



Alaris Releases 2026 First Quarter Financial Results

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CALGARY, Alberta, May 06, 2026 -- 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 ended March 31, 2026. The results are prepared in accordance with IFRS Accounting Standards. All amounts below are in Canadian dollars unless otherwise noted.

Highlights

- **Net Book Value Growth:** Net book value⁽⁴⁾ per unit increased by \$0.52 to \$25.31. The increase was driven by \$0.55 per unit in earnings from operations, a \$0.44 per unit unrealized foreign exchange gain, offset by \$0.10 per unit in finance costs and income tax, and \$0.37 per unit in distributions to unitholders.
- **Revenue and Operating Income:** Total revenue and operating income increased by 2.7% in Q1, driven primarily by an 11.4% increase in Partner distributions, reflecting higher capital investment throughout 2025 as well as higher-than-expected common distributions.
- **Partner Revenue Ahead of Guidance:** Q1 total Partner revenue of \$48.6 million exceeded guidance by 2%, including \$47.9 million in distributions and \$0.7 million in third-party fees, reflecting contributions from new investments in 2025 and higher-than-expected common distributions.
- **Cash Flow & Payout ratio:** Alaris Net Distributable Cash Flow⁽¹⁾ increased 6.6% compared to Q1 2025, as a result of higher partner distributions offset by a net increase in operating costs. Alaris' Payout Ratio⁽⁵⁾ was 51.9% for the quarter (2025 - 51.2%), remaining below the Trust's 65%–70% target range.
- **Distribution Growth:** In April, the quarterly distribution was increased 3% to \$0.38 per unit (annualized \$1.52), supported by capital deployment, reset growth and a payout ratio below target range. Proforma the increase in distribution, Alaris' payout ratio increases to approximately 60%.
- **Capital deployment:** Subsequent to March 31, 2026, Alaris completed a \$75.3 million investment in a new Canadian partner, Kubik Inc.
- **Portfolio Fundamentals:** Alaris' Portfolio Partners have maintained a weighted average Earnings Coverage Ratio⁽³⁾ of 1.5x. Of the current portfolio, 16 of 24 Partners above 1.5x and carry no debt or senior debt leverage below 1.0x senior debt to EBITDA.

"This was another solid quarter for our company, with fair value gains and strong portfolio health. Adding our 24th partner and another dividend increase shortly after the quarter ended keeps our momentum going into Q2. We anticipate further deployment and the potential for partner exits in the second half of this year as the climate for transactions is constructive." said Steve King President and CEO.

Results of operations

\$ thousands except per unit amounts	Three months ended March 31		
	2026	2025	% Change
Change in Net book value (4) per unit	\$ 0.52	\$ 0.12	
Net book value (4) per unit	\$ 25.31	\$ 24.34	+4.0%
Total revenue and operating income	\$ 37,369	\$ 36,388	+2.7%
Cash from / (used in) operations, prior to changes in working capital	\$ 20,431	\$ 19,817	+3.1%
Total Partner distribution revenue (9)	\$ 47,878	\$ 42,972	+11.4%
Alaris net distributable cashflow (1)	\$ 32,324	\$ 30,320	+6.6%
Payout Ratio (5)	51.9%	51.2%	+0.7%
Annualized distribution yield on preferred capital invested (2)	12.0%	12.8%	-80pts
Capital deployment	\$ 871	\$120,883	-99.3%

Revenue and Earnings

Total revenue and operating income increased 2.7% to \$37.4 million compared to Q1 2025. The increase was primarily attributable to contributions from new and follow-on investments in 2025.

Earnings and comprehensive income increased by 75.9% to \$40.4 million and the increase was primarily attributable to an

unrealized foreign exchange gain of \$20.1 million (Q1 2025 – loss \$4.9 million).

Partner Distributions and Portfolio Performance

Total Partner distribution revenue⁽⁹⁾ increased 11.4%, reflecting higher contributions from new and follow-on investments including Berg, PEC, McCoy, Shipyard, Cresa, Renew and Optimus in 2025. During Q1 2026, Edgewater was the most significant of the common distributions and higher than expected at \$1.7 million, compared to \$0.6 million in Q1 2025.

The annualized distribution yield on preferred capital invested⁽²⁾ was 12.0% in Q1 2026 compared to 12.8 in Q1 2025.

Cash Flow and Capital Allocation

Cash from operations prior to changes in working capital increased compared to 2025, primarily due to higher distributions from Partner investments and proceeds from the partial redemption of Partner investment 3E.

Alaris Net Distributable Cash Flow⁽¹⁾ increased by 6.6%, due to higher preferred distributions from new and follow-on investments including Berg, PEC, McCoy, Shipyard, Cresa, Renew and Optimus, made throughout 2025. The payout ratio was 51.9% as compared to 51.2% in Q1 2025, remaining below the Trust's target range of 65%–70%.

Outlook

Total Partner revenue⁽⁹⁾ for Q2 2026 is expected to be approximately \$47.9 million, reflecting seasonal distribution timing. Actual results may vary based on the timing and level of common distributions.

Run Rate Revenue⁽⁶⁾ for the next twelve months is estimated at approximately \$203.6 million, based on current contractual terms. Run Rate Payout Ratio⁽⁸⁾ is expected to range between 60% and 65%, excluding the impact of potential future investments.

Run Rate Cash Flow (\$ thousands except per unit)	Amount (\$)	\$ / Unit
Run Rate Revenue, Partner Distribution revenue	\$ 203,600	\$ 4.49
General and administrative expenses	(20,500)	(0.45)
Third party Interest and taxes	(75,500)	(1.66)
Net cash from operating activities	\$ 107,600	\$ 2.38
Distributions paid	(68,900)	(1.52)
Run Rate Cash Flow	\$ 38,700	\$ 0.86
Other considerations (after taxes and interest):		
New investments Every \$50 million deployed @ 14%	+2,790	+0.06
Interest rates Every 1.0% increase in interest rates	-3,300	-0.07
USD to CAD Every \$0.01 change of USD to CAD	+/- 990	+/- 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), Thursday, May 7, 2026 to discuss the financial results and outlook for the Trust.

Participants must register for the call using this link: [Q1 2026 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: [Q1 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, structured 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. The principal objective is to generate predictable cash flows for distribution payments to its unitholders while 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 Net distributable cash flow, Net book value, Earnings Coverage Ratio, Run Rate Payout Ratio, Annualized distribution yield on preferred capital invested and total capital invested, Payout Ratio, Run Rate Revenue, Run Rate Cash Flow, and Per Unit amounts (collectively, the “**Non-GAAP and Other Financial Measures**”) are not standardized financial measures under International Financial Reporting Standards (“**IFRS**”). Management believes these measures provide useful supplemental information to investors. 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.

Readers are encouraged to review Trust’s audited consolidated financial statements and MD&A, complete versions of which available on SEDAR+ at www.sedarplus.ca.

(1) “Alaris net distributable cashflow”

A Non-GAAP financial measure management uses which represents total external revenue generated by both the Trust and the Acquisition Entities, less:

- general and administrative expenses,
- third-party interest expense, and
- cash taxes paid (or received).

This metric aligns most closely with Cash from (used in) operations, prior to changes in working-capital, but includes the net cash flow of the Acquisition Entities. Investors use this measure to provide a comprehensive view of cash available for distributions, debt repayment, or reinvestment.

Change effective June 30 2025: Alaris refined this calculation by removing the adjustment for working-capital changes and replacing tax expense with cash taxes paid, to better reflect actual cash available for distribution and to better align the reconciliation to the most comparable GAAP measure. Prior periods have been restated accordingly.

	Three months ended March 31		
\$ thousands except per unit amounts	2026	2025	% Change
Cash from / (used in) operations, prior to changes in working capital	\$ 20,431	\$ 19,817	+3.1%
Add back: Net return of capital in Acquisition Entities	(2,018)	(4,984)	
Changes in working capital, Income tax payable and receivable	551	26	
Cash interest paid	(2,030)	(2,028)	
<i>Distributable cashflow included in Net gain on Corporate investments:</i>			
Partner Distribution revenue - Preferred	44,652	40,579	
Partner Distribution revenue - Common	3,226	2,393	
Operating costs and other	(1,168)	(866)	
Transactions costs	(1,026)	(1,869)	
Finance costs and senior credit facility	(6,895)	(6,611)	
Acquisition Entities cash taxes recovered	286	1,988	
Management and advisory fees paid to Trust	(5,700)	(4,606)	
Interest on intercompany loans	(5,799)	(3,193)	
Acquisition Entities dividends paid to Trust	(11,985)	(10,527)	
Realized gain / (loss) on foreign exchange contracts	(201)	201	
Alaris net distributable cashflow	\$ 32,324	\$ 30,320	+6.6%
Alaris net distributable cashflow per unit	\$ 0.71	\$ 0.67	+6.0%

(2) “Annualized distribution yield on preferred capital invested”

A supplementary financial measure calculated by dividing Partner distribution revenue - preferred annualized for the period by the weighted average total capital invested during the period. Management uses this measure to monitor preferred investment distributions over time relative to the current investment base, making it a useful tool for investors to track the cash yield of preferred Partner investments.

(3) “Earnings Coverage Ratio (“ECR”)

A supplementary financial measure calculated as each Partner’s EBITDA divided by the sum of its debt servicing (interest and principal), unfunded capital expenditures, and distributions to Alaris. ECR assesses a Partner’s ongoing ability to meet its contractual obligations to Alaris. ECR is a useful metric for investors as it provides an indication of a Partner’s financial health and sustainability.

(4) “Net book value” and “net book value per unit”

A supplementary financial measure equal to total equity. The per-unit figure divides that amount by the weighted-average basic units outstanding. These metrics measure growth in equity value, net of distributions, and enable period-over-period

comparison of value creation. Investors find this metric useful because it provides a clear indication of the underlying value of the Trust attributable to unitholders and the period over period value generated.

\$ thousands except per unit amounts	31-Mar 2026	31-Dec 2025	31-Mar 2025
Total Assets	\$ 1,452,372	\$ 1,421,000	\$ 1,201,210
Total Liabilities	\$ 304,112	\$ 296,829	\$ 92,749
Net book value	\$ 1,148,260	\$ 1,124,171	\$ 1,108,461
Shares outstanding	45,361	45,339	45,534
Net book value per unit	\$ 25.31	\$ 24.79	\$ 24.34

(5) ***"Payout Ratio"***

A Non-GAAP financial ratio used by management which represents total cash distributions paid to unitholders during the period, divided by Alaris net distributable cash flow for the same period. This metric is useful to investors as it reflects the proportion of available cash used to pay distributions and indicates the capacity for reinvestment or debt repayment.

(6) ***"Run Rate Revenue"***

A forward-looking supplementary financial measure estimating expected revenue over the next twelve months based on current Partner contracts and known management or transaction fees, excluding potential Partner redemptions. It may include estimated common dividends or distributions based on historical practice. Run Rate Revenue provides investors with an indication of forward annualized revenue potential. Forward-looking Non-GAAP measures reflect management's current expectations and are subject to the risks and assumptions described under Forward Looking Statements.

(7) ***"Run Rate Cash Flow"***

A forward-looking supplementary financial measure that 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 / (used in) operating activities less distributions paid, as outlined in Alaris' consolidated statements of cash flows. Investors find this measure useful because it provides insight into the expected cash available for reinvestment, debt repayment, or other corporate purposes after distributions. Forward-looking Non-GAAP measures reflect management's current expectations and are subject to the risks and assumptions described under Forward Looking Statements.

(8) ***"Run Rate Payout Ratio"***

A forward looking supplementary financial measure that refers to Alaris' distributions per unit expected to be paid over the next twelve months divided by Alaris net distributable cashflow per unit calculated in the Run Rate Cash Flow table. Run Rate Payout Ratio is a useful metric for management to track and to outline as it provides investors 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. Forward-looking Non-GAAP measures reflect management's current expectations and are subject to the risks and assumptions described under Forward Looking Statements.

(9) ***"Total Partner Distribution Revenue"***

A supplementary financial measure summing Partner distribution revenue – preferred and Partner distribution revenue – common, which are components of Net gain on Corporate Investments as disclosed in Note 3 of the accompanying financial statements. Management believes this measure provides useful information for investors on the total cash yield from Partner distributions during the period.

(10) ***"Total Partner related changes included in Net gain on Corporate Investments"***

A Non-GAAP financial measure aggregating the total Net gain (loss) on Corporate Investments attributable to Partner activity detailed in Note 3 of the accompanying financial statements. It includes:

- Net unrealized gain (loss) on Partner investments
- Net realized gain on Partner investments
- Partner distribution revenue (preferred and common)

This measure is useful to investors as it isolates change in Corporate Investments driven by partner performance and aligns closely with "Net gain on Corporate Investments" under IFRS.

Change effective June 30 2025: The measure was renamed from Total Partner-Related Changes to Total Partner-Related Changes Included in Net Gain on Corporate Investments for clarity.

	Three months ended March 31		
	2026	2025	% Change
<i>Total Partner related changes included in Net gain on Corporate Investments</i>			

Partner distribution revenue - preferred	\$44,652	\$40,579	10.0%
Partner distribution revenue - common	3,226	2,393	34.8%
Net unrealized gain / (loss) on Partner investments	2,657	10,066	-73.6%
Net realized gain on Partners investments	5,307	-	0.0%
Total	\$55,842	\$53,038	5.3%

(11) “**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.

Forward-Looking Statements

This news release contains forward-looking information and forward-looking statements (collectively, “forward-looking statements”) within the meaning of applicable securities laws, including any applicable safe harbor provisions. Statements other than statements of historical fact contained in this news release may constitute 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, and the business strategy, plans and objectives of or involving the Trust or the Partners.

Forward-looking statements may be identified by words such as “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar expressions, including the negative thereof.

Specific Forward-Looking Statements

In particular, this news release contains forward-looking statements regarding, among other matters:

- the anticipated financial and operating performance of the Partners;
- the attractiveness of Alaris’ capital offering;
- the Trust’s total Partner revenue, Run Rate Payout Ratio, Run Rate Cash Flow and Run Rate Revenue;
- the impact of recent new investments and follow-on investments;
- expectations regarding the 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;
- the amount and impact of future capital deployment and the Trust’s ability to deploy capital;
- expected gains on common equity investments and future exits;
- the yield on the Trust’s investments and expected resets on Distributions;
- changes in interest rates and foreign exchange rates;
- the impact of deferred distributions and the timing of repayment thereof;
- the Trust’s return on its investments;
- Alaris’ expenses for the next twelve months; and
- Expected growth in Alaris’ distribution to its unitholders.

Financial Outlook and Future-Oriented Financial Information

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 restarting full or partial distributions and common equity distributions), Run Rate Payout Ratio, Run Rate Cash Flow, net cash from operating activities, expenses and the impact of capital deployment, such information has been approved by management as of the date hereof and has been included to provide readers with an understanding of Alaris’ expected financial performance. Such information may not be appropriate for other purposes and is subject to the same risks, uncertainties and assumptions described herein.

There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Assumptions Underlying Forward-Looking Statements

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 performance may affect Alaris’ business and that of its Partners (including, without limitation, the impact of global health crises such as COVID-19 and global economic and political factors, including new and ongoing conflicts in Europe and the middle east) are material factors considered by management when establishing expectations for the Trust.

Key assumptions include, but are not limited to, assumptions that:

- the Russia/Ukraine conflict, the Iran conflict, other conflicts in the Middle East and other global economic pressures will not materially impact Alaris, its Partners or the global economy;
- interest rates and tax rates will not rise materially different from prevailing market expectations over the next twelve months;
- global health crises such as COVID-19 or variants thereof will not materially impact the economy or the operations of the Partners over the next twelve months;

- the businesses of the majority of the Partners will continue to grow;
- more private companies will require access to alternative sources of capital;
- the businesses of new Partners and existing Partners will perform in line with Alaris' expectations and diligence; and
- Alaris will have the ability to raise required equity and/or debt financing on acceptable terms.

Management has also assumed that the Canadian and U.S. dollar exchange rate will remain within approximately plus or minus 15% of the current rate over the next six months. In determining expectations for economic growth, management considers historical economic data provided by Canadian and U.S. government agencies as well as prevailing economic conditions at the time of such determinations.

Risks and Uncertainties

Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. Actual results of the Trust and the Partners could differ materially from those anticipated as a result of various risk factors, including, but not limited to:

Economic and External Risks

- global health crises such as COVID-19 or variants;
- global economic factors including the Russia/Ukraine conflict, the Iran conflict, other conflicts in the Middle East, inflationary pressures and global supply chain disruptions; and
- tariffs and international trade disputes affecting the Trust or the Partners.

Partner and Portfolio Risks

- dependence of Alaris on the Partners;
- risks relating to the Partners and their respective businesses;
- material changes in the operations of a Partner or the industries in which they operate;
- changes in the ability of Partners to continue to pay Distributions or restart Distributions (in full or in part); and
- failure to collect deferred Distributions.

Financing and Structural Risks

- leverage and restrictive covenants under credit facilities;
- failure to complete or realize the anticipated benefits of financing arrangements with Partners; and
- inability to close additional Partner contributions or collect redemption proceeds on anticipated terms.

Operational and Regulatory Risks

- reliance on key personnel;
- failure to obtain required regulatory approvals on a timely basis or at all;
- changes in legislation, regulations and their interpretations;
- failure to settle outstanding litigation on expected terms or at all;
- risks associated with unaudited information provided to the Trust by the Partners; and
- cybersecurity risks or risks associated with the implementation of artificial intelligence.

Additional risks that may cause actual results to vary from those indicated are discussed under the headings “**Risk Factors**” and “**Forward-Looking Statements**” in Alaris’ Management Discussion and Analysis and Annual Information Form (“AIF”) for the three months ended March 31, 2026, which is or will be (in the case of the AIF) available under Alaris’ profile at www.sedarplus.ca and on the Trust’s website at www.alarisequitypartners.com.

Caution Regarding Reliance

Readers are cautioned that the assumptions used in the preparation of forward-looking statements, including FOFI, although considered reasonable at the time of preparation, may prove to be inaccurate. Accordingly, undue reliance should not be placed on forward-looking statements.

Except as required by applicable law, Alaris undertakes no obligation to update or revise any forward-looking statements.

For more information please contact:

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