



Andlauer Healthcare Group to be Acquired by UPS

AHG to join the UPS family of companies in an all-cash transaction at C\$55.00 per share, accelerating both UPS's and AHG's long term growth strategy in healthcare transportation and logistics. AHG will continue to be headquartered in Vaughan, Ontario.

Key Highlights

- AHG shareholders to receive C\$55.00 in cash per share, representing a premium of 31.1% over the last closing price and 38.4% over the 30-day volume-weighted average trading price.
- AHG to become part of the UPS Healthcare global network, which will add AHG's specialized transportation and logistics network with its cold-chain capabilities built for the healthcare sector to UPS Healthcare's existing offerings, further enhancing the complex end-to-end solutions available to customers.
- The Board of Directors of AHG, after receiving a unanimous recommendation from a special committee of independent directors, unanimously determined that the Transaction is fair and reasonable to AHG's shareholders and in the best interests of AHG.
- Shareholders, including Michael Andlauer and Andlauer Management Group Inc., representing 53.2% of AHG's outstanding shares and 82.0% of the votes entitled to be cast to approve the Transaction, have entered into voting and support agreements in favor of the Transaction.

TORONTO, April 24, 2025 / CNW / – Andlauer Healthcare Group Inc. (TSX: AND) ("**AHG**" or the "**Company**") today announced that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with affiliates of UPS (NYSE: UPS) (collectively, "**UPS**") under which UPS has agreed to acquire AHG via an all-cash transaction that values AHG at an equity value of approximately C\$2.2 billion (US\$1.6 billion) (the "**Transaction**").

All of the issued and outstanding multiple voting shares (the "**Multiple Voting Shares**") and subordinate voting shares (the "**Subordinate Voting Shares**", and with the Multiple Voting Shares, the "**Shares**") of the Company will be acquired for C\$55.00 per Share in cash (the "**Consideration**"), which represents a 31.1% premium to the last closing price prior to the announcement of the Transaction and a premium of 38.4% to the 30-day volume-weighted average trading price on the Toronto Stock Exchange (the "**TSX**") on April 23, 2025, the last trading day prior to the announcement of the Transaction.

The Transaction is supported by Michael Andlauer, Chief Executive Officer of AHG and the indirect holder of 53.2% of AHG's outstanding Shares and 82.0% of the votes entitled to be cast to approve the Transaction.

"I look forward to working with UPS to leverage its logistics capabilities to enhance AHG's specialized transportation and healthcare logistics services to our clients," said Michael Andlauer. "I am also excited that AHG employees will continue to have opportunities to grow and that UPS shares our cultural values."

"This substantial investment in Canada by UPS is a testament to the outstanding business that Michael and his leadership team have built with focus and care for AHG's employees and customers since 1991", said Peter Jelley, chair of AHG's Board. "This transaction, with its significant cash premium, provides meaningful and immediate value to shareholders while also finding an exceptional partner in UPS that shares our passion and focus on service quality that ensures the safe and efficient movement of healthcare products".

"New, complex treatments are coming to market quicker than ever before, driving better patient outcomes and increased global demand for specialized logistics services," said UPS EVP and President of International, Healthcare and Supply Chain Solutions Kate Gutmann. "We are excited to add AHG's expertise, culture and capabilities to UPS Healthcare's commitment to excellence. This acquisition strengthens our ability to meet growing customer need for integrated, end-to-end cold chain solutions around the world."

UPS values the expertise, experience, and track record of AHG's management team and employees. Following the close of the transaction, Michael Andlauer will lead UPS Canada Healthcare and AHG to expand the businesses' specialized capabilities and meet the needs of healthcare customers.

UPS has been a trusted partner to Canadian customers since 1975 and has a strong track record of investment in Canada. UPS's Canadian operations encompass approximately 13,500 Canadian employees with facilities across Canada. This Transaction represents UPS's continued commitment to invest in Canada.

Transaction Details

The Transaction, which was unanimously approved by the Board of Directors of AHG (the "**Board**"), after receiving a unanimous recommendation from a special committee of independent directors (the "**Special Committee**"), is to be carried out by way of a court-approved plan of arrangement under the *Business Corporations Act* (Ontario) and will require approval of two-thirds of the votes cast by holders of Multiple Voting Shares and Subordinate Voting Shares, voting as a single class, at a special meeting (the "**Special Meeting**") of the holders of Multiple Voting Shares and Subordinate Voting Shares (collectively, the "**Shareholders**"). The Special Meeting is expected to be held in June 2025.

The Arrangement Agreement includes customary terms and conditions, including a non-solicitation covenant on the part of AHG, which is subject to "fiduciary out" provisions that would enable AHG to enter into a definitive agreement with respect to an unsolicited proposal that constitutes a superior proposal (as defined in the Arrangement Agreement) in certain circumstances, subject to UPS having a right to match any superior proposal. A termination fee of C\$66 million would be payable by AHG to UPS in certain circumstances, including if AHG terminates the Arrangement Agreement pursuant to the "fiduciary out" provisions. A reverse termination fee of C\$110 million is payable by UPS to AHG if the Transaction is not completed in certain circumstances, including where certain of the required regulatory approvals are not received.

Michael Andlauer and Andlauer Management Group Inc., the Company's largest Shareholder, and each of the Company's other directors and officers have entered into voting and support agreements pursuant to which they have agreed, subject to the terms thereof, to support and vote all of their Shares in favour of the Transaction. Consequently, holders of approximately 2.6% of the Subordinate Voting Shares and holders of 100% of the Multiple Voting Shares, representing approximately 82.4% of the total voting power attached to all of the Shares, have agreed to vote their Shares in favour of the Transaction. All

voting and support agreements terminate automatically upon termination of the Arrangement Agreement.

In addition to Shareholder approval, the completion of the Transaction will be subject to court and regulatory approvals and clearances, as well as other customary closing conditions. The Transaction is not subject to any financing condition. Subject to the satisfaction of such conditions, the Transaction is expected to be completed in the second half of 2025.

Following the completion of the Transaction, it is expected that the Subordinate Voting Shares will be delisted from the TSX and that AHG will cease to be a reporting issuer in all applicable Canadian jurisdictions.

Subject to financial results, capital requirements, available cash flow, corporate law requirements and any other factors that the Board may consider relevant, it is the Company's intention to continue to declare a C\$0.12 quarterly dividend on an ongoing basis until the closing of the Transaction.

As a result of the announcement of the Transaction, the Company's previously announced automatic share purchase plan established in connection with its normal course issuer bid announced on June 27, 2024, has terminated in accordance with its terms. The Arrangement Agreement restricts any further purchases under the Company's normal course issuer bid, which will formally terminate on July 1, 2025.

Board and Special Committee Recommendation

In arriving at its unanimous recommendation in favor of the Transaction, the Special Committee considered several factors, including the opinion of CIBC Capital Markets that, as of the date thereof and subject to the assumptions, limitations and qualifications therein, the Consideration to be received by the Shareholders is fair, from a financial point of view, to such Shareholders.

The Board, based on the recommendation of the Special Committee and having also received CIBC Capital Market's fairness opinion, has unanimously approved the Transaction and determined the Transaction is fair and reasonable to Shareholders and in the best interest of the Company, and unanimously recommends that Shareholders vote in favour of the Transaction.

Additional Information and Where to Find It

Further details regarding the terms of the Transaction are set out in the Arrangement Agreement, which will be publicly filed on AHG's SEDAR+ profile at www.sedarplus.ca. Additional information regarding the terms of the Arrangement Agreement, the background to the Transaction, the rationale for the recommendations made by the Special Committee and the Board, and how the Shareholders can participate in and vote at the Special Meeting, along with a copy of the written fairness opinion of CIBC Capital Markets, will be provided in the management information circular which will be mailed to Shareholders and filed on the Company's SEDAR+ profile at www.sedarplus.ca. Shareholders are urged to read these and other relevant materials when they become available.

Advisors

Goodmans LLP is acting as legal counsel to the Company. Stikeman Elliott LLP and King & Spalding LLP are acting as legal advisors to UPS. CIBC Capital Markets is acting as financial advisor to the Company, its Board

and the Special Committee. BofA Securities is acting as UPS's financial advisor in connection with the Transaction.

Early Warning Disclosure

Andlauer Management Group Inc. ("**AMG**"), a private corporation owned and controlled by Michael Andlauer, currently owns all of the 20,807,955 issued and outstanding Multiple Voting Shares and 10,200 Subordinate Voting Shares (representing less than 0.1% of the issued and outstanding Subordinate Voting Shares, 53.2% of all issued and outstanding Shares and 82.0% of the voting power attached to all of the issued and outstanding Shares). Following the completion of the Transaction, AMG will not own any Shares. A copy of the early warning report to be filed under National Instrument 62-103 by AMG (the "**Early Warning Report**") in connection with the Transaction will be available on the Company's SEDAR+ profile at www.sedarplus.ca. The head office of the Company is located at 100 Vaughan Valley Blvd., Vaughan, Ontario L4H 3C5.

About UPS

UPS (NYSE: UPS) is one of the world's largest companies, with 2024 revenue of US\$91.1 billion, and provides a broad range of integrated logistics solutions for customers in more than 200 countries and territories. Focused on its purpose statement, "Moving our world forward by delivering what matters," the company's approximately 490,000 employees embrace a strategy that is simply stated and powerfully executed: Customer First. People Led. Innovation Driven. UPS is committed to reducing its impact on the environment and supporting the communities we serve around the world.

About UPS Healthcare

UPS Healthcare delivers unparalleled healthcare logistics expertise to its customers around the world. UPS Healthcare has 19.2+ million square feet of cGMP and GDP-compliant healthcare distribution space globally. Services include inventory management, cold chain packaging and shipping, storage and fulfillment of medical devices, and lab and clinical trial logistics. UPS Healthcare's global infrastructure, its UPS® Premier visibility service, its track and trace technology, and its global quality system are well-suited to meet today's complex logistics demands for the pharmaceutical, medical device, and laboratory diagnostic industries.

About AHG

AHG is a leading and growing supply chain management company offering a robust platform of customized third-party logistics ("**3PL**") and specialized transportation solutions for the healthcare sector. The Company's 3PL services include customized logistics, distribution and packaging solutions for healthcare manufacturers across Canada. AHG's specialized transportation services in Canada, including air freight forwarding, ground transportation, dedicated delivery and last mile services, provide a one-stop shop for clients' healthcare transportation needs. Through its complementary service offerings, available across a coast-to-coast distribution network, AHG strives to accommodate the full range of its clients' specialized supply chain needs on an integrated and efficient basis. The Company also provides specialized ground transportation services, primarily to the healthcare sector, across the 48 contiguous U.S. states. For more information on AHG, please visit: www.andlauerhealthcare.com

For further information or to obtain a copy of the Early Warning Report, please contact:

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Forward Looking Information

*This press release contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projects", "projection", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved", and similar words or the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information.*

Specifically, statements regarding the anticipated benefits of the Transaction for the Company, Shareholders and other stakeholders, including, plans, objectives, expectations and intentions of UPS or the Company; statements regarding the timing and receipt of Shareholder, court and regulatory approvals in respect of the Transaction; anticipated timing of the Special Meeting; the satisfaction of the conditions precedent to the Transaction; payment of dividends; the proposed timing and completion of the Transaction; the closing of the Transaction and the delisting from the TSX; and other statements that are not statements of historical facts are all considered to be forward-looking information.

Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. This forward-looking information is based on our opinions, estimates and assumptions that, while considered by the Company to be appropriate and reasonable as of the date of this press release, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the risk that the Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated; that the Transaction may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required Shareholder, court and regulatory approvals and other conditions to the closing of the Transaction or for other reasons; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Transaction, for any reason, could have on the price of the Subordinate Voting Shares or on the business of AHG; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transaction; risks relating to the Company's ability to retain and attract key personnel during and following the interim period; the possibility of litigation relating to the Transaction; credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transaction, including changes in economic conditions, interest rates or tax rates; and those other risks discussed in greater detail under the "Risk Factors" section of our Annual Information Form which is available under our profile on SEDAR+ at www.sedarplus.ca. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events

might vary materially from those anticipated in the forward-looking information. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in forward-looking statements included herein. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, any forward-looking statements included herein are made as of the date of this news release and, except as expressly required by applicable law, AHG assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.