used by Accscient to acquire a business complimentary to their current operations.

Through its operating businesses (i) Norwin Technologies, (ii) Premier IT Solutions and (iii) Appridat Solutions, Accscient provides IT Staffing, Consulting, and Outsourcing services with a focus on Digital Infrastructure Management, Enterprise Resource Planning, Business Intelligence and Database Administration. Since partnering with Alaris, Accscient acquired Emergys, LLC in April 2018 to expand its offerings in Outsourcing, Digital Transformation and Robotics Automation. Accscient also acquired Applications2U, LLC in June 2018 to expand its offerings in Consulting, Digital Infrastructure Management and Systems Integration to the healthcare industry.

ABOUT THE CORPORATION:

Alaris provides alternative financing to the 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

The term earnings coverage ratio is a financial measure used in this news release which is not a standard measure under International Financial Reporting Standards ("IFRS"). The Corporation's method of calculating the earnings cover ratio may differ from the methods used by other issuers. Therefore, the Corporation's earnings coverage ratio may not be comparable to similar measures presented by other issuers.

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.

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 Fleet and Accscient contributions, the Fleet Distributions and the additional Accscient distributions. 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, 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's 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's preferred distributions; a change in the unaudited information provided to the Corporation; a failure to achieve resolutions for outstanding issues with Partners on terms materially in line with management's expectations; 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, 2017, 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.

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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