



ANNUAL INFORMATION FORM

Fiscal year ended December 31, 2024

February 26, 2025

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ANDLAUER HEALTHCARE GROUP INC.

ANNUAL INFORMATION FORM

MEANING OF CERTAIN TERMS

Unless otherwise noted or the context otherwise indicates, the “Company”, “AHG”, “us”, “we” or “our” refer to Andlauer Healthcare Group Inc., together with our direct and indirect subsidiaries, on a consolidated basis. Additionally, unless otherwise noted or the context otherwise indicates, descriptions of our business and operations refer to our Canadian business and operations. Certain terms used in this annual information form (the “**Annual Information Form**”) are defined under “Glossary”.

Unless otherwise specified or the context otherwise requires, all information provided in this Annual Information Form is given as at February 26, 2025. We present our financial statements in Canadian dollars and disclose certain financial information in this Annual Information Form in Canadian dollars. In this Annual Information Form, references to “\$” are to Canadian dollars. Amounts are in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages through this Annual Information Form may not reconcile due to rounding.

This Annual Information Form contains certain trademarks, such as “Accuristix”, “Skelton”, “Boyle” and “ATS Healthcare”, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks, copyrights and trade names referred to in this Annual Information Form may appear without the ®,™ or © symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, copyrights and trade names.

GLOSSARY

“**3PL**” has the meaning ascribed thereto under “Business of AHG – Our Company”;

“**2023 NCIB**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**2024 NCIB**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Advance Notice Provisions**” has the meaning ascribed thereto under “Description of Share Capital – Advance Notice Provisions”;

“**AHG Entities**” means Andlauer Healthcare Logistics Inc.(formerly Associated Logistics Solutions Inc.), Andlauer Specialized Transportation Inc. (formerly 2186940 Ontario Inc.), Accuristix Inc. (formerly 2040637 Ontario Limited), ATS Healthcare Inc. (formerly ATS Andlauer Transportation Services GP Inc.), Accuristix Healthcare Logistics Inc., 2721275 Ontario Limited, Credo Systems Canada Inc., Nova Pack Ltd. and MEDDS Winnipeg – A Medical Delivery Services Corporation;

“**AMG**” means Andlauer Management Group Inc.;

“**Annual Information Form**” has the meaning ascribed thereto under “Meaning of Certain Terms”;

“**APIs**” has the meaning ascribed thereto under “Business of AHG – Our Company”;

“**Articles**” has the meaning ascribed thereto under “Description of Share Capital”;

“**ASPP**” has the meaning ascribed thereto under “Description of Share Capital – Normal Course Issuer Bid”;

“**ATLAS**” has the meaning ascribed thereto under “Business of AHG – Investment Highlights”;

“**Board**” means the board of directors of the Company;

“**Boyle Transportation**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**BSE**” has the meaning ascribed thereto under “Interests of Management and Others in Material Transactions”;

“**CDP**” has the meaning ascribed thereto under “Business of AHG – Environmental and Social Responsibility – Environmental Responsibility”;

“**Coattail Agreement**” has the meaning ascribed thereto under “Description of Share Capital – Subordinate Voting Shares and Multiple Voting Shares”;

“**controlled**” by another Person or other Persons means: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly;

“**COVID-19**” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Information”;

“**CORRA**” has the meaning ascribed hereto under “Material Contracts – Credit Facilities”;

“**CP**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**Credit Facilities**” has the meaning ascribed thereto under “Material Contracts – Credit Facilities”;

“**Crēdo® Cubes**” has the meaning ascribed thereto under “Business of AHG – Investment Highlights”;

“**Day and Ross**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**Demand Distribution**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**Demand Registration Right**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**E&S Policy**” has the meaning ascribed thereto under “Business of AHG – Environmental and Social Responsibility”;

“**EDI**” has the meaning ascribed thereto under “Business of AHG – Services and Products”;

“**Employee Trust**” has the meaning ascribed thereto under “Business of AHG – Environmental and Social Responsibility - Social”;

“**ESG**” has the meaning ascribed thereto under “Business of AHG – Environmental and Social Responsibility”;

“**Fiscal 2020**” means the fiscal year of the Company ended December 31, 2020;

“**Fiscal 2021**” means the fiscal year of the Company ended December 31, 2021;

“**Fiscal 2022**” means the fiscal year of the Company ended December 31, 2022;

“**Fiscal 2023**” means the fiscal year of the Company ended December 31, 2023;

“**Fiscal 2024**” means the fiscal year of the Company ending December 31, 2024;

“**Fiscal 2025**” means the fiscal year of the Company ending December 31, 2025;

“**forward-looking information**” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Information”;

“**FTL**” has the meaning ascribed thereto under “Business of AHG – Principal Product Lines”;

“**GMP**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**GTA**” has the meaning ascribed thereto under “Business of AHG - Principal Product Lines – Logistics and Distribution – Packaging Solutions”;

“**Guarantors**” has the meaning ascribed thereto under “Material Contracts – Credit Facilities”;

“**HABA**” has the meaning ascribed thereto under “Business of AHG – Our Company”;

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Investor Rights Agreement**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**IPO**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Lenders**” means the lenders under the Credit Facilities;

“**Livingston**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**LSU**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**LTL**” has the meaning ascribed thereto under “Business of AHG – Principal Product Lines”;

“**MCI**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**MD&A**” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Information”;

“**Members of the Immediate Family**” means with respect to any individual, each parent (whether by birth or adoption), spouse, or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Income Tax Act (Canada) as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“**Modern Slavery Act**” has the meaning ascribed thereto under “Business of AHG – Environment and Social Responsibility”;

“**Multiple Voting Shares**” means the issued and outstanding Multiple Voting Shares of the Company;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

“**Notice Date**” has the meaning ascribed thereto under “Description of Share Capital – Advance Notice Provisions”;

“**Nova Pack**” has the meaning ascribed thereto under “Business of AHG - Principal Product Lines – Logistics and Distribution – Packaging Solutions”;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time;

“**Offered Securities**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**Offering**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Order**” has the meaning ascribed thereto under “Directors and Executive Officers – Corporate Cease Trade Orders”;

“**OSC**” means Ontario Securities Commission;

“**Permitted Holder**” means any one of (i) AMG, (ii) Michael Andlauer and any Members of the Immediate Family of Michael Andlauer (iii) any trust(s) whose beneficiaries include any one or more of the Persons referred to in clauses (i) and/or (ii) above, and (iv) any Person controlled, directly or indirectly by one or more of the Persons referred to in clause (ii) above;

“**Person**” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company;

“**Piggy-Back Distribution**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**Piggy-Back Registration Right**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**Registrable Securities**” has the meaning ascribed thereto under “Material Contracts – Investor Rights Agreement”;

“**Revera**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**Revolving Facility**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**RMS**” has the meaning ascribed thereto under “Business of AHG – Services and Products”;

“**SB Partners**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**SEDAR+**” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Information”;

“**Shareholders**” has the meaning ascribed thereto under “Description of Share Capital – Subordinate Voting Shares and Multiple Voting Shares”;

“**SIB**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Skelton**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Skelton Companies**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Skelton USA**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Shares**” means the Multiple Voting Shares and the Subordinate Voting Shares;

“**Staples Canada**” has the meaning ascribed thereto under “Directors and Executive Officers”;

“**Subordinate Voting Shares**” means the issued and outstanding Subordinate Voting Shares of the Company;

“**TAPA**” has the meaning ascribed thereto under “Business of AHG – Services and Products”;

“**TDS**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Term Facility**” has the meaning ascribed thereto under “Business of AHG – Company History”;

“**Transfer**” of a Multiple Voting Share shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A “Transfer” shall include, without limitation, the transfer of or entering into a binding agreement with respect to, Voting Control over a Multiple Voting Share by proxy or otherwise, provided, however, that the following shall not be considered a “Transfer”: (i) the grant of a proxy to the Company’s officers or directors at the request of Board in connection with actions to be taken at an annual or special meeting of shareholders; or (ii) the pledge of a Multiple Voting Share that creates a mere security interest in such share pursuant to a bona fide loan or indebtedness transaction so long as the holder of the Multiple Voting Share continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such Multiple Voting Share or other similar action by the pledgee shall constitute a “Transfer”;

“**Trustees**” has the meaning ascribed thereto under “Escrowed Securities and Securities Subject to Contractual Restriction on Transfer”;

“**TSX**” means the Toronto Stock Exchange;

“**Voting Control**” with respect to a Multiple Voting Share means the exclusive power (whether directly or indirectly) to vote or direct the voting of such Multiple Voting Share by proxy, voting agreement or otherwise; and

“**UPS**” has the meaning ascribed thereto under “Directors and Executive Officers”.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans, and objectives. Particularly, information regarding our expectations of future results, performance, achievements, facility expansions, leases, platform expansions, acquisitions, public company costs, payment of dividends, prospects, financial targets or outlook, intentions, opportunities, activity under the NCIB and ASPP (each as defined below) and the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, “commencing” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain 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.

Discussions containing forward-looking information may be found, among other places, under “Business of AHG”, “Description of Share Capital”, “Dividend Policy and Historic Dividends” and “Risk Factors”.

This forward-looking information includes, among other things, statements relating to: expectations regarding industry and regulatory trends, overall market growth rates and our growth strategies; expectations regarding our future capital expenditures; our business plans and strategies; our dividend policy; our competitive position in our industry; expectations regarding executive compensation and the long-term ownership equity position of our Chief Executive Officer and AMG; expectations regarding future performance, facility expansions, leases, platform expansions and acquisitions; expectations regarding the activity under the 2024 NCIB and ASPP; and the market price for the Subordinate Voting Shares.

Forward-looking information is necessarily based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Our estimates, beliefs and assumptions, which may prove to be incorrect, include various assumptions regarding, among other things: our ability to retain and recruit, as applicable, clients, members of management, key personnel, drivers and other employees; our ability to develop new clientele, secure capital, source and complete acquisitions, execute our growth strategies and expand into additional markets; current legislation, expected changes in applicable laws and regulations and the effects of such changes; our ability to maintain and expand our geographic scope; business and financial results; currency exchange and interest rates; our ability to obtain and maintain existing financing and insurance on acceptable terms; our ability to execute on, and the impact of, our ESG initiatives; the impact of competition; the impact of lease renewals and rental increases; and our ability to respond to the changes and trends in our industry and the global economy. In addition, our target growth rates assume that the overall market continues to grow as expected and we continue to grow our market share.

While the Company considers these and other opinions, estimates and assumptions which underly forward-looking information to be appropriate and reasonable as of the date of this Annual Information Form, such opinions, estimates and assumptions are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level 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 impact of inflation and interest rates together with the threats of tariffs, trade wars or recession;
- the impact of variation in the value of the Canadian dollar in relation to the U.S. dollar;
- the uncertainties in the global economy created by the war in Ukraine and in the Middle East, including the Israel-Hamas war;
- our ability to comply with U.S. foreign ownership, control or influence mitigation measures;
- the impact of changing conditions in the healthcare logistics and transportation services market;
- risks and liabilities associated with the transportation of dangerous goods;
- our ability to execute our growth strategies;
- increasing competition in the healthcare logistics and transportation services market in which we operate;
- volatility in financial markets;
- changes in the attitudes, financial condition and demand of our target markets;
- developments and changes in applicable laws and regulations;
- our ability to source and complete acquisitions;
- our ability to successfully integrate businesses and assets that we acquire and realize synergies;
- our ability to retain and grow revenue with existing clients and develop new clientele;
- our ability to retain members of our management team and key personnel;
- increases in driver compensation and the ability to attract and retain employees;
- the availability of equipment and drivers in the markets in which we operate;
- the possibility of a cyber attack impacting our information systems;
- our ability to expand into additional markets;
- an epidemic or pandemic outbreak of an infectious disease such as COVID-19;
- the impact of climate change; and

- such other factors discussed in greater detail under “Risk Factors” in this Annual Information Form and under “Risk Factors” in our Management’s Discussion and Analysis dated February 26, 2025 for Fiscal 2024 (the “**MD&A**”) made available on the Company’s profile on the System for Electronic Document Analysis and Retrieval+ (“**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. The opinions, estimates or assumptions referred to above and described in greater detail in “Risk Factors” should be considered carefully by current and prospective investors.

In addition, statements that “we believe” and “management believes” and similar statements reflect our beliefs and opinions on the relevant subject. Forward-looking information is provided for the purpose of presenting information about management’s current expectations and plans relating to the future and allowing investors and others to get a better understanding of our anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

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 such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this Annual Information Form represents our expectations as of the date of this Annual Information Form (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements.

MARKET AND INDUSTRY DATA

Market and industry data presented in this Annual Information Form was obtained from third-party sources and industry reports and publications, websites and other publicly available information, including Statistics Canada, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, partners, clients and other industry participants.

We believe that the market and economic data presented in this Annual Information Form is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented in this Annual Information Form are not guaranteed and we do not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this Annual Information Form, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

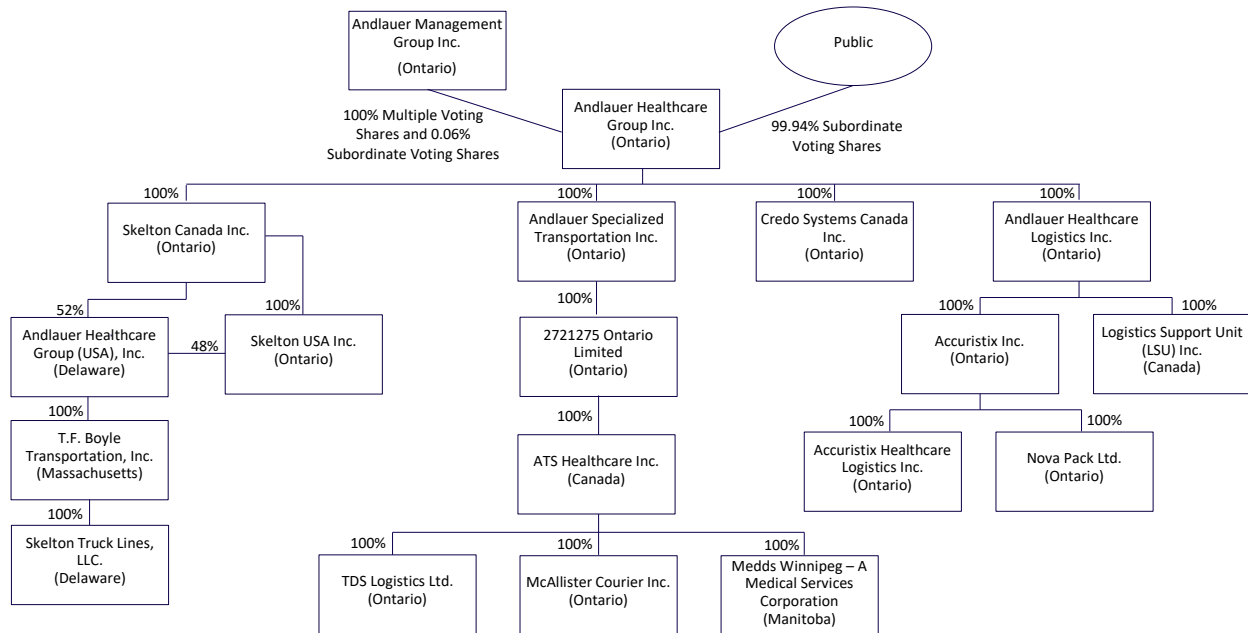
CORPORATE STRUCTURE

Incorporation and Head Office

AHG was incorporated on November 12, 2019, pursuant to the *Business Corporations Act* (Ontario). Our head and registered office is located at 100 Vaughan Valley Blvd., Vaughan, ON, Canada, L4H 3C5.

Intercorporate Relationships

The following chart sets out our organizational structure and identifies our material subsidiaries (including their applicable governing corporate jurisdictions and the percentage of their voting securities which are beneficially owned, controlled or directed, directly or indirectly, by AHG). During Fiscal 2024, the Company restructured and/or renamed certain of its subsidiaries with no meaningful impact on operations.



Notes:

- (1) As of the date hereof, AMG owns and controls all of the issued and outstanding Multiple Voting Shares and 10,200 Subordinate Voting Shares representing approximately 53.0% of the issued and outstanding Shares (representing its non-diluted equity interest) and approximately 81.9% of the voting power attached to all of the Shares.
- (2) As of the date hereof, the public holds all of the issued and outstanding Subordinate Voting Shares other than the 10,200 Subordinate Voting Shares held by AMG, representing approximately 47.0% of the issued and outstanding Shares (representing a non-diluted equity interest) and approximately 18.1% of the voting power attached to all of the Shares.

BUSINESS OF AHG

Company History

Our origins can be traced back to 1991, when our current Chief Executive Officer, Michael Andlauer, established a nationwide air freight forwarding and ground freight services company known as ATS Andlauer Transportation Services Inc. By the end of 2009, Mr. Andlauer had pivoted to focus exclusively on the healthcare industry, operating under the brand names ATS Healthcare and Accuristix.

On December 11, 2019, we completed our initial public offering (“**IPO**”) of 10,000,000 Subordinate Voting Shares at a price of \$15.00 per share for gross proceeds of \$150,000,000. On the same date, our Subordinate Voting Shares were listed for trading on the TSX under the symbol “AND”. On December 16, 2019, the underwriters exercised in full their over-allotment option to purchase up to an additional 1,500,000 Subordinate Voting Shares at a price of \$15.00 per share.

Prior to 2021, we primarily focused on growing our business organically, building our Good Manufacturing Practices (“**GMP**”) capabilities, expanding our facility network and consolidating our ownership interests in our operating entities.

Effective October 1, 2020, we acquired all of the issued and outstanding shares of TDS Logistics Ltd. (“**TDS**”) and McAllister Courier Inc. (“**MCI**”), two regionally focused temperature-controlled transportation businesses from AMG for a purchase price of \$15,878,090 in cash, funded from existing cash flow from operations.

During 2021, we completed three acquisitions that significantly expanded our ground transportation operations. On March 1, 2021, we acquired all of the issued and outstanding shares of Skelton Canada Inc. (“**Skelton**”), a leading transportation partner to the Canadian pharmaceutical and biologics industry for approximately \$107,306,000. As part of the same transaction, we acquired a 49% interest in Skelton USA Inc. (“**Skelton USA**”, and together with Skelton, the “**Skelton Companies**”), whose then wholly-owned subsidiary, Skelton Truck Lines, Inc., operates domestically in the United States, for cash consideration of approximately \$7,648,000. Skelton USA specializes in the transportation of refrigerated healthcare products.

We financed the acquisitions of Skelton and Skelton USA through a combination of cash on hand and by drawing \$50,000,000 on our revolving facility (the “**Revolving Facility**”) and \$25,000,000 on our term facility (the “**Term Facility**”), and by issuing 757,576 Subordinate Voting Shares valued at \$25,000,000 in the aggregate to the shareholders of the Skelton Companies. In connection with the acquisition of the Skelton Companies, we entered into an agreement with our lenders to increase the size of our Credit Facilities. The amended Credit Facilities consisted of a Revolving Facility in the aggregate principal amount of up to \$100,000,000 and a Term Facility in the aggregate principal amount of up to \$50,000,000 at the time of the Skelton acquisitions. See “Material Contracts – Credit Facilities”.

On October 26, 2021 we, together with AMG, completed a bought deal offering of 3,500,000 Subordinate Voting Shares, comprised of a new issue from treasury of 2,000,000 Subordinate Voting Shares and a secondary offering of 1,500,000 Subordinate Voting Shares, at a purchase price of \$48.20 per Subordinate Voting Share for aggregate gross proceeds of \$96,400,000 to the Company and \$72,300,000 to AMG (the “**Offering**”). The proceeds of the treasury issue were used to pay the cash portion of the purchase price payable in connection with the acquisitions described below. For further details, please refer to our short form prospectus dated October 19, 2021 available on our SEDAR+ profile at www.sedarplus.ca.

On November 1, 2021 we acquired 100% of T.F. Boyle Transportation, Inc. (“**Boyle Transportation**”) and the remaining 51% of Skelton USA, increasing our aggregate ownership of Skelton USA to 100%. Boyle Transportation provides specialized transportation services to clients in the life sciences and government and defense sectors. The purchase price for Boyle Transportation was approximately \$104,715,000 and the purchase price for the remaining 51% of Skelton USA was approximately \$44,763,000. We used the net proceeds of the Offering, together with cash on hand, to pay the aggregate cash purchase price of approximately \$99,312,000. The remaining purchase price of approximately \$50,166,000 was settled by the issuance of 1,040,788 Subordinate Voting Shares from treasury.

On March 1, 2022, we acquired 100% of the issued and outstanding shares of Logistics Support Unit (LSU) Inc. (“LSU”) for consideration of approximately \$26,747,000. LSU is a third-party logistics provider offering specialty pharmacy, warehousing, distribution and order management services throughout Canada to national and international companies as well as government clients in the pharmaceutical, medical and biotechnology sectors. We financed the acquisition through the issuance of 154,639 subordinate voting shares and cash of approximately \$19,247,000. We financed the cash portion of the purchase price through a combination of cash on hand and by drawing on our Credit Facilities.

On March 29, 2023, we commenced a normal course issuer bid (the “2023 NCIB”) for up to a maximum of 1,856,857 of our Subordinate Voting Shares, or approximately 10% of our public float as of March 23, 2023. The 2023 NCIB terminated on March 28, 2024. In total, we purchased and cancelled a total of 634,090 Subordinate Voting Shares, or approximately 3% of our public float, pursuant to the 2023 NCIB. We funded the purchases under the 2023 NCIB, which totaled \$25.1 million, out of available cash. The 2023 NCIB terminated on March 28, 2024.

On May 15, 2024, we commenced a substantial issuer bid (“SIB”) pursuant to which we offered to purchase for cancellation up to 2,000,000 Subordinate Voting Shares and Multiple Voting Shares (on an as-converted basis) at a price of \$45.00 per Share for an aggregate purchase price not exceeding \$90,000,000. The SIB expired on June 19, 2024 and Subordinate Voting Shares were taken up on June 20, 2024. AMG participated in the SIB and converted 1,032,045 Multiple Voting Shares to Subordinate Voting Shares, at their book value of \$15.00 per Share, which were taken up pursuant to the SIB. In aggregate, we purchased and cancelled 2,000,000 Subordinate Voting Shares for total consideration of \$90.0 million. We financed the SIB with \$50.0 million of cash on hand and a \$40.0 million draw on our Revolving Credit Facility.

On June 27, 2024, we announced that the TSX had approved our notice of intention to make another normal course issuer bid (the “2024 NCIB”) for up to a maximum of 1,770,429 of the Subordinate Voting Shares, or approximately 10% of our public float as of June 26, 2024 over the 12-month period that commenced on July 2, 2024. The bid will terminate on July 1, 2025, or such earlier time as we complete our purchases pursuant to the bid or provide notice of termination. In connection with the 2024 NCIB, we established an automatic securities purchase plan with a designated broker that contains specified parameters regarding how our Subordinate Voting Shares may be purchased under the 2024 NCIB during self-imposed blackout periods. As of February 26, 2025, a total of 266,534 Subordinate Voting Shares, comprising approximately 1.4% of the number of Subordinate Voting Shares outstanding, have been purchased and cancelled pursuant to the 2024 NCIB at an average price of \$38.99 per share, for a total purchase price of approximately \$10,391,861.

On March 11, 2020 the outbreak of COVID-19 was declared a global pandemic by the World Health Organization. Governments worldwide, including the Canadian federal and provincial governments, enacted emergency measures to combat the spread of the virus. During Fiscal 2021 and Fiscal 2022, we provided logistics and distribution, specialized transportation, and packaging solutions to certain of our manufacturer, 3PL provider, wholesaler and government clients that were involved in the supply of COVID-19 vaccines and ancillary products. In Fiscal 2021 and Fiscal 2022, approximately 4.0% and 3.0%, respectively, of our consolidated revenue was derived from our clients that were involved in the supply of COVID-19 vaccines and ancillary products. In Fiscal 2023, less than 1.0% of our consolidated revenue was derived from our clients that were involved in the supply of COVID-19 vaccines and ancillary products, and we experienced a return to a more normalized operating environment following the pandemic.

In Fiscal 2023, and more significantly in Fiscal 2024, our U.S. based truckload businesses faced reduced demand and sustained low or declining rates due to a prolonged freight recession following the post-COVID-19 surge in United States transportation rates and services. Throughout Fiscal 2024, we concentrated on integrating businesses acquired since our IPO to achieve operational synergies. We also continued to selectively pursue strategically significant acquisition opportunities to enhance or expand our differentiated capabilities. These efforts are expected to continue in Fiscal 2025.

Our Company

We are a leading and growing supply chain management company with a platform of customized third-party logistics (“3PL”) and specialized transportation solutions for the healthcare sector. We offer services to healthcare manufacturers, wholesalers, distributors and 3PL providers, among others, through a comprehensive platform of high quality, technology-enabled supply chain solutions for a range of products, including pharmaceuticals, vaccines, biologics, blood products, narcotics, precursors, active pharmaceutical ingredients (“APIs”), over-the-counter, natural health, animal health, consumer health, cosmetics, health and beauty aids (“HABA”) and medical devices. We integrate our uniquely designed Canada-wide network of facilities, vehicles, personnel and technology systems into our clients’ businesses to offer holistic solutions that span all of our clients’ shipping needs and satisfy the requirements of the highly regulated Canadian healthcare industry. We differentiate our service offerings and deliver value to our clients through our competitive strengths in temperature management, quality assurance and regulatory compliance, technology-enabled visibility throughout the supply chain, and security.

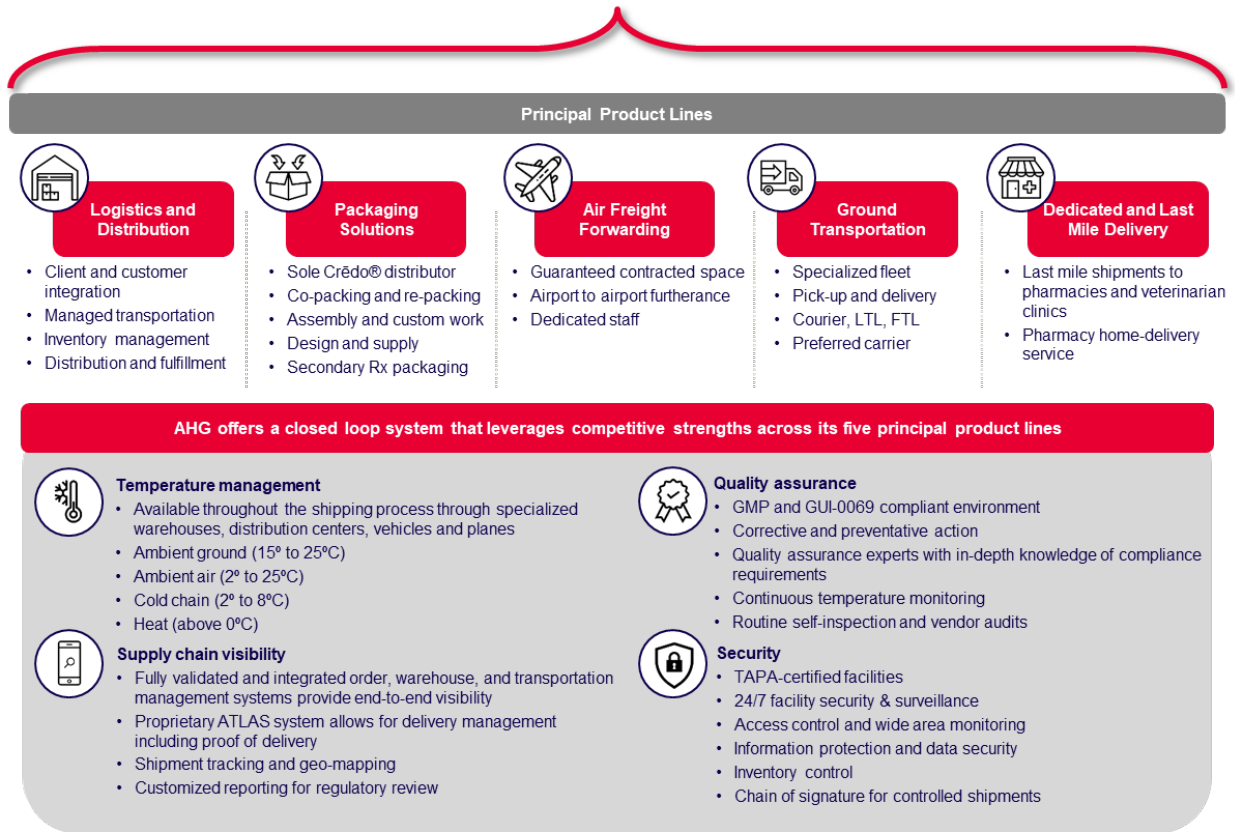
We offer robust solutions specifically tailored to the healthcare market and generate revenue across five principal product lines: logistics and distribution, packaging solutions, air freight forwarding, ground transportation, and dedicated and last mile delivery. We believe our service offerings complement one another and allow us to accommodate the full range of our clients’ specialized supply chain needs on an integrated and efficient basis. We are committed to developing and expanding long-term strategic relationships with our clients to provide improved operational efficiencies and access to value-added services.

During Fiscal 2021, we expanded our reach into the United States through the acquisitions of Skelton USA and Boyle Transportation. Skelton USA was launched in 2017 as a result of pharmaceutical customers encouraging Skelton to enter the domestic U.S. market. Skelton USA has grown through successfully leveraging Skelton’s reputation and brand for cold chain expertise. Boyle Transportation provides specialized transportation services to clients in the life sciences (comprising approximately 70-75% of its revenue) and government/defense sectors (comprising approximately 25-30% of its revenue). Boyle Transportation adheres to stringent quality and security standards, employs highly trained and dedicated professionals, continually invests in advanced technology and equipment, and has an expansive reach across the United States.

As of December 31, 2024, we employed approximately 2,380 individuals across Canada and the United States.

Services and Products

We employ our capabilities across five product lines: logistics and distribution, packaging solutions, air freight forwarding, ground transportation and dedicated and last mile delivery. We credit our strong client relationships to our competitive strengths in the healthcare sector, our unique and integrated customized solutions and our client service and company culture, all of which management believes is not easily replicated, takes time and significant expense to replace and allows us to build trust with our key stakeholders.



Competitive Strengths

Through the leadership of our management team, we have focused on developing healthcare-specific expertise to best serve our clients and comply with healthcare industry regulations and best practices. We differentiate our services and deliver value to our clients through four competitive strengths: temperature management, quality assurance and regulatory compliance, visibility throughout the supply chain, and security. These capabilities are put into effect across our platform through our employees, who are passionate about client service. Through our competitive strengths, we are able to provide healthcare clients with specialized, integrated, end-to-end supply chain solutions. Additionally, with our acquisitions of Skelton USA and Boyle Transportation, we have been able to leverage these strengths in our strategic expansion into the United States and have developed strong capabilities in the management of cross-border logistics issues.

We Have Built A National Coast-to-Coast Health Canada Compliant Temperature Management Solution

Management believes we have built Canada’s only nation-wide network of temperature-controlled facilities, vehicles, equipment and trained personnel focused exclusively on delivering logistics and specialized transportation solutions to the healthcare sector. Our coast-to-coast network is qualified to comply with Health Canada’s Guidelines for Temperature Control of Drug Products during Storage and Transportation (GUI-0069) and the laws and regulations applicable to our business and our clients’ businesses, such as the *Food and Drugs Act (Canada)*, the *Cannabis Act*, the *Controlled Drugs and Substances Act*, and the regulations promulgated thereunder. We have the ability to monitor and manage temperature conditions throughout the shipping process, as well as provide our clients with documented proof of the temperature environment for the duration of a shipment. Our fleet of customized, qualified and calibrated

vehicles is equipped with independent sensors that measure the temperature of the product being shipped and consistently monitor the air temperature within the vehicle. Our temperature-controlled trailers utilize specialized bulkheads to better reduce temperature fluctuations during transit and we have installed inflatable baffles around loading doors to seal air leaks and maintain temperatures during loading procedures. Across our coast-to-coast distribution network, we offer management of various temperature ranges, including ambient ground (15°C to 25°C), air (2°C to 25°C), cold chain (2°C to 8°C), ultra-cold (-70°C) and heat (above 0°C).

We have specifically designed our operational ecosystem so that we can provide qualified temperature management services to our clients. Our branches, distribution centres and vehicles are temperature mapped with winter and summer profiles. Using the results of our temperature mappings, we have installed permanent sensors to ensure that identified hot and cold zones are monitored in accordance with Health Canada and other regulatory requirements. Our temperature sensors are calibrated annually against a recognized reference standard published by the National Institute of Standards & Technology to ensure their accuracy. Our temperature management software, Rotronic Measurement Solutions (“RMS”), ensures that selected quality assurance and operations staff are notified in the event of a temperature deviation of +/- 1°C from the established acceptable range. Every change to our distribution centres and branches is assessed through our change control program for impact on temperature mapping and monitoring, therefore ensuring high risk areas are always known and monitored. Our quality assurance team reviews temperature graphs on a weekly basis and any trend which could identify a potential temperature control issue in a specific area is escalated and investigated. As temperature monitoring is a critical component of our quality system, records are maintained and archived for at least seven years. RMS will alert our quality assurance staff if a temperature sensor fails to send data to the system at a pre-established frequency.

We Adapt our Quality Assurance and Regulatory Compliance Processes to Meet and Exceed Changing Healthcare Requirements

In order to maintain the safety, quality and efficacy of healthcare products, government regulations set out rules relating to, among other things, the packaging, warehousing, distribution, transportation and temperature monitoring of such products. The pace and complexity of such regulations has increased in recent years and management believes it will continue to increase. We recognize the ever-changing regulatory demands of the healthcare industry and endeavor to operate with strict adherence to regulatory protocols and Health Canada guidance applicable to our business and our clients’ businesses. We believe our facilities, services and operations satisfy the GMP requirements set forth in the *Food And Drug Regulations*, the *Natural Health Products Regulations* and the *United States Pharmacopeia* requirements for products distributed in the United States. To help us comply with these requirements, we use our quality management system (which is maintained on a cloud-based enterprise quality management software application (SoftExpert EQM)), corrective and preventative action program, validation, continuous monitoring of temperature, risk management and sophisticated security systems. Our electronic quality management system provides real time access to document control, training, deviations, corrective and preventative actions and audits. Temperature monitoring systems in our distribution centres and branches provide immediate alarm notifications on a 24/7 basis. Our distribution centres have full-facility tested generator back-ups so as to ensure we can maintain operations in the event of a power outage. Our facility operations teams consist of highly qualified and trained quality assurance experts and scientists with in-depth knowledge of regulatory and Health Canada compliance requirements. These quality assurance experts oversee the storage and distribution of all healthcare products, including pharmaceuticals, vaccines, biologics, blood products, narcotics, controlled drugs and precursors, for the purposes of complying with Health Canada guidance and regulations related to product storage in accordance with labeled conditions, management of vaults and cages, security system monitoring and chain of signature. Our fleet of customized vehicles is qualified and monitored by calibrated temperature sensors to allow us to oversee and manage temperature conditions, as well as provide documented proof of the temperature environment for the duration of a shipment, in accordance with GUI-0069. Our commitment to quality assurance is embedded in our management responsibility and our company culture. Our management team is able to both anticipate and react to changing regulations to innovate and bring solutions to market when new regulations are introduced. We regularly review and communicate our quality assurance objectives to our employees and conduct regular corporate and self-inspection audits of our facilities and processes to continually improve our systems and ensure audit readiness. Our written quality agreements with clients and suppliers clearly define responsibilities to provide assurance that product quality, safety and efficacy are maintained; and we only work with AHG approved suppliers who operate with the same high quality standards that we do.

We are licensed by Health Canada to import drug products, including pharmaceuticals, biologics, vaccines and medical devices. As a trusted partner to product owners, we manage regulatory and quality assurance activities to facilitate the distribution of their products in Canada.

Through our quality assurance practices and quality management system we strive to ensure compliance with, among others, the following statutes, regulations and guidelines:

- Health Canada's Good Manufacturing Practices Guide for Drug Products (GUI-0001);
- Health Canada's Guidance on Drug Establishment Licences and Associated Fees (GUI-0002);
- Health Canada's Guidelines for Environmental Control of Drugs During Storage and Transportation (GUI-0069);
- Health Canada's Guidance Document on the Import Requirements for Health Products Under the Food and Drugs Act and its Regulations (GUI-0084);
- Health Canada's Guidelines for Active Pharmaceutical Ingredients (GUI-0104);
- Health Canada's Guidance Documents for Medical Devices;
- Health Canada's Guidance Documents for Natural and Non-Prescription Health Products;
- *Food and Drugs Act* and its regulations, including the *Food and Drug Regulations* and *Natural Health Product Regulations*;
- *Cannabis Act* and the *Cannabis Regulations*;
- *Controlled Drugs and Substances Act* and its regulations, including the *Precursor Control Regulations* and the *Narcotic Control Regulations*; and
- The United States Pharmacopeia (USP) chapter <1079> *Good Storage and Distribution Practices for Drug Products* for U.S. distribution.

Through Our Proprietary Technology We Offer Our Clients Valuable Visibility Throughout the Supply Chain

We have made significant investments in information technology across our business operations to provide both internal and external visibility throughout our supply chain activities, and are committed to maintaining technology solutions that meet the needs of our clients in the highly regulated healthcare sector.

Through a dedicated team of in-house IT resources including programmers, Electronic Data Interchange (“EDI”) mappers and report writers, we have created a proprietary order management system called Phoenix to service our logistics clients. Through Phoenix, our clients are granted real time, end-to-end visibility into their supply chain on a 24/7 basis through an online portal. Phoenix aggregates client and client customer data from a number of sources into one central database which can be accessed both internally by our employees as well as externally by our clients. From order management, warehouse transactions and inventory availability with lot and expiry control to shipped orders status, booked appointment times and proof of delivery, Phoenix allows us to integrate with our clients' businesses.

Phoenix is also equipped with a large library of shipping labels and outbound documentation which our clients can select during the on-boarding process, to allow for seamless integration with our clients' customers' processes. Through Phoenix, clients can also select a number of comprehensive reports from our growing library of options or request a customized report to analyze their data and obtain detailed information and insights about their business. Reports can be run on-demand or they can be sent automatically via e-mail based on a pre-defined schedule. Phoenix's strong reporting capabilities are a key differentiator of our services as compared to other order management systems and is one of the principal ways that clients use our system to manage their business.

In December 2020, we signed an agreement to implement Tecsys Itopia[®], a 'software as a service' platform, to replace our warehouse management system. Tecsys Inc. is a supply chain management software company and its technology stack will provide us with updated warehouse management and transportation management capabilities as well as end-to-end analytics and business intelligence. Our first client went live on our new warehouse management system in the fourth quarter of Fiscal 2022 and implementations will continue throughout Fiscal 2025.

In our specialized transportation segment, we have a comprehensive shipping and tracking information management system, the core of which, Andlauer Transportation Logistics Automation System (“ATLAS”), is internally developed and supported. ATLAS is a fully integrated system that supports our finance, administration, operations, sales, and client service departments. A key feature of ATLAS is the ability to manage all shipments regardless of mode or size, giving full scanning, tracing, rating, and reporting capabilities while products are in storage as well as in transit. ATLAS’s track and trace system allows clients to attain temperature monitoring data and shipment status information, including pickup date and time, linehaul scans, out for delivery scans, delivery scans, proof of delivery and appointment details on-line or through our client service department. This service is essential to clients in need of just-in-time delivery, increased security and full access to shipment information. We are able to track and report on the progress and temperature of each shipment as it moves along our Canada-wide network by using global positioning systems.

Our Security Practices Safeguard our Clients’ Products to the High Standards Required in the Healthcare Industry

We are vigilant in our efforts to employ the security practices necessary in our industry and undertake regular policy and procedural reviews, practice tests, employee training and regular auditing and maintenance. We believe through these efforts we have created and maintained a culture of respect and security awareness that allows us to safeguard our clients’ products to the high standard required in the healthcare industry.

We own and manage 16 licensed narcotics vaults and 16 licensed cages located across six of our distribution centres with a total capacity of over 2,600 pallet positions for storing narcotics, controlled substances and precursors. As these vaults store products with a significant illicit market value, Health Canada requires high levels of security. Our vault security protocols include the physical structure and design of the vaults themselves as well as the security monitoring systems, processes and specialized quality assurance personnel involved in the management of these substances. Inventory levels are validated on a frequent basis and any discrepancies must be immediately communicated to Health Canada and law enforcement authorities. We have received a compliant rating in every Office of Controlled Substance audit that has taken place, demonstrating our strong performance in this area.

We are members of the Transported Asset Protection Association (“TAPA”), which sets standards for security and industry best practices in the handling and storage of high value theft targeted assets. Many clients use the TAPA audit, which evaluates equipment, policies, practices and people involved in moving products in a secure fashion, as their template when evaluating the suitability of service providers. We have been certified by TAPA as meeting their facility security requirements standard across our branch network.

We Understand The Complexities Of Cross-Border Logistics

Our acquisitions of Skelton USA and Boyle Transportation have enabled us to strategically expand into the U.S. healthcare market. Each of Boyle and Skelton USA have a strong commitment to customer focused care and a people-first approach, which are core values of AHG. With its highly specialized validated and qualified equipment, Skelton USA has developed a niche in the transportation of temperature-sensitive pharmaceuticals, biologics, plasma products and vaccines. Boyle is a leader in the temperature-sensitive life sciences sector and brings complementary security and visibility capabilities to the defence sector.

We have the capability to manage the various logistics involved in cross-border shipments between the U.S. and Canada, keeping our clients’ shipments moving efficiently and securely across borders. Our cross-border solutions include processing conveyance, equipment and personnel information through the ACE secure data portal of the Department of Homeland Security for U.S. freight and through the Canada Border Services Agency for Canadian freight. We also complete thorough documentation review to mitigate customs and cross-border issues, helping to reduce costs due to delays and refusals. Skelton USA and Boyle Transportation are certified under the Customs-Trade Partnership Against Terrorism, and the Free and Secure Trade programs. Skelton is a member of the Partners in Protection and Customs Self Assessment programs.

Principal Product Lines

Our competitive strengths are an integral component of our business and span all of the services we offer. We believe they are a source of differentiation and have helped support the growth of our business. Today we offer a platform of services that can be grouped into five principal product lines: logistics and distribution, packaging solutions, air freight forwarding, ground transportation, and dedicated and last mile delivery.

Revenue Segmentation by Principal Product Line

Revenue	2024⁽¹⁾	2023⁽²⁾
Logistics and Distribution	22.9%	22.6%
Packaging Solutions	2.4%	2.4%
Healthcare Logistics Segment	25.3%	25.0%
Ground Transportation	59.8%	60.9%
Air Freight Forwarding	4.5%	4.3%
Dedicated and Last Mile Delivery	10.4%	9.8%
Specialized Transportation Segment	74.7%	75.0%

Notes:

- (1) Percentage of 2024 revenue prior to intersegment revenue eliminations, Fiscal 2024.
- (2) Percentage of 2023 revenue prior to intersegment revenue eliminations, Fiscal 2023.

Healthcare Logistics Services

Our logistics and distribution business is contract-based, and services are typically provided under master service agreements with terms that range from three to five years in length. Due to our strong client relations, the vast majority of our clients renew their contracts with us when they expire. As part of our logistics services, we retain transportation providers to offer certain services. While ATS Healthcare and Skelton are used as the specialized transportation service providers for the vast majority of our logistics clients, we will contract with another service provider where it better suits the needs of a specific client. Our healthcare logistics segment is comprised of our logistics and distribution, and packaging solutions products lines. This segment contributed approximately 25.3% of our consolidated revenue, prior to intersegment revenue eliminations, in Fiscal 2024.

Logistics and Distribution

We serve as an extension of our manufacturing clients, leveraging our infrastructure and expertise to offer a number of customized solutions to manage, warehouse and distribute billions of dollars of products to their customers. Our logistics solutions include the handling of a full range of healthcare products, including pharmaceuticals, vaccines, biologics, blood products, narcotics, precursors, APIs, over-the-counter, natural health, animal health, consumer health, cosmetics, HABA and medical devices. We are able to fulfill client needs with management of products to a number of healthcare channels including retail direct, wholesale, self-directed retail, hospital, pharmacy, clinic, doctor's office, veterinary and specialty distribution. Our logistics contracts operate on an activity-based fee-for-service model, meaning that we bill our clients by applying a transactional fee against specific activities or services such as number of product receipts, clients' customer order volumes and pallets stored on-hand, among others. We offer a wide range of customized solutions from beginning to end of the supply chain, including, for some smaller clients, full order to cash services, where we assist these clients to receive, process and fulfill customer sales orders and manage their accounts receivables. Our clients are able to select from our range of services and customize the solutions that are right for their business. The supply chain management solutions we offer include, among others: product receiving, quarantine and inspection; storage; narcotics, controlled drug and precursor management; customer order processing; order fulfillment and inventory management.

Packaging Solutions

We offer a range of packaging solutions for our clients depending on their specific business needs. Through Nova Pack Ltd. (“**Nova Pack**”), we offer co-packaging, re-packaging, point of purchase and point of sale display-build solutions. Nova Pack adheres to Health Canada and GMP requirements, allowing us to meet the exacting standards of our clients during all phases of a co-pack or re-pack project. Nova Pack provides a comprehensive list of packaging services related to assembly, secondary pharmaceutical packaging, custom hand-work, shrink wrapping/banding, bundling, poly bagging, gluing, folding, carton filling, sealing, embossing, kitting and sampling. Nova Pack has embedded operations within one of our greater Toronto area (“**GTA**”) distribution centres allowing us to efficiently integrate these services into our supply chain solutions for our clients as well as other brand-owners. Additionally, Nova Pack is embedded in the Canadian distribution centre of a multi-national healthcare and consumer packaged goods manufacturer in Brampton, providing assembly and co-pack services dedicated to that company’s products.

We are currently the sole distributor of Crēdo® Thermal Packaging Solutions within Canada outside of the Peli BioThermal™ group of companies. Crēdo® Cubes are high performance, passive, reusable shipping containers qualified to maintain ambient or chilled medical materials at a constant temperature for up to 96 hours. Crēdo® Cubes are equipped with customizable modular thermal isolation panels containing phase-change material with vacuum insulated interlocking panels specifically formulated for the unique needs of pharmaceutical products. Unlike other solutions which vary by season or payload size, Crēdo®’s line of different sized systems are suited to varying packing design requirements, providing an optimum volume ratio of interior payload space, resulting in significant savings in shipping costs and packing time and minimizing the risk of errors when packing products. Crēdo® Cubes are available across many temperature ranges: +2°C to +8°C, +15°C to +25°C, and -20°C and colder. As a by-product of reverse logistics, we refurbish Crēdo® Cubes after use by our clients, providing a truly reusable solution and ensuring the integrity and quality assurance of the product. We believe our ability to provide the Crēdo® solution through a closed-loop system is a strong competitive advantage and enables us to extend the lifetime of these containers.

Specialized Transportation Services

We leverage our competitive strengths to offer our clients a coast-to-coast delivery network of multiple transport modes and flexible capacity to ship products safely and on time from origin to destination. Unlike other transportation companies, we handle air freight forwarding, courier, less-than-truckload (“**LTL**”) and last mile shipments as well as temperature managed and non-temperature managed shipments within the same facilities, accommodating the full range of our clients’ needs on an integrated and efficient basis.

In managing our operations, we utilize a business model designed to limit capital requirements and optimize flexibility. Approximately 50% of the drivers we engage in our ground transportation operations in Canada are owner-operators, which allows us to minimize fixed operating costs and manage our capital requirements associated with the purchase and maintenance of equipment. We lease the majority of our non-owner-operated vehicles in order to limit fixed overhead and to maintain a more updated, reliable and technologically advanced fleet. We also outsource certain ground shipments in more remote locations to enhance flexibility. We do not own any airplane assets, which enables us to expand and contract air cargo capacity as necessary.

Our specialized transportation segment includes our air freight forwarding, ground transportation and dedicated and last mile delivery product lines. As Health Canada regulations have expanded and become more complex, clients are increasingly using our services to ship their temperature-sensitive healthcare products, in part due to our strong reputation for quality assurance and regulatory compliance. Our specialized transportation segment contributed approximately 74.7% of our consolidated revenue, prior to intersegment revenue eliminations, in the year ended December 31, 2024.

Air Freight Forwarding

Management believes we are one of the largest domestic healthcare air freight forwarding companies in Canada. We have long-standing relationships and guaranteed contracted space with Cargojet Inc. (“Cargojet”) and have relationships with a number of other air cargo operators, which allows us to meet our clients’ air freight needs. Air cargo shipments are staged at our branches across the country and tendered directly to the airline for airport to airport furtherance. Our dedicated staff assumes custody of consignments at the receiving airport, which reduces the risk of third-party caused delays and enhances the security and temperature management of the shipments.

Ground Transportation

We provide our ground transportation services to our clients through a combination of owner-operator and employee drivers. In more remote locations, we complement our services with partnerships or alliances with other carriers. Across our coast-to-coast distribution network, we offer management of various temperature ranges, including ambient ground (15°C to 25°C), air (5°C to 25°C), cold chain (2°C to 8°C), ultra-cold (-70°C) and heat (above 0°C). In addition, we offer non-temperature controlled services. For our temperature-controlled solutions, we monitor and manage temperature conditions throughout the shipping process, as well as provide our clients with documented proof of the temperature environment for the duration of a shipment. We process shipments across Canada through our 22 branches as well as the seven third-party owned cross-docks that we operate from. By offering our clients both courier and LTL services, as well as temperature and non-temperature managed options, we are able to provide a single source solution for our clients, reducing the number of carriers delivering into a consignee’s facilities and increasing efficiencies.

Our shipments typically have a coincidence of pick-up and delivery, which we believe is a strong competitive advantage and leads to significant cost savings for our business and for our clients. Healthcare consignees are increasingly focused on receiving their shipments by a specific time to streamline their inbound logistics processes. Through our branch network and dedicated personnel, we are able to reliably schedule appointments for our clients, ensuring that shipments arrive as planned, thereby avoiding penalties and fines which could be levied for late delivery. Our strengths in this area have contributed to us being a preferred carrier for many clients with standing appointments and consolidated loads to several major Canadian healthcare distributors.

During Fiscal 2021, we expanded our ground transportation services into the United States through our strategic acquisitions of Skelton USA and Boyle Transportation. We offer full truckload (“FTL”) with the same temperature ranges in the United States as we do in Canada across the 48 contiguous states. Our U.S. ground transportation network is currently supported by four regional terminal facilities.

Dedicated and Last Mile Delivery

We offer dedicated delivery and last mile delivery services to a small number of clients in various regions across Canada. Our dedicated and semi-dedicated fleets throughout Canada allow us to provide a full range of shipment services, production scheduling, customer care and warehousing directly to our clients. Our clients leverage our expertise in vehicle specifications, routing, technology and temperature management, realizing cost savings through outsourcing services that are not part of their core competencies and reducing their capital expenditures. We have seen particular growth in our dedicated delivery services in the wholesaler and self-distributor market, operating on behalf of our clients to complete last mile shipments to pharmacies, hospitals and veterinarian clinics. We have forged strong strategic alliances with leading industry partners through these services, including McKesson Canada, Shoppers Drug Mart, Western Drug Distribution Centre and Veterinary Purchasing.

One of our last mile service offerings is MEDDS, our pharmacy home-delivery service operating in the Winnipeg Capital Region. Through this service, we pick up patient prescriptions from pharmacies and deliver directly to the patient’s door on a same day basis.

Clients

In our healthcare logistics segment, we are focused on providing a comprehensive range of services to healthcare manufacturers. Pharmaceutical manufacturers represent our largest client segment and we provide services to several top pharmaceutical companies, including Pfizer, Bayer, Roche and AstraZeneca. Our logistics services are provided under master service agreements typically between three to five years in length on average, and operate on a fee-for-service basis, while our packaging solutions are typically offered on a contractual and project basis.

In our specialized transportation segment, we focus on providing our multi-modal service offerings to healthcare manufacturers, wholesalers and distributors and 3PL providers, including Accuristix, McKesson Canada and UPS Supply Chain Solutions. Our ground freight and air forwarding contracts typically range from three months to two years in length, with the majority of contracts having a duration of one year, and are provided through a fee-for-service model in conjunction with quality agreements that govern the specialized needs of a client. Our dedicated and last mile delivery clients are primarily wholesalers, distributors and pharmacies, and typically have contracts with us for an average length of three to five years.

In the United States, we focus on providing FTL services to healthcare manufacturers, distributors and 3PL providers, such as Bristol Myers Squibb, Cencora (formerly Amerisource Bergan), and UPS Supply Chain Solutions. Our FTL contracts are typically one year contracts, and are provided through a fee-for-service model in conjunction with quality agreements that govern the specialized needs of our clients. Through Boyle Transportation, we also provide FTL services to government agencies and contractors in the defense sector.

Competition

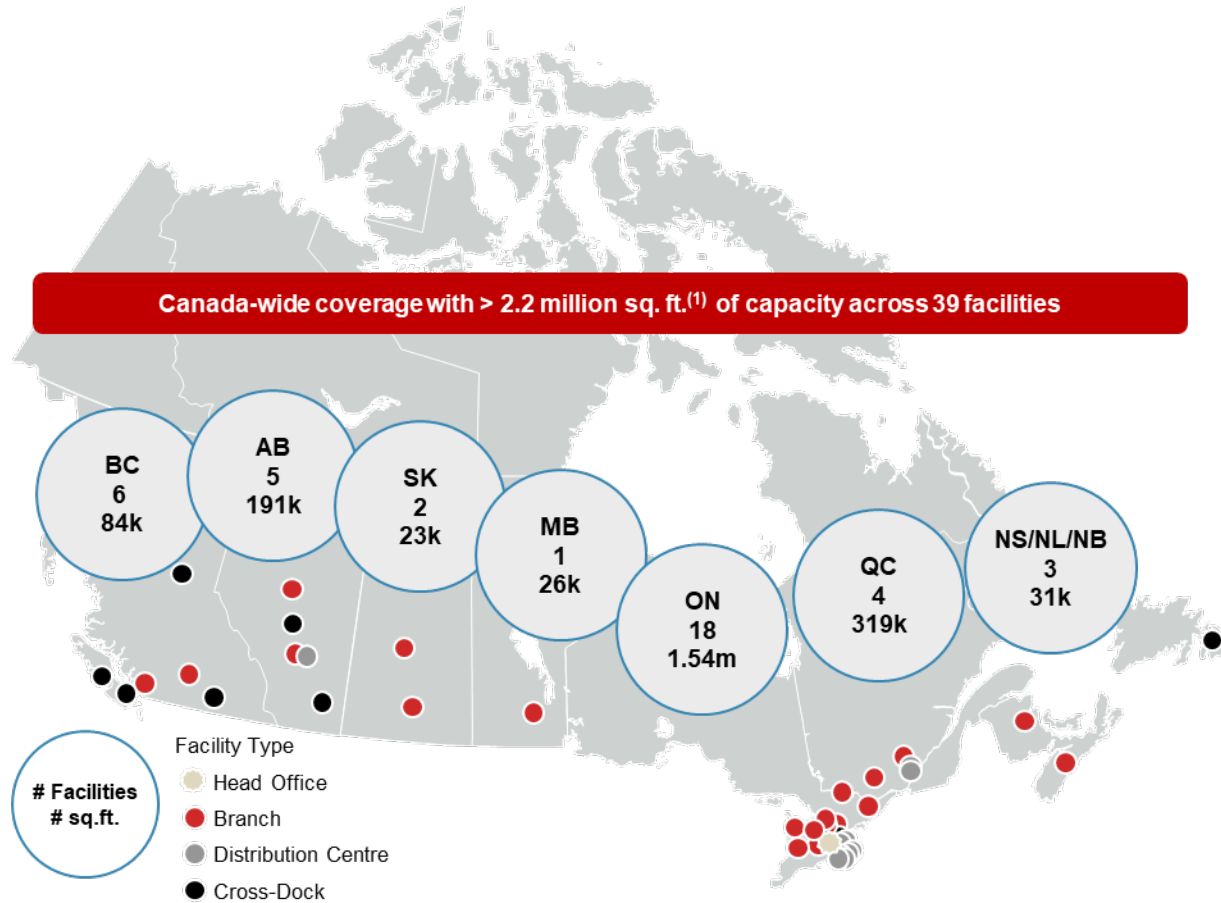
Management believes we are Canada's only national third-party service provider focused exclusively on delivering customized, end-to-end logistics and specialized transportation solutions to the healthcare sector. Accordingly, we believe that we offer a unique set of services in the marketplace and stand apart from traditional logistics and transportation companies. In particular, we believe our differentiated capabilities, including our temperature management expertise, together with our coast-to-coast distribution network and multiple service offerings uniquely positions us within our industry and sets us apart from companies specializing in global integration and supply chain management, national non-temperature managed solutions, regional temperature managed solutions as well as niche service providers and insourced transportation services. Notwithstanding, we do compete with UPS Healthcare, Kuehne + Nagel and Lynden Logistics in our delivery of 3PL services, and with UPS, FedEx, Purolator, and several regional players in the specialized transportation space in Canada. The U.S. market is highly fragmented with the largest national provider being FedEx Custom Critical followed by CRST The Transportation Solution, Inc.

Canadian Facilities and Fleet

We operate from 38 facilities located in key cities across Canada, comprised of nine distribution centres and 22 branches and operate from seven third-party owned cross-docks, in addition to our corporate head office. Across the distribution centres and branches that we currently operate from, we have more than 2.2 million square feet of facility and office space. We hold Health Canada drug establishment licences and/or natural health product site licences through Accuristix, LSU and Nova Pack, which cover all nine of our distribution centres. Across our distribution centre network, we have narcotic vaults, controlled drug, precursor and cytotoxic cages, 2-8°C temperature mapped and validated coolers, liquid nitrogen containers as well as Hazmat and aerosol containment systems. Our branches are designed as multi-service facilities, providing short-term warehousing, staging and distribution functions and operate as both branches and hubs within our shipment system. Our branches receive air, courier and LTL shipments for consolidated deliveries to consignees and are equipped with our auto-sort barcode conveyor system, which ensures higher sort speeds and capacities to maximize the efficient handling of products. At the seven third-party owned cross-docks that we operate from, we receive inbound linehaul shipments and reload such shipments onto outbound trucks for last mile delivery using our fleet of temperature controlled vehicles.

We lease our facilities in an effort to reduce the amount of capital employed in our business. We currently have good relationships with the landlords of all of our facilities and expect to extend our leases or obtain suitable alternatives on market terms as the lease terms approach expiry. Certain of our facilities are leased from related parties. See "Interests of Management and Others in Material Transactions" for more information with respect to these leases.

Below is a map showing the locations and square footage of each of our facilities in Canada:



Notes:

(1) Square footage excludes the seven third party owned cross-docks from which we operate.

We operate our nation-wide distribution network through our fleet of customized, qualified, calibrated and temperature monitored vehicles. Our ATS Healthcare fleet is composed of approximately 660 vehicles, consisting of 61 vans, 173 three ton trucks, 52 five ton trucks, 301 trailers and 73 tractors. We lease approximately 65% of our vehicle fleet, access approximately 30% through contracts with owner operators and own the remaining approximate 5%. We seek to own our specialized trailers when their useful life extends beyond standard trailers.

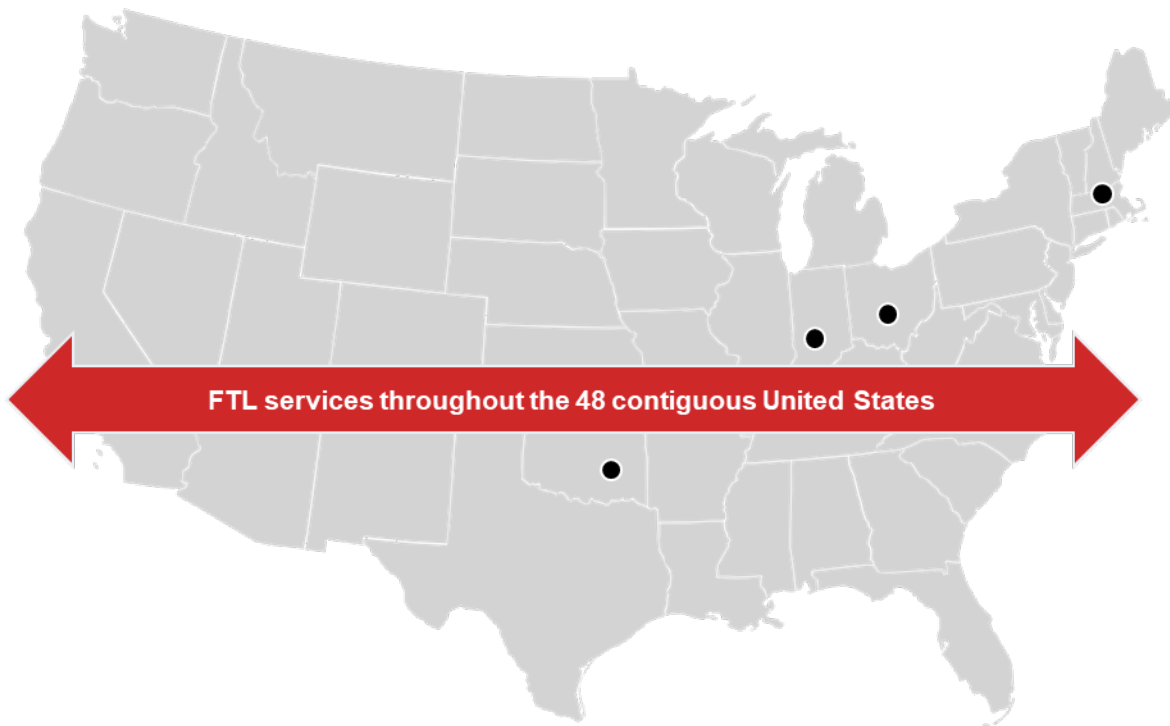
Our Skelton fleet comprises approximately 96 trucks and 129 trailers with a state-of-the-art terminal and maintenance facility in Sharon, Ontario. With Skelton's highly specialized validated and qualified equipment, it has developed a niche in the transportation of deep-frozen plasma products and vaccines, as well as temperature sensitive 2-8°C medicines. The Skelton fleet is currently owned by the Company.

Since the third quarter of 2023, we have generally leased our trucks and tractors and have generally purchased our trailers, a practice we expect to continue for the foreseeable future.

United States Facilities and Fleet

Through our acquisitions of Skelton USA and Boyle Transportation, we expanded our FTL terminal network and vehicle fleet in the United States. We lease three state-of-the-art terminal and maintenance facilities in Ohio, Massachusetts, and Indiana, and a fourth terminal in Oklahoma, all strategically located to service our fleets. Skelton USA’s leased fleet of approximately 89 trucks and 119 trailers, combined with Boyle Transportation’s owned fleet of approximately 91 trucks and 175 trailers operate throughout the 48 contiguous United States.

Below is a map showing our terminal locations in the United States:



Environment and Social Responsibility

We have adopted an environmental and social responsibility policy (the “**E&S Policy**”). The E&S Policy outlines our approach to environmental sustainability and social responsibility from a corporate governance perspective and outlines our commitments to embed these practices into our business model, which includes to: (i) comply with all applicable environmental laws and regulations; (ii) assess sustainability-related risks and capture value-added opportunities; (iii) support diversity and inclusion; (iv) aim to provide a safe and healthy environment for all employees and drivers; and (v) promote a culture where all of our employees share the foregoing commitments. To assist with the achievement of these goals, our Compensation, Nominating and Governance Committee of the Board oversees our policies and practices with respect to corporate social responsibility matters, which includes environmental and sustainability issues.

Environmental, Social and Governance (“**ESG**”) disclosure is becoming increasingly valued by investors. We currently have the following programs and practices in place, fostering a positive impact across our business.

Environmental Responsibility

We are committed to being an environmentally responsible business partner and neighbour in the communities where we operate. We recognize climate change as a strategic risk with potential financial implications for AHG, our supply chain partners, and our investors. It is one of the most pressing global issues facing our society and is a priority issue for our key stakeholders. As such, we have taken a variety of steps over the years to improve the sustainability performance of our operations and better understand our future opportunities for continued action.

1. We are members of the SmartWay Transport Partnership Program through our Skelton and Boyle Transportation subsidiaries which helps us move goods efficiently while keeping fuel costs and environmental impact at a minimum;
2. In 2024, we refurbished and shipped approximately 235,000 Crēdo® Cubes, eliminating approximately 2.1 million kilograms of single-use, non-recyclable expanded polystyrene (EPS) coolers and gel packs annually. Crēdo® Cubes are a sustainable alternative to traditional packaging that lessens the carbon footprint, reduces waste and decreases costs for us and our clients;
3. We operate only electric forklifts in our warehouses;
4. Our refrigerated trailers are outfitted with fuel efficient reefer models and new/replacement trailers are being fitted with electric plug-in reefer connections to reduce fuel consumption;
5. We replaced a number of high wattage light bulbs with LED lighting in our facilities to decrease our electricity consumption;
6. We equipped 40% of our trailers with double-decking capabilities, which allows us to reduce our daily linehaul runs;
7. We have and continue to replace fleet equipment to ensure it remains modern and efficient;
8. We have and continue to improve productivity of our trucks and drivers, with an aim to eliminate ‘wasted’ miles. Our optimization plan includes: investments in route planning, consolidating freight to reduce line hauls, collaborating with clients on loading plans, coordinated appointment times and consolidated inbound deliveries to wholesalers;
9. We deployed building management systems to monitor temperature and govern our HVAC systems;
10. We calculated our baseline greenhouse gas emissions for Fiscal 2022 and submitted our calculations on the Carbon Disclosure Project (“CDP”) portal (www.cdp.net); and
11. We responded to the CDP Climate Change Disclosure Survey in 2023 and 2024 for Fiscal 2022 and Fiscal 2023, respectively.

Social Responsibility

Our employee culture is one of our fundamental strengths and a strategic priority.

1. Employee culture has driven us forward as an industry leader in the provision of high-quality healthcare logistics and transportation services – we have strong open lines of communication with our employees and encourage our employees to suggest ways in which we can improve our operations: “There’s a better way... find it”;
2. We recognize and celebrate our very best employees who act as leaders within our teams;
3. We fund post secondary scholarship awards for children of our employees to assist them with tuition fees;
4. We hold quarterly key performance indicator town hall meetings with all employees and senior management;
5. Our annual employee engagement surveys are used to respond to employee feedback anonymously;
6. We empower our employees through training and professional development programs;
7. We promote movement within our organization in an effort to retain and encourage our top talent;
8. We have a Diversity Policy which set outs our commitment to diversity;
9. We have developed a diversity, equity, inclusion, and accessibility framework and program strategy;
10. We continue to link business operations and health and safety excellence through dedicated programs, industry association memberships, and effective employee health and safety best practices; and
11. In recognition of their historic contributions to the Company, 326,300 Subordinate Voting Shares were distributed from the Employee Trust to certain of our executive officers and employees and 64,800 Subordinate Voting Shares were transferred from AMG to select owner-operators in Fiscal 2020, Fiscal 2021 and Fiscal 2022.

Governance

We are dedicated to maintaining accountability, fairness and transparency at all levels of our business.

1. We have adopted comprehensive governance policies and procedures including our Code of Ethics, and Disclosure and Confidential Information Policy, among others, as well as Charters and position descriptions for our Board and Board committees;
2. We regularly review our policies and procedures, including our ESG policy and objectives;
3. We have taken steps to improve security measures in connection with cyber threats;
4. Our employees are asked to annually acknowledge our policies and procedures;
5. We have instituted a whistleblower process for the confidential reporting of complaints;
6. We take a number of steps to facilitate independent judgement in the functioning of our Board, including having an independent Lead Director, holding in-camera sessions at our Board and committee meetings and establishing a special committee of independent directors to examine, review and negotiate our recent acquisitions.

During Fiscal 2022, we launched an initiative with a consultant to do a deeper scan of existing ESG initiatives already in place within AHG and to determine how to measure and communicate the social impact of our core purpose, identify relevant ESG data and data gaps and develop our longer-term focus and goals into an ESG strategy framework and 2030 roadmap. During Fiscal 2023, we developed corporate-wide ESG performance metrics and disclosures that align with the Sustainable Accounting Standard Board (SASB) standards (now part of the IFRS Foundation) for our industry, Road Transportation and Logistics, to help us prepare for future ESG disclosures and measure performance improvements from implementing action plans. We also filed our reports of greenhouse gas emissions for Fiscal 2022 and 2023 on the CDP portal in Fiscal 2023 and Fiscal 2024, respectively. We expect to continue to report our climate progress annually to our clients and key stakeholders via the CDP Supply Chain Climate Change disclosures.

We are committed to the well-being of the many communities in which we serve and believe environmentally sustainable and socially responsible business practices and good governance will add value for all stakeholders. Our inaugural Sustainability Report was presented in May 2024 and can be found on our profile on SEDAR+ at www.sedarplus.ca or on our website ([Sustainability Report](#)). We expect to update our Sustainability Report annually thereafter.

In Fiscal 2024, we also released our inaugural Forced Labour and Child Labour Report prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Modern Slavery Act**”). The Forced Labour and Child Labour Report provides an overview of the measures, actions and activities undertaken by AHG and its subsidiaries to assess, prevent and reduce the risk of forced labour or child labour in their business and supply chains for Fiscal 2023. We recognize our collective responsibility to protect the human rights of our directors, managers, officers, employees, consultants, customers and workers across our supply chains. In Fiscal 2023, we worked to better understand our reporting obligations under the Modern Slavery Act and have taken several steps to proactively reduce the risk of forced and child labour in our supply chains. Among other things, we have reviewed and updated our corporate policy framework to more concretely address forced labour and child labour in our supply chains.

Seasonality

We do not experience material seasonality in our operations. While traditional logistics and transportation companies tend to experience a relatively weaker first quarter, in part due to weather conditions and a post-holiday reduction in demand, our quarterly results have historically been stable. We believe that we have mitigated these seasonal effects through our varied client base, broad geographic dispersion and participation across five product lines. While we expect this trend to continue, we cannot guarantee that seasonality will not adversely impact us in the future.

Intellectual Property

We generally protect our intellectual property rights through a combination of trademarks and trade secret laws as well as contractual provisions.

We have fourteen trademarks registered for use in Canada, including the “Accuristix”, “ATS”, “Skelton”, “Boyle Transportation” and “ATS Healthcare” logos, as well as two trademarks registered for use in the United States, including the “Accuristix” name and logo. We have over 50 registered domain names including, among others: “www.andlauerhealthcare.com”, “www.accuristix.com”, “www.credocanada.ca”, “www.atshealthcare.ca”, “www.atsmedds.ca” “boyletransport.com”, “skeltontruck.com” and “novapk.ca”. We have and intend to continue to strategically register trademarks and domain names that we use today and develop or acquire in the future, including our “Andlauer Healthcare Group” and “LSU” logos.

RISK FACTORS

The following specific factors could materially adversely affect us and should be considered when deciding whether to make an investment in AHG and the Subordinate Voting Shares. The risks and uncertainties described in this Annual Information Form and the information incorporated by reference herein are those we currently believe to be material, but they are not the only ones we face. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition and results of operations. If any of the following risks or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material actually occur or become material risks, our business, financial condition, results of operations and prospects, and consequently the price of the Subordinate Voting Shares, could be materially and adversely affected. In all these cases, the market price of our Subordinate Voting Shares could decline, and investors could lose part or all of their investment.

Risks Related to our Business and Industry

Economic conditions could have a material adverse impact on our business.

The price of fuel, equipment and other input and third-party costs, insurance costs, interest rates, fluctuations in clients’ business cycles and national and regional economic conditions are economic factors over which we have little or no control. Demand for our healthcare logistics and specialized transportation services is closely linked to the state of the overall economy. Consequently, a decline in general economic growth will likely reduce demand for our services and exert downward pressures on our rates and margins. In periods of strong economic growth, demand for our services can result in increased network congestion and operating inefficiencies. In addition, significant increases in fuel prices, equipment prices, other input and third-party prices, interest rates or insurance costs, to the extent not offset by increases in our rates or contractual surcharges, or disruptions in fuel supply, would reduce profitability and could adversely affect our ability to service our debts or maintain dividends or other distributions. There can be no assurance of our ability to pass on fuel or other cost increases in the future and, in such event, dividends and other distributions may be reduced. In addition, any deterioration in the economic environment subjects our business to various risks that may have a material impact on our operating results and future prospects and could cause the market price of our Subordinate Voting Shares to decline. These risks may include the following:

- Government administrations may implement protectionist measures, such as import or export tariffs, which could affect our clients' products and lead to reduced demand for our services;
- Volatility and disruption of financial markets could limit our clients’ ability to obtain adequate financing or credit to purchase our services, or to maintain operations, and may result in a decrease in production volumes that could have a negative impact on our operating results;
- Some of our clients may experience financial distress, file for bankruptcy protection, go out of business, or suffer disruptions in their business and may not be able to pay us. In addition, some clients may not pay us as quickly as they have in the past, causing our working capital needs to increase;
- A reduction in overall freight volumes reduces our opportunities for growth. If a downturn in our clients’ business cycles causes a reduction in the volume of freight shipped by those clients, our operating results could be adversely affected as experienced during Fiscal 2023 and more impactfully during Fiscal 2024;

- A significant number of our third-party transportation providers may go out of business and we may be unable to secure sufficient equipment capacity or services to meet our commitments to our clients; and
- We may not be able to appropriately adjust our expenses to changing market demands. In order to maintain flexibility in our business model, it is necessary to adjust staffing levels when market demand changes. In periods of rapid change, it is more difficult to match our staffing levels to our business needs. In addition, we have other expenses that are primarily variable but are fixed for a period of time, as well as certain significant fixed expenses, and we may not be able to adequately adjust them in a period of rapid change in market demand.

We cannot predict the impact of future economic conditions and there is no assurance that our operations will continue to be profitable.

A failure to retain major clients could have a material adverse impact on our business.

In recent years, a significant portion of our revenue growth has come from a number of large clients. A meaningful percentage of revenue is derived from clients that have contracts that can be terminated on short notice. The majority of our logistics and dedicated and last mile client contracts are for three to five years. A significant portion of our client contracts, including contract renewals, are subject to competitive tender processes, and there can be no assurance that we will be successful in acquiring new business or retaining existing business subject to competitive tender. In addition, our existing clients who use our specialized transportation services may choose to use other service providers in the future. Across our operating segments, there can be no assurance that our current clients will continue their relationships with us or that contracts that come up for renewal will be renewed or, if they are renewed, that clients will contract for the same services or volume amounts to be transported or that they will pay the same rates and surcharges as they have in the past. We are currently renegotiating contracts (or extensions to existing contracts) with certain of our logistics clients. There can be no assurance that the agreements will be achieved on preferential terms, on terms consistent with historical ones, or at all. The loss of one or more major clients, the failure to renew client contracts, or any decrease in services or transportation volumes purchased or prices paid or any other changes to the terms of service under renewed contracts could have a material adverse effect on our profitability and, as a result, the amount of cash available for distribution to Shareholders, and could cause the market price of our Subordinate Voting Shares to decline. We also cannot control the business activity of our current clients. We may lose clients if such clients merge or acquire other businesses, and subsequently contract with another service provider in connection with their supply chain activities, or bring the services currently contracted for in-house. Additionally, clients may reduce the services they contract for upon patent expiry of one or more of their products. Competitors who sell off-patent products may be unwilling to pay the same rates and surcharges as the original manufacturer and may conduct their own supply chain management activities in-house or contract with other service providers.

Our expansion into the U.S. market has presented increased risks due to macroeconomic conditions in this market and other factors.

We made two acquisitions in the United States in Fiscal 2021 and continue to see further expansion into the United States as a potential growth opportunity. The United States is a market where we have to rely on the operating experience of the management teams of our acquired entities. The U.S. market has different competitive conditions, regulatory requirements, different consumer needs and spending patterns. Furthermore, our expansion into the U.S. market could place a significant strain on our management, operations, financial resources and internal financial control and reporting functions. As a result, expanded operations have been and may continue to be less successful than operations in our Canadian market. Sales of our services and products in the U.S. market have and may continue to take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting our overall growth and profitability as a result of reduced revenue. During Fiscal 2023 and again in Fiscal 2024, we experienced year-over-year declines in our U.S.-based truckload volume and rates as opportunities to obtain rate premiums in Fiscal 2022 due to pandemic-related equipment and driver shortages diminished. We believe that our U.S.-based revenue and related margins returned to more normalized levels in Fiscal 2023, but continued to decline in Fiscal 2024 as the freight recession in the United States persisted. We do not foresee a return to the premiums we generated in Fiscal 2022, which may impact our comparative growth and margins in future periods.

We may also find it more difficult in this new market to hire, motivate and keep qualified employees who can project our vision, passion and culture and labour costs may be higher due to regulation or local market conditions. In addition, new facilities could have higher construction and occupancy costs. With respect to third-party service providers, we

may have difficulty finding reliable providers to meet our quality standards. The U.S. market also has regulatory differences with Canada, which we may not be familiar with, or that subject us to significant additional expense or to which we are not able to successfully comply with, which may have a particularly adverse impact on our operations in the U.S. market and could in turn adversely impact our revenue and results of operations. In particular, due in part to the fact that the United States does not have as rigorous standards as Canada regarding the transportation of healthcare products, we compete with a large number of regional carriers and national transportation providers in this market, including FedEx and CRST, which can contribute to greater pricing pressures and reduced volumes in our U.S.-based truckload business. As a result of these factors, our expansion into the United States may be not as successful as planned. If our current U.S. operations are not successful and we do not successfully execute any further expansion into the U.S. market, our business, financial condition and results of operations could be materially adversely affected.

Risk of tariffs, taxes or other restrictions on cross-border trade may reduce client demand for our services and negatively impact our business and operations in Canada and the United States.

As a leading and growing supply chain management company operating in Canada and the United States, we are not directly exposed to the risk of increased tariffs, taxes or other restrictions that may be imposed on cross-border trade; however, our clients may be. These measures can be introduced or modified at any time by government administrations and may be influenced by changes in trade agreements, political dynamics or economic policy decisions. The imposition of such measures could lead to higher costs for our clients, reduced competitiveness of their products and potential disruptions to supply chains. As a result, demand for our services could significantly decrease, particularly for those clients whose products rely heavily on cross-border trade. This reduction in demand may negatively impact our revenue streams and reduce our overall profitability.

Sudden or unpredictable changes in tariff policies may further create operational challenges, requiring us to adjust our logistics, pricing structures or service offerings. If we are unable to respond effectively to these changes, our market position, financial performance, and long-term growth prospects could be adversely affected.

Our past acquisitions, as well as any acquisitions that we may complete in the future, may be unsuccessful or result in other risks or developments that adversely affect our financial condition and results.

While we intend for our acquisitions to improve our competitiveness and profitability, we cannot be certain that our past or future acquisitions will be accretive to earnings or otherwise meet our operational or strategic expectations. Acquisitions involve special risks, including accounting, regulatory, compliance, information technology or human resource issues that could arise in connection with, or as a result of, the acquisition of the acquired company, the assumption of unanticipated liabilities and contingencies, difficulties in integrating acquired businesses, possible management distraction, and the inability of acquired businesses to achieve the levels of revenue, profit, productivity or synergies we anticipate or otherwise perform as we expect on the timeline contemplated. We are unable to predict all of the risks that could arise as a result of our acquisitions.

If the performance of our reporting segments or an acquired business varies from our projections or assumptions, or if estimates about the future profitability of our reporting segments or an acquired business change, our revenues, earnings or other aspects of our financial condition could be adversely affected. We may also experience difficulties in connection with integrating any acquired companies into our existing businesses and operations, including our existing infrastructure and information technology systems. The infrastructure and information technology systems of acquired businesses could present issues that we were not able to identify prior to the acquisition and that could adversely affect our financial condition and results. Also, we may not realize all synergies we anticipate from past and potential future acquisitions. Among the synergies that we currently expect to realize are cross-selling opportunities to our existing clients, network synergies and other operational or administrative synergies. Any of these events could adversely affect our financial condition and results of operations, which could cause the market price of our Subordinate Voting Shares to decline.

The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. This integration process may result in the loss of key employees and the disruption of ongoing business, client and employee relationships that may adversely affect our ability to achieve the anticipated benefits of these and future acquisitions. Future acquisitions could result in restructuring charges, potentially dilutive issuances

of equities and securities, the incurrence of debt and contingent liabilities and amortization expenses related to goodwill and other intangible assets, any of which could have a materially adverse effect on our business, financial condition, results of operations and the market price of our Subordinate Voting Shares.

If we cannot maintain our Company's culture, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success and our business may be harmed.

We believe that a critical component to our success has been our culture. Our Company is aligned behind our culture and key values and we have invested substantial time and resources in building our team within this culture. As we grow, both organically and through acquisitions, we may find it difficult to maintain important aspects of our Company's culture. If we fail to preserve our culture, our ability to retain and recruit personnel, our ability to effectively focus on and pursue our corporate objectives, and our business could be harmed.

We are subject to risks associated with leasing our facilities, including rising lease rates in key areas that we do business which may compromise our ability to extend or renew our existing locations or lease new space on favourable terms, would could harm our business, profitability and results of operations.

We do not own any real estate. Instead, we lease all of our facilities. The majority of our existing facilities are leased from third parties, with typical lease commitments of five to ten years. Some of our lease agreements also have additional renewal options. However, there can be no assurances that we will be able to extend, renew or continue to lease our existing facility locations, or identify and secure alternative suitable locations in the future on favourable terms or at all.

When the term of each of our leases ends, there is a risk that the landlords may not renew the lease on terms that are commercially reasonable or acceptable to us. This may result in increased operating costs or additional relocation costs which could adversely affect our revenues and could cause the market price of our Subordinate Voting Shares to decline. In particular, nine of our facilities will come up for renewal in the next two years, two of which are located in the GTA where lease rates have recently appreciated significantly during the past two years. As a result, we expect our leasing costs may be meaningfully higher in the future which could have an adverse effect on our results of operations and profitability. There can also be no assurance that our current facility locations will continue to be desirable, or that we will be able to secure new desirable locations in the future on favourable terms. If we cannot obtain desirable locations at reasonable costs, our cost structure will increase and our revenue will be adversely affected which could cause the market price of our Subordinate Voting Shares to decline.

In addition to fixed minimum lease payments, most of our facility leases provide for additional rental payments based on common area maintenance charges, real property insurance, real estate taxes, utilities and other charges. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Increases in our already substantial occupancy costs and difficulty in identifying economically suitable new facility locations could have significant negative consequences, which include:

- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing our profitability;
- increasing our vulnerability to general adverse economic and industry conditions; and
- limiting our flexibility in planning for, or reacting to changes in, our business or in the industry in which we compete.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available to us, we may not be able to service our lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could harm our business. Additional sites that we lease may be subject to long-term leases if we are unable to negotiate shorter terms. If an existing or future facility is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term.

Increases in driver compensation and difficulties attracting and retaining drivers could adversely affect our revenues and profitability.

Our specialized transportation services are provided through a combination of employee drivers and vehicles that are owned and operated by independent contractors. The availability of qualified drivers has and may continue to be affected from time to time by changing workforce demographics, competition from other transportation companies and industries for employees, the availability and affordability of driver training schools, changing industry regulations, and the demand for drivers in the labour market. In a highly-competitive labour market for drivers, such as the current one, we have, and may in the future, be required to increase driver compensation and benefits, or face difficulty meeting client demands, all of which could adversely affect our profitability and could cause the market price of our Subordinate Voting Shares to decline. Additionally, a shortage of drivers has, and could in the future, result in the underutilization of our vehicle fleet, lost revenue, increased costs for purchased transportation or increased costs for driver recruitment.

Volatility in fuel prices impact our fuel surcharge revenues and may impact our profitability.

We are subject to risks associated with the availability and price of fuel, which are subject to political, economic and market factors that are outside of our control. Fuel expenses constitute one of the greatest costs to our operations, as well as to our fleet of independent contractor drivers and third-party transportation providers. Accordingly, we may be adversely affected by the timing and degree of fluctuations and volatility in fuel prices. As is customary in our industry, most of our client contracts include fuel-surcharge revenue programs or cost-recovery mechanisms to mitigate the effect of the fuel price increase over base amounts established in the contract. However, these fuel surcharge mechanisms may not capture the entire amount of the increase in fuel prices, and they also feature a lag between the payment for fuel and collection of the surcharge revenue. Market pressures may limit our ability to assess fuel surcharges in the future. The extent to which we are able to recover fuel cost charges in full may also vary depending on the degree to which we are not compensated due to empty and out-of-route kilometres or from engine idling during cold or warm weather.

Decreases in fuel prices reduce the cost of transportation services and accordingly, will reduce our revenues and may reduce margins for certain lines of business. Significant changes in the price or availability of fuel in future periods, or significant changes in our ability to mitigate fuel price increases through the use of fuel surcharges, could have a material adverse impact on our operations, fleet capacity and ability to generate both revenues and profits and could cause the market price of our Subordinate Voting Shares to decline.

A failure of our information technology infrastructure or a breach of our information security systems, networks or processes may materially adversely affect our business.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to initiate, track and complete client orders and effectively manage our sales, marketing, accounting, financial, legal and compliance functions, engineering and product development tasks, research and development data, communications, supply chain, order entry and fulfillment and other business processes. In addition, we provide remote hosting services that involve operating both our software and the software of third-party vendors to provide both internal and external visibility through our clients' supply chain. The ability to access the systems and the data that we host and support on demand is critical to our clients. Despite testing, external and internal risks, such as cyber-attacks, malware, insecure coding, damage to equipment, natural disasters, terrorism, fire, loss of power, vandalism, theft, "Acts of God," data leakage and human error and/or malfeasance (including misappropriation by departing personnel) pose a direct threat to the stability or effectiveness of our information technology systems and operations. We have mitigated our exposure to these risks through the establishment and maintenance of technology security programs and disaster recovery plans, but these mitigating activities may not be sufficient. The failure of our information technology systems to perform as we anticipate has in the past, and could in the future, adversely affect our business through transaction errors, billing and invoicing errors, internal recordkeeping and reporting errors, processing inefficiencies and loss of sales, receivables collection and clients, in each case, which could result in harm to our reputation and have an ongoing adverse impact on our business, results of operations and financial condition, including after the underlying failures have been remedied and could cause the market price of our Subordinate Voting Shares to decline.

We may also be subject to cybersecurity attacks and other intentional hacking. Any failure to identify and address such defects or errors or prevent a cyber-attack could result in service interruptions, operational difficulties, loss of revenues or market share, liability to our clients or others, the diversion of corporate resources, injury to our reputation and increased service and maintenance costs. Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. We are, and may in the future, expend additional resources to continue to enhance our information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that we will not suffer a data security incident, that unauthorized parties will not gain access to sensitive data stored on our systems, or that any such incident will be discovered in a timely manner. Further, the techniques used by criminals to obtain unauthorized access to sensitive data, such as phishing and other forms of human engineering, are increasing in sophistication and are often novel or change frequently; accordingly, we may be unable to anticipate these techniques or implement adequate preventative measures. Addressing such issues could prove to be impossible or very costly and responding to resulting claims or liability could similarly involve substantial cost.

In addition, failure to comply with applicable data protection regulations or other data protection standards may expose us to litigation, fines, sanctions or other penalties, which could harm our reputation and adversely impact our business, results of operations and financial condition. In particular, a failure to comply with Health Canada and GMP requirements relating to data protection could result in one or more regulatory sanctions, loss of a client contract, disqualification of data for client submissions to regulatory authorities and a mandated suspension or closing of our facilities, which in turn could have a material adverse effect on our reputation, business, financial condition, operating results, cash flows and the price of the Subordinate Voting Shares.

Disruptions in the availability of, or significant price increases for, equipment and parts that are critical to our operations could have a material adverse impact on our business.

We rely on certain key suppliers to provide us with tractors, trucks, trailers, refrigeration units, and related parts. A shortage of such equipment, due to other supply chain disruptions could have a material adverse impact on our business, especially if we are unable to find reasonable alternatives or secure such equipment at reasonable prices. Although we have relationships with various suppliers, these relationships may become impaired due to diminished availability and/or significantly increased prices. Our ability to secure sufficient equipment or other transportation services is affected by many risks beyond our control, including equipment shortages in the transportation industry. A shortage or disruption in equipment and parts that are critical to our operations could have a material adverse effect on our business, results of operations, cash flows and financial condition, all of which could cause the market price of our Subordinate Voting Shares to decline.

We operate in a regulated industry, and increased direct and indirect costs of compliance with, or liability or potential loss of revenue for violation of, existing or future regulations could have a material adverse impact on our business.

In addition to the laws and regulations which generally affect Canadian and United States businesses, including labour and employment, human rights, data protection, advertising, environmental, taxes and other laws, we are subject to extensive federal, provincial/territorial and state laws, regulations and guidelines, including those set forth by Health Canada (including GUI-0069 and GUI-0001, among others), which govern the storage, packaging and distribution of healthcare products. Within this regulatory environment, we must comply with GMPs, which include requirements related to temperature control, quality control and assurance and record-keeping. Our facilities are subject to scheduled periodic Health Canada and client inspections to ensure compliance with GMPs and other statutory and regulatory requirements applicable to the products we warehouse, package and distribute, including, among others, narcotics, controlled drugs and precursors. Any material deviations from GMPs and other applicable statutory and regulatory requirements identified during such inspections may result in one or more sanctions, including non-compliance ratings from Health Canada, loss of a client contract, disqualification of data for client submissions to regulatory authorities and a mandated suspension or shutdown of our facilities, which in turn could have a material adverse effect on our reputation, business, financial condition, operating results and cash flows. Further, discovery of previously unknown problems with the products we distribute on behalf of clients may result in restrictions or sanctions, including suspension or withdrawal of marketing approvals, seizures or recalls of products from the market, and revoking of licences, any of which could lead to increased scrutiny and inspections of our facilities and could significantly and adversely affect our relationship with clients, our reputation generally and our results of operations.

While we believe the United States does not have as rigorous standards as Canada or Europe regarding the transportation of healthcare products, certain healthcare manufacturers are demanding high quality temperature control and monitoring as well as security and visibility for their truckload shipments in the United States. Accordingly, we must comply with United States Pharmacopeia (USP) chapter <1079> Good Storage and Distribution Practices for Drug Products, to the extent applicable for transportation in the United States.

We are also subject to federal and provincial/territorial and state laws and regulations governing the transportation industry in Canada and the United States. Regulation of the operations of companies who transport goods has become more stringent over time and is expected to continue to do so moving forward. Currently in Canada, each carrier must obtain a license from, or register with, provincial/territorial regulatory authorities in order to carry goods extra-provincially/territorially or to transport goods within any province/territory. The right to continue to hold applicable licences and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and regulations. In the United States, Boyle Transportation complies with the United States Federal Motor Carrier Safety Administration regulations regarding the transportation of hazardous materials. Additionally, the National Industrial Security Program Operating Manual requires that Boyle Transportation be effectively insulated from any Foreign Ownership, Control, or Influence to perform on certain United States Department of Defense contracts and operates, under AHG's ownership, pursuant to a pending Special Security Agreement with the United States Defense Counterintelligence and Surveillance Agency. Changes in existing regulations and implementation of new regulations, such as those related to trailer size limits, emissions and fuel economy, hours of service, mandated electronic logging devices and drug and alcohol testing, could increase capacity in the transportation industry or improve the position of certain competitors, either of which could negatively impact pricing and volumes or require us to undertake additional investments.

Although we have implemented procedures designed to ensure compliance with applicable laws and regulations that impact our business, if our management, employees or third-party providers fail to comply with any of these laws or regulations for any reason, we could become subject to enforcement actions or the imposition of significant penalties or claims, or suffer reputational harm, any of which could adversely affect our business and cause the market price of our Subordinate Voting Shares to decline. Additionally, although we undertake to monitor applicable laws, it is possible changes may be implemented or new laws or regulations may be introduced without our knowledge, creating a greater risk of non-compliance. The adoption of new laws or regulations or changes in the interpretation of existing laws or regulations may result in increased compliance costs and could make the ordinary conduct of our business more expensive or require us to change the way we do business. It is often difficult for us to plan and prepare for potential changes to applicable laws, and future actions or expenses related to any such changes could be material to us. Higher costs incurred by us as a result of future new regulations, or by our independent contractors or third-party transportation providers who pass increased costs on to us, could adversely affect our results of operations to the extent we are unable to obtain a corresponding increase in price from our clients.

We operate in a competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs, our business could suffer.

As a supply chain management company specializing in logistics and specialized transportation in the Canadian healthcare sector, we believe that we are unique in the marketplace. Notwithstanding the foregoing, we face competition from a variety of international, national and regional competitors, many of whom have strong financial, marketing and other resources. There can be no assurance that we will be able to compete successfully against our current or future competitors or that competition will not have a material adverse effect on our operating results, financial condition or the amount of cash available for distribution to Shareholders. Increased competition may lead to a reduction in revenues, reduced profit margins, or a loss of market share, any one of which could harm our business and cause the market price of our Subordinate Voting Shares to decline.

We must compete against both the niche players and larger national and international entities including carriers, and emerging technology companies. The primary competitive factors are price and quality of service. Clients regularly solicit bids from competitors in order to improve service and to secure favorable pricing and contractual terms such as longer payment terms, fixed-price arrangements, higher or unlimited liability limits and performance penalties. Increased competition and competitors' acceptance of expanded contractual terms could result in reduced revenues, reduced margins, higher operating costs or loss of market share, any of which would damage our results of operations, cash flows and financial condition and could cause the market price of our Subordinate Voting Shares to decline.

Competition in the transportation services industry is intense. There are many factors that could impair our profitability in our specialized transportation segment, including the following:

- Competition from other services providers, some of which offer different services or have a broader coverage network, more fully developed information technology systems and greater capital resources than we do;
- A reduction in the rates charged by our competitors to gain business, especially during times of declining economic growth, which may limit our ability to maintain or increase our rates, maintain our operating margins or achieve significant growth in our business;
- Clients soliciting bids from multiple service providers for their logistics and shipping needs, which may result in the depression of rates or loss of business to competitors;
- The establishment by our competitors of cooperative relationships to increase their ability to address client needs;
- Decisions by our current or prospective clients to develop or expand internal capabilities for some of the services we provide; and
- The development of new technologies or business models that could result in our disintermediation in certain businesses, such as freight brokerage.

Our reputation and financial results could be harmed in the event of accidents or incidents.

We are exposed to liabilities that are unique to the services that we provide. Such liabilities may relate to an accident or incident involving one of our transportation vehicles, and could involve significant potential claims of injured employees and other third parties. The amount of our insurance coverage may not be adequate to cover potential claims or liabilities and we may be forced to bear substantial costs as a result of one or more accidents. Substantial claims resulting from an accident in excess of its related insurance coverage would harm our financial condition, operating results and the market price of our Subordinate Voting Shares. Moreover, any accident or incident involving us (even if we are fully insured or not held liable) or other service providers in our industry could negatively affect our reputation among clients and the public, thereby making it more difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future.

Interest Rate and Inflation Risk

In an attempt to combat inflation by cooling demand, the Bank of Canada and the Federal Reserve implemented tighter monetary policies throughout Fiscal 2022 and Fiscal 2023 by raising the overnight lending rate. In a rising interest rate environment, the cost of acquisitions, financing, and expanding our network increases, which may negatively affect our business, financial condition, and results of operation. During Fiscal 2024, the rate of inflation began to weaken and interest rates began to decline, but these trends could reverse.

The rate of inflation impacts the general economic and business environment in which we operate. Inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, puts pressure on our acquisition, financing, operation and labour costs and could negatively impact our business, financial condition and results of operations. If inflation and interest rates climb, an economic contraction is possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which we may seek capital, and in turn might impact our ability to obtain capital in the future on favourable terms, or at all. While our market position provides us with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on our business, operations, and financial performance.

If we lose the services of members of our management team or other key personnel, or are unable to attract new team members who possess specialized market knowledge and technical skills, it could reduce our ability to compete and to manage our operations effectively.

Our management team consists of a core group of long-serving senior executive officers. The loss of the technical knowledge, management expertise, and knowledge of our and our clients' operations of one or more members of our

team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves us and would need to spend time usually reserved for managing our business to search for, hire and train new members of management. Additionally, as members of our management team have built strong relationships in the healthcare sector, the loss of these relationship contacts could have an adverse effect on our business. We do not carry “key man” insurance that could compensate us for the loss of any of our senior executives.

The loss of some or all of our management team or other key personnel, particularly those personnel with quality assurance, material handling equipment and information technology expertise, could negatively affect our ability to develop and pursue our growth strategy, which could adversely affect our business and financial condition. Any departures of key personnel could also be viewed in a negative light by investors and analysts, which could cause the market price of our Subordinate Voting Shares to decline.

Additionally, the market for key personnel in the industry in which we compete is highly competitive and not concentrated in all of the locations in which we operate. As a result, we may not be able to attract and retain key personnel with the skills and expertise necessary to manage our business and pursue our growth strategy.

Our use of, and reliance on, third-party service providers and suppliers could have a material adverse impact on our business, especially if we are unable to continue relationships with them or find reasonable alternatives.

Certain portions of our business are dependent upon the services of third-party capacity providers, including other transportation or logistics companies. As an air freight forwarder, we purchase air cargo capacity from aircraft operators. We also routinely purchase linehaul services from truckload carriers. In connection with providing our logistics and transportation services we engage third-party service providers such as Cargojet, regional and local courier services, other non-specialized ground transportation companies and a number of other third-party suppliers. For these portions of our business, we do not own or control the transportation assets that deliver our clients’ freight, and we do not employ the people directly involved in delivering the freight. This reliance could cause delays in reporting certain events, including recognizing revenue and claims. These third-party providers seek other freight opportunities and may require increased compensation in times of improved freight demand or tight freight capacity. Our inability to secure the services of these third parties could significantly limit our ability to serve our clients on competitive terms. Additionally, if our third-party service providers or suppliers were to modify or discontinue their offerings or terminate relations with us, the services we provide to our clients may in turn be interrupted or discontinued. If such an interruption or discontinuance were to occur, it may have an adverse effect on our operations and relations with our clients. While many of our third-party service providers and suppliers are under contract with us and adhere to the terms and conditions of such agreements, there can be no assurances that such agreements will be honoured or renewed upon their conclusion on terms consistent with historical ones, or at all.

Additionally, we rely on certain supplies from third-parties, such as Peli BioThermal™, with whom we are currently operating on an automatic renewal basis and there are no assurances that these agreements will not be terminated at the end of the current or future terms or renewed on terms consistent with historical ones. If we are no longer able to obtain these supplies or other transportation services to meet our commitments to our clients or provide our services on competitive terms, our operating results could be materially and adversely affected, which could cause the market price of our Subordinate Voting Shares to decline. Our ability to secure sufficient equipment or other transportation services is affected by many risks beyond our control, including equipment shortages in the transportation industry, particularly among contracted carriers, interruptions in service due to labour disputes, changes in regulations impacting transportation and changes in transportation rates.

Price increases may not be adequate to offset the impact of increased costs or may cause us to lose clients.

We seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Contractual, general economic, competitive or market-specific conditions may limit our ability to raise prices. As a result of these factors, we may be unable to offset increases in costs, improve operating margins and obtain adequate investment returns through price increases. We may also lose clients to lower-price competitors.

We are subject to risks associated with leasing our vehicles.

Skelton and Boyle Transportation have traditionally purchased their vehicle fleets, whereas ATS Healthcare and Skelton USA have historically leased their equipment. Since the third quarter of 2023, we have generally leased our trucks and tractors and have generally purchased our trailers, a practice we expect to continue for the foreseeable future. Accordingly, we are subject to all of the risks associated with leasing, including changes in availability of, and contractual terms for, leasable suitable vehicles and credit risk.

There can be no assurance that our current vehicles will continue to be desirable in the future, or that we will be able to secure new vehicles in the future on favourable terms or at all. If we cannot obtain desirable vehicles at reasonable costs, our cost structure will increase and our revenue will be adversely affected, which could cause the market price of our Subordinate Voting Shares to decline.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available to us, we may not be able to service our lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could harm our business. In addition, if we are not able to enter into new leases or renew existing leases on terms acceptable to us, this could have an adverse effect on our results of operations and profitability.

Mergers or other strategic transactions involving our clients or competitors could weaken our competitive position, which could harm our results of operations.

Consolidation within our existing and target markets as a result of mergers or other strategic transactions may result in pricing pressure on us, create uncertainty among clients as they realign their businesses and impact new sales and renewal rates. For example, mergers or strategic transactions by potential or existing clients may delay orders for our products and services or cause the use of our services to be discontinued, which could have a material adverse effect on our business, results of operations and financial condition and could cause the market price of our Subordinate Voting Shares to decline.

Some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with systems integrators, third-party consulting firms or other parties, thereby limiting our ability to promote our services. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure and our loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could have a material adverse effect on our business, results of operations and financial condition and could cause the market price of our Subordinate Voting Shares to decline.

Our business will be seriously harmed if we fail to develop, implement, maintain, upgrade, enhance, protect and integrate our information technology systems, including those systems of any businesses that we acquire.

We rely heavily on our information technology systems to efficiently run our business; they are a key component of our client-facing services and internal growth strategy. In general, we expect our clients to continue to demand more sophisticated, fully integrated information systems from their supply chain solutions providers. To keep pace with changing technologies and client demands, we must correctly interpret and address market trends and enhance the features and functionality of our proprietary technology platform in response to these trends. This process of continuous enhancement has and may in the future lead to significant ongoing software development and implementation costs, which will continue to increase if we pursue new acquisitions of companies and their current systems. In addition, we may fail to accurately determine the needs of our clients or trends in the logistics and transportation services industries or we may fail to design and implement the appropriate responsive features and

functionality for our technology platform in a timely and cost-effective manner. Any such failures could result in decreased demand for our services and a corresponding decrease in our revenues, which could cause the market price of our Subordinate Voting Shares to decline.

We must maintain and enhance the reliability and speed of our information technology systems to remain competitive and effectively handle higher volumes of freight through our network and the various services we offer. If our information technology systems are unable to manage additional volume for our operations as our business grows, or if such systems are not suited to manage the various services we offer, our service levels and operating efficiency could decline. In addition, if we fail to hire and retain qualified personnel to implement, protect and maintain our information technology systems, or if we fail to upgrade our systems to meet our clients' demands, our business and results of operations could be seriously harmed. This could result in a loss of clients or a decline in the volume of freight we receive from clients and could cause the market price of our Subordinate Voting Shares to decline.

We are developing proprietary information technology for all of our business segments and implementing new third-party technology platforms, including within our warehouse management system. Such technology may not be successful or may not achieve the desired results and we may require additional training or different personnel to successfully implement this technology. Our technology development and implementation processes have and may in the future be subject to cost overruns or delays in obtaining the expected results, which may result in disruptions to our operations.

We may have potential exposure to product liability claims arising from the storage, transportation or handling of products.

As a logistics and specialized transportation provider for products having unique storage requirements, which are designed to be ingested, consumed and or used by humans and animals, any failure of our temperature-controlled facilities and vehicles or product management systems has the potential to create exposure to product liability claims, regulatory action and litigation if, as a result of such failures, the products handled by us on behalf of our clients are alleged to have caused significant loss or injury. We may be subject to various product liability claims, including, among others, that the products have been improperly stored, handled and transported by us and caused injury or illness. Such product liability claims or regulatory action against us could result in increased costs, could be grounds for termination of our contracts by our clients, could adversely affect our reputation with our clients generally, and could have a material adverse effect on our business, financial condition and operating results. Although we have secured insurance coverage for the risks inherent in our business, which we believe appropriate for the size and nature of our business, and strictly enforce a quality standard within our operations, there can be no assurances that we will be able to maintain insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all.

Increases in independent contractor driver rates or other necessities in attracting and retaining qualified independent contractor drivers could adversely affect our profitability and ability to replenish or grow our independent contractor driver networks.

Our specialized transportation services are provided through a combination of employee drivers and vehicles that are owned and operated by independent contractors. These independent contractors are responsible for maintaining and operating their own equipment and paying their own fuel, insurance, licences and other operating costs. Turnover and bankruptcy among independent contractor drivers often limit the pool of qualified independent contractor drivers and increase competition for their services. In addition, regulations may further reduce the pool of qualified independent contractor drivers. Thus, our continued reliance on independent contractor drivers could limit our ability to grow our ground transportation networks. We need to regularly recruit new qualified independent contractor drivers to replace those who have left our networks. If we are unable to retain our existing independent contractor drivers or recruit new independent contractor drivers, our business and results of operations could be adversely affected, which could cause the market price of our Subordinate Voting Shares to decline.

The rates we offer our independent contractor drivers are subject to market conditions and we have, and may in the future, find it necessary to continue to increase independent contractor drivers' rates. If we are unable to continue to attract and retain a sufficient number of independent contractor drivers, we have, and could in the future, be required to increase our mileage rates and accessorial pay or operate with fewer trucks and face difficulty meeting client

demands, all of which would adversely affect our profitability and ability to maintain our size or to pursue our growth strategy.

Our profitability may be materially adversely impacted if our investments in equipment, facilities and technology do not match client demand for these resources or if there is a decline in the availability of funding sources for these investments.

Our investments in equipment, facilities and technology depend on our ability to generate cash flow from operations and our access to credit, debt and equity capital markets. A decline in the availability of these funding sources could adversely affect our financial condition and results of operations and could cause the market price of our Subordinate Voting Shares to decline.

Our contract logistics operations can require a significant commitment of capital in the form of shelving, racking and other warehousing systems that may be required to implement warehouse-management services for our clients. To the extent that a client defaults on its obligations under its agreement with us, we could be forced to take a significant loss on the unrecovered portion of this capital cost. Our specialized transportation operations require significant investments in equipment and facilities. The amount and timing of our capital investments depend on various factors, including anticipated freight volume levels and the price and availability of appropriate property for facilities.

The timing and amount of capital expenditures we make will directly affect the amount of cash available for distribution to Shareholders. In the event that our capital costs escalate, there is no assurance that we will be able to recover such increased costs through rate increases to our clients, and in such event, cash available for distribution to Shareholders may be reduced.

We are subject to environmental regulations that may have a material adverse impact on our business.

Our operations and properties are subject to extensive federal, provincial/territorial, state, municipal and local environmental laws and requirements relating to, among other things, air emissions, the management of contaminants including hazardous materials (including the generation, handling, storage, transportation and disposal of such contaminants), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including ground water).

The risk of environmental liability is inherent in transportation operations, and historic activities associated with such operations. We operate in industrial areas, where truck terminals and other industrial activities are located and where groundwater or other forms of environmental contamination may have occurred. Our operations involve the risks of fuel spillage or seepage, environmental damage and hazardous waste disposal, among others. If we should fail to comply with applicable environmental regulations, we could be subject to substantial fines or penalties and to civil and criminal liability. Future events, such as new information relating to our historic activities or leased properties, changes in existing environmental laws or their interpretation, and more vigorous enforcement policies of federal, provincial/territorial, state or local regulatory agencies, may have a material adverse effect on our business, financial condition and results of operations and could cause the market price of our Subordinate Voting Shares to decline. Canadian and U.S. laws generally impose potential liability on the present or former owners or occupants of properties on which contamination has occurred. Although we are not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on us, there can be no assurance that we will not be required, at some future date, to incur significant costs to comply with environmental laws, or that our operations, business, assets, cash flow or the market price of our Subordinate Voting Shares will not be materially adversely affected by current or future environmental laws.

We are subject to negative impacts of changes in political and governmental conditions.

Our operations are subject to the influences of significant political, governmental, and similar changes and our ability to respond to them, including changes in political conditions and in governmental policies; changes in and compliance with international and domestic laws and regulations; and wars, including the war in Ukraine and the Israel-Hamas war, civil unrest, acts of terrorism, and other conflicts.

Corporate Responsibility and ESG

There is an increasing focus by investors, institutional investors, market participants, and other stakeholders on sustainability practices and ESG initiatives of companies. Although we make disclosures surrounding ESG and prioritize diversity and sustainability initiatives, there can be no assurances that we will score highly on ESG matters in the future. Investors may use ESG scores to compare peer companies when evaluating their investment strategies. The criteria by which ESG practices are assessed are constantly evolving, which could result in greater expectations and may require us to undertake costly initiatives to satisfy any new criteria. If we elect not to or are unable to satisfy new criteria, including not meeting the criteria of a specific third-party evaluator of ESG scores, some investors may conclude that our business practices are inadequate. We may face reputational damages in the event that our corporate responsibility standards do not meet the standards that various stakeholders seek. In the event that we communicate to undertake certain ESG goals or initiatives, and should we fail or perceive to have failed in achieving the goals or initiatives, we could be criticized for the scope of our goals or initiatives. If we fail to meet or satisfy the ESG expectations of stakeholders or investors, or our initiatives are not executed as planned, this could negatively impact our financial condition and performance and cause the value of the Subordinate Voting Shares to decline. In addition, we could incur additional costs and require additional resources to help monitor, reply, and comply with various ESG practices. Investors may decide to refrain from investing in the Company as a result of their assessment of our approach and consideration of various ESG factors.

Issues related to the intellectual property rights on which our business depends, whether related to our failure to enforce our own rights or infringement claims brought by others, could have a material adverse effect on our business, financial condition and results of operations.

We use both internally developed and purchased technologies in conducting our business. Whether internally developed, purchased or acquired through acquisitions, it is possible that users of these technologies could be claimed to infringe upon or violate the intellectual property rights of third parties. In the event that a claim is made against us by a third-party for the infringement of intellectual property rights, any settlement or adverse judgment against us, either in the form of increased costs of licensing or a cease and desist order in using the technology, could have an adverse effect on us and our results of operations.

We also rely on a combination of intellectual property rights, including trademarks and other contractual rights, to establish and protect our intellectual property and technology. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated; our trade secrets and other confidential information could be disclosed in an unauthorized manner to third-parties or we may fail to secure the rights to intellectual property developed by our employees, contractors and others. Efforts to enforce our intellectual property rights may be time-consuming and costly, distract management's attention and resources and ultimately be unsuccessful. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market positions and business opportunities. Our failure to obtain, maintain and enforce our intellectual property rights could therefore have a material adverse effect on our business, financial condition and results of operations and could cause the market price of our Subordinate Voting Shares to decline.

Our recent growth makes it difficult to evaluate our future prospects, and we may not be able to successfully manage our future growth.

We have grown substantially since our IPO, including by expanding our internal resources, making acquisitions and entering into new markets. As a result, our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. Any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer history of high sales or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations, our target growth rates may slow, our business could suffer and the market price of our Subordinate Voting Shares could decline.

We intend to continue to focus on growth, including through capitalizing on strong industry fundamentals, strengthening our healthcare clients' connection to our growing platform, acquiring new clients and expanding our capacity and growing and strengthening our platform through healthcare-related acquisitions. One element of our

growth strategy is to expand our service offerings to clients. As a result, we have added and will continue to add additional services to our client offerings. We may not succeed in making our clients sufficiently aware of existing and future services or in creating client acceptance of these services at the prices we would want to charge. In addition, we may be required to devote resources to educate our clients, with no assurance that a sufficient number of clients will use our services for commercial success to be achieved. We may not identify trends correctly, or may not be able to bring new services to market as quickly or effectively as our competitors. In addition, new services may alienate existing clients or cause us to lose business to our competitors. If any of the foregoing occurs, it could have a material adverse effect on our operating results and could cause the market price of our Subordinate Voting Shares to decline. We have also grown, and plan to continue to grow, through acquisitions. Our acquisition strategy depends in part on the availability of suitable candidates at valuations accretive to our business and the availability of required financing. We may face competition for acquisitions from other participants in our industry and from financial buyers with greater financial resources. Furthermore, there can be no assurance that we will be able to successfully integrate the operations of acquired companies into our operations on an accretive basis.

We may experience difficulties and higher-than-expected expenses in executing our growth strategy as a result of unfamiliarity with new markets and new legal and regulatory regimes, changes in revenue and business models, entering into new geographic areas, increased pressure on our existing infrastructure and information technology systems and changes in executive compensation. Our growth will place a significant strain on our management, operational, financial and information technology resources. We will need to continually improve existing procedures and controls, as well as implement new transaction processing, operational and financial systems, and procedures and controls to expand, train and manage our employee base. Our working capital needs will continue to increase as our operations grow. Failure to manage our growth effectively, or obtain necessary working capital, could have a material adverse effect on our business, results of operations, cash flows and financial condition, all of which could cause the market price of our Subordinate Voting Shares to decline.

We are dependent on new products and services, the lack of which would harm our competitive position.

Our future revenue stream depends to a certain degree on our ability to bring new products and services to market on a timely basis. We must continue to make significant investments in order to continue to develop new products and services, enhance existing products and services, and achieve market acceptance of such products and services. We may incur problems in the future in innovating and introducing new products and services. If developed, such products and services may not achieve significant client acceptance. If we are unable to successfully define, develop and introduce new, competitive products and services and enhance existing products and services, our future results of operations would be adversely affected.

Changes in the Canadian healthcare industry and regulatory environment could have a material adverse impact on our results of operations.

Provincial governments in Canada provide partial funding for the purchase of pharmaceuticals and independently regulate the sale and reimbursement of drugs. Provincial governments in Canada have introduced significant changes in recent years in an effort to reduce the costs of publicly funded health programs. For instance, to reduce the cost for taxpayers, provincial governments have taken and will continue to take steps to reform the rules regarding the sale of generic drugs. These changes include increased powers of investigation, reporting and enforcement for provincial regulatory agencies, the significant lowering of prices for generic pharmaceuticals and, in some provinces, changes to the allowable amounts of professional allowances paid to pharmacists by generic manufacturers and the tendering of generic molecules on provincial drug formularies. These reforms may adversely affect the distribution of drugs as well as the pricing for prescription drugs in Canada. Additional provinces have implemented or are considering similar changes, which would also lower pharmaceutical pricing and service fees. Individually or in combination, such changes in the Canadian healthcare environment may materially reduce our revenue and operating results and could cause the market price of our Subordinate Voting Shares to decline.

Changes in the U.S. healthcare industry and regulatory environment could have a material adverse impact on our results of operations.

While we believe the United States does not have as rigorous standards as Canada or Europe regarding the transportation of healthcare products, we must comply with United States Pharmacopeia (USP) chapter <1079> Good Storage and Distribution Practices for Drug Products, to the extent applicable for transportation in the United States. However, these guidelines could change at any time. Such changes in the U.S. healthcare environment may materially reduce our revenue and operating results and could cause the market price of our Subordinate Voting Shares to decline.

We use a large number of temporary employees in our operations. Any failure to properly manage our temporary employees could have a material adverse impact on our revenues, earnings, financial position and outlook.

We make significant use of temporary staff in certain portions of operations. We cannot guarantee that temporary employees are as well-trained as our non-temporary employees. Specifically, we may be exposed to the risk that temporary employees may not perform their assignments in a satisfactory manner or may not comply with our safety rules in an appropriate manner, whether as a result of their lack of experience or otherwise. If such risks materialize, they could have a material adverse effect on our business and financial condition and could cause the market price of our Subordinate Voting Shares to decline.

Any accident or incident involving a temporary worker engaged by us, even if we are fully insured or not held liable, could negatively affect our reputation among clients and the public, thereby making it more difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future.

Climate change may have a long-term impact on our business.

Climate change may have a long-term impact on our business. There are inherent climate-related risks wherever our business is conducted. Changes in market dynamics, stakeholder expectations, local, national and international climate change policies, and the frequency and intensity of extreme weather events on critical infrastructure in Canada and the United States, all have the potential to disrupt our business and operations.

Global climate change is resulting, and may continue to result, in certain natural disasters and adverse weather, such as drought, wildfires, storms, sea-level rise, and flooding, occurring more frequently or with greater intensity, which could cause business disruptions and impact employees' abilities to commute or to work from home effectively. As well, a potential increase in energy costs arising from the impacts of climate change would increase our operating costs and transportation costs related to shipping products to clients. Such events could result in a significant increase in our costs and expenses and harm our future revenue, cash flows and financial performance.

We are committed to responsibly managing the regulatory and physical impacts of climate change on our business. It is not possible to predict with certainty the impact of climate change or the regulatory responses to it, on our business although we recognize that they could be significant. It is too soon for us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition. Furthermore, the potential physical impacts of climate change on our facilities, suppliers and clients and therefore on our operations are uncertain and will be particular to the circumstances in various geographical regions.

Incidents related to hazardous materials could materially adversely affect our reputation, business, financial condition, operating results and cash flows.

There are portions of our operations that require the controlled use of hazardous materials, including aerosols. Although we are diligent in designing and implementing safety procedures to comply with the standards prescribed by federal, provincial/territorial, state and local regulations, the risk of accidental contamination of property or injury to individuals from these materials cannot be completely eliminated. In the event of such an incident, we could be liable for any damages that result, and if we cannot identify other parties which we can compel to contribute to our expenses and are financially able to do so, it could have a materially adverse effect on our reputation, business, financial condition, operating results and cash flows, which could cause the market price of our Subordinate Voting Shares to decline.

We could be subject to orders and other legal actions and procedures brought by governmental or private parties in connection with environmental contamination, emissions or discharges. Although we have instituted programs to monitor and control environmental risks and promote compliance with applicable environmental laws and regulations, if we are involved in a spill or other accident involving hazardous substances, if there are releases of hazardous substances that we transport, if soil or groundwater contamination is found at our facilities or results from our operations, or if we are found to be in violation of applicable laws or regulations, we could be subject to cleanup costs and liabilities, including substantial fines or penalties or civil and criminal liability, any of which could have a materially adverse effect on our business and operating results and could cause the market price of our Subordinate Voting Shares to decline.

Our business is subject to operational, health and safety and environmental risks, including the risk of personal injury to employees and others.

Provision of some of our services involves risks, such as vehicular or equipment accidents, equipment defects, spills, malfunctions and failures and natural disasters, which could potentially result in releases of hazardous materials, injury or death of employees and others or a need to shut down or reduce operation of our facilities while remedial actions are undertaken. These risks expose us to potential liability, damages, fines or charges for pollution, remediation and other environmental damages, personal injury, loss of life, business interruption and property damage or destruction.

While we seek to minimize our exposure to such risks through comprehensive training and compliance programs and insurance, as well as vehicle and equipment maintenance programs, if we were to incur substantial liabilities in excess of any applicable insurance, our business, results of operations and financial condition could be adversely affected, which could cause the market price of our Subordinate Voting Shares to decline.

Our business may be materially adversely affected by labour disputes.

The success of our business depends on a large number of employees and independent contractors. Although none of our employees are currently unionized, any organized work stoppage or other similar job action may have a material adverse effect on our business, financial condition, liquidity and results of operations. In addition, there can be no assurance that some or all of our employees will not unionize in the future. Such occurrence could increase labour costs and thereby have a material adverse effect on our business, financial condition, liquidity and results of operations, which could cause the market price of our Subordinate Voting Shares to decline.

Labour disputes involving our clients could affect our operations. If our clients are unable to negotiate new labour contracts and our clients' manufacturing facilities experience slowdowns or closures as a result, our revenue and profitability could be negatively impacted.

We are subject to insurance-related risks, including under workers' compensation legislation.

Our business exposes us to risks that are inherent in the distribution of pharmaceuticals and other healthcare products and subjects us to risks normally inherent in the transportation industry. If clients or individuals assert liability claims against our services, any ensuing litigation, regardless of outcome, could result in a substantial cost to us, divert management's attention from operations and decrease market acceptance of our services. We attempt to limit our liability to clients by contract; however, our contractual limitations of liability may not be enforceable or may not otherwise protect us from liability for damages. Additionally, we may be subject to claims that are not explicitly covered by contract. To help to cover such claims, we maintain director and officer insurance, liability insurance, business interruption and property insurance and our insurance coverage includes deductibles, self-insured retentions, limits of liability and similar provisions. However, there is no guarantee that our insurance coverage will be sufficient, or that insurance proceeds will be timely paid to us. In addition, we may become subject to liability hazards in circumstances where we cannot or may elect not to insure (because of high premium costs or other reasons), or for occurrences that exceed maximum coverage under our policies. If we incur these losses and they are material, our business, operating results and financial condition may be adversely affected, which could cause the market price of our Subordinate Voting Shares to decline. We have no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change in the future.

Our business is required to register for insurance under applicable provincial and state workers' compensation legislation. In Canada, our workers' compensation premium rates are based on the relevant provincial workers

compensation board's classification of our business activity into a particular rate group, based on similarity of business activities and/or relative risk, our total insurable payroll and our accident and claim cost experience.

To the extent that any future increase in costs cannot be passed on to our clients in increased fees and rates, increases in insurance or workplace compensation premium costs could reduce future profitability and reduce cash available for distribution to Shareholders. Further, the inability to obtain insurance in the future for certain types of losses may require us to limit the services we provide or the areas in which we operates thereby reducing our revenues and potentially reducing the cash available for distribution. Certain material events may also result in sizable losses for the insurance industry and materially adversely impact the availability of adequate insurance coverage or result in significant premium increases. Accordingly, we may elect to accept higher deductibles or reduce the amount of coverage in response to such market changes.

If our clients are able to improve their internal supply chain management systems or reduce their supply chain cost structures, our business and results of operations may be harmed.

We believe that significant drivers for our clients to use 3PL providers include the quality and cost of internal supply chain management and personnel. 3PL service providers such as ourselves are generally able to provide high-quality service more efficiently than otherwise could be provided "in-house." If, however, a client is able to improve the quality of its internal supply chain management system, renegotiate the terms of its labour contracts, decide it can more effectively meet and monitor regulatory requirements or otherwise reduce its total cost structure regarding its employees, we may not be able to provide such clients with an attractive alternative for their logistics needs. As a result, our business, results of operations and growth potential may be harmed, which could cause the market price of our Subordinate Voting Shares to decline.

Some of our clients include other 3PL service providers. To the extent these clients are able to renegotiate the terms of their labour contracts, expand their capacity to effectively meet and monitor regulatory requirements or otherwise reduce their total cost structure regarding their employees, we may not be able to provide such a client with an attractive option for the logistics needs of their clients and our business, results of operations and growth potential may be harmed, which could cause the market price of our Subordinate Voting Shares to decline.

Natural disasters, unusual weather, public health crises and geo-political events or acts of terrorism could adversely affect our operations and financial results.

Extreme weather conditions in the areas in which our facilities are located could adversely affect our business. For example, certain weather conditions such as floods, ice and snow can disrupt our operations. Increases in the cost of our operations, such as snow removal at our locations, towing and other maintenance activities, frequently occur during the winter months. Our business is also susceptible to unseasonable weather conditions. For example, in the past extreme cold temperatures during the winter season have made it difficult to control the temperature of our shipments and have led to equipment failure. Reduced revenue from extreme or prolonged unseasonable weather conditions could adversely affect our business and could cause the market price of our Subordinate Voting Shares to decline.

In addition, natural disasters such as hurricanes, tornadoes, atmospheric rivers, and earthquakes, or a combination of these or other factors, could severely damage or destroy one or more of our facilities or vehicles located in the affected areas, thereby disrupting our business operations.

Furthermore, public health crises (such as the global outbreak of COVID-19), pandemics and epidemics, unstable political conditions or civil unrest, including terrorist activities, military and domestic disturbances and conflicts and trade wars, may disrupt commerce, our supply chain operations or result in political or economic instability. More specifically, the geopolitical environment of the markets where we operate may influence client demand and may have an impact on our facility and equipment costs. For instance, any potential changes in the economic and political climate in the United States, such as the potential changes to, or the termination of, trade agreements between Canada and the United States, could impact our business and profitability. If any of the foregoing were to occur, it could have a material adverse effect on our business and results of operations, which could cause the market price of our Subordinate Voting Shares to decline.

Disease Outbreaks

A local, regional, national or international outbreak of a contagious disease, including, but not limited to, the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in or continue to result in: a general or acute decline in economic activity in the regions we operate in, a decrease in the willingness of the general population to travel, staff shortages, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of our facilities. All of these occurrences may have a material adverse effect on our business, financial condition and results of operations.

As we experienced with COVID-19, any such outbreak, epidemic or pandemic could result in a general economic downturn and increased volatility in financial markets, which may negatively impact the market price for our securities and could create difficulty in raising capital in debt and equity markets, both of which could adversely affect our operations and financial performance. In addition, in any such circumstance, governments and central banks could implement monetary and fiscal measures intended to stabilize economic conditions which could result in adverse effects on our business, financial condition and results of operations.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors, consultants and others.

We are exposed to the risk that our employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on our behalf or in our service that violate: (i) government regulations, specifically Health Canada regulations; (ii) manufacturing standards; (iii) Canadian federal and provincial and U.S. federal and state healthcare laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) the terms of our agreements with insurers or with our clients. In particular, we could be exposed to class action and other litigation, increased Health Canada inspections and related sanctions, the inability to obtain future GMP compliance certifications, lost sales and revenue or reputational damage as a result of prohibited activities that are undertaken without our knowledge or permission and contrary to our internal policies, procedures and operating requirements.

We cannot always identify and prevent misconduct by our employees and other third parties, including service providers and licensors, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from such misconduct. If any such actions are instituted against us, and we are not successful in defending our self or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of our operations and could cause the market price of our Subordinate Voting Shares to decline.

The execution of our strategy could depend on our ability to raise capital in the future, and our inability to do so could prevent us from achieving our growth objectives.

We may in the future be required to raise capital through public or private financing or other arrangements in order to pursue our growth strategy or operate our businesses. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business or ability to execute our strategy. Further debt financing may involve restrictive covenants and could reduce our profitability. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures.

We may be subject to various litigation claims that could result in significant expenditures and impact our operations.

As a growing company, we increasingly face the risk of litigation and other claims against us. By the nature of our operations, we are exposed to the potential for a variety of litigation, including personal injury claims, vehicular collisions and accidents, alleged violations of federal, provincial/territorial and state labour and employment laws, such as class action lawsuits alleging wage and hour violations and improper pay, commercial and contract disputes, landlord-tenant disputes, intellectual property issues, cargo loss and property damage claims. These claims can raise

complex factual and legal issues that are subject to risks and uncertainties and could require significant management time. Our inability to defend ourselves against a significant litigation claim, could have a material adverse effect on our financial results and the market price of our Subordinate Voting Shares. Moreover, any litigation involving us, even if we are not held liable, could negatively affect our reputation among clients and the public, thereby making it more difficult for us to compete effectively, and could have a material adverse effect on our financial results and the market price of our Subordinate Voting Shares.

During the course of our business we store and transport various high value goods, including pharmaceuticals and vaccines. Spoilage or theft of these goods could expose us to claims and have a negative impact on our business. Further, our handling of goods and products, such as certain narcotics, could expose us to certain claims relating to such goods. Although we maintain liability insurance to mitigate potential claims, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available on economically reasonable terms or at all.

Our bylaws provide that any derivative actions, actions relating to breach of fiduciary duties and other actions asserting a claim relating to relationships among us, our affiliates and their respective shareholders, directors and/or officers are required to be litigated in Canada, which could limit your ability to obtain a favourable judicial forum for disputes with us.

We have included a forum selection provision in our bylaws that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario and appellate courts therefrom (or, failing such court, any other “court” as defined in the OBCA having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the OBCA or our Articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. Our forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions. Therefore, it may not be possible for Shareholders to litigate any action relating to the foregoing matters outside of the Province of Ontario. Our forum selection provision seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the United States and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection provision could be challenged and that a court could rule that such provision is inapplicable or unenforceable. If a court were to find our forum selection provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

The status of our independent contractor drivers may be challenged, causing a material adverse impact on our business.

Our business relies on independent contractors, such as owner-operators and contract carriers, to conduct operations, and the status of these parties as independent contractors might be challenged. Tax and other regulatory authorities often seek to assert that independent contractors are employees rather than independent contractors. There can be no assurance that interpretations that support the independent contractor status will not change or that various authorities will not successfully assert a position that re-classifies independent contractors to be employees. Additionally, independent contractor drivers may challenge their own classification as independent contractors. If our independent contractors are determined to be our employees, that determination could materially increase our exposure under a variety of federal, provincial/territorial and state tax, workers’ compensation, unemployment benefits, labour, employment and tort laws, as well as our potential liability for employee benefits. In addition, such changes may be applied retroactively, and if so, we may be required to pay additional amounts to compensate for prior periods. The results of these matters cannot be predicted with certainty and an unfavorable resolution of one or more of these matters could have a material adverse effect on our financial condition, results of operations or cash flows and could cause the market price of our Subordinate Voting Shares to decline.

We are dependent on our operating subsidiaries and may be limited in our ability to pay dividends on the Subordinate Voting Shares.

We are a holding company with no business operations of our own or material assets other than the shares of our operating subsidiaries. Accordingly, all of our operations are conducted by our direct and indirect subsidiaries. As a holding company, we require dividends and other payments from our subsidiaries to meet cash requirements. While we presently intend to continue to pay dividends to holders of Subordinate Voting Shares and anticipate that our subsidiaries will have sufficient cash flow to enable such subsidiaries to pay dividends or otherwise distribute cash to us, the terms of the Credit Facilities contain restrictions on the ability of the subsidiaries to pay dividends and otherwise transfer to us cash or other assets in certain circumstances. As such, a decline in our business, financial condition, cash flows or results of operation may result in, pursuant to the terms of the Credit Facilities, restrictions on our subsidiaries' ability to pay dividends or otherwise distribute cash to us. In such event, we may be unable to pay a dividend to holders of Subordinate Voting Shares. In addition, the declaration and payment of future dividends will be at the discretion of the Board and may be limited by our earnings, financial condition and legal or contractual restrictions. There can be no assurance that we will be in a position to pay dividends at the currently anticipated rate (or at all) in the future.

Our earnings may be affected by seasonal changes in the supply chain management industry.

While we do not currently experience material seasonality in our operations, we cannot guarantee that seasonality will not adversely impact us in the future. Our earnings could be affected by seasonal changes in the supply chain management industry. Results of operations for our industry generally show a seasonal pattern as clients reduce shipments during and after the winter holiday season. Historically, income from operations and earnings are lower in the first quarter than in the other three quarters. We believe this historical pattern has been the result of, or influenced by, numerous factors, including national holidays, weather patterns, consumer demand, economic conditions, and other similar and subtle forces. If seasonal changes which have historically impacted companies in the supply chain management industry begin to affect us, this could have an adverse impact on our cash flow or results of operations.

Parties with whom we do business with may be subject to insolvency risks or may otherwise become unable or unwilling to perform their obligations to us.

We are party to contracts, transactions and business relationships with various third parties, pursuant to which such third parties have performance, payment and other obligations to us. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, our rights and benefits in relation to our contracts, transactions and business relationships with such third parties could be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot make any assurances that we would be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as our existing contracts, transactions or business relationships, if at all. Any inability on our part to do so could have a material adverse effect on our business and results of operations and could cause the market price of our Subordinate Voting Shares to decline.

A failure to maintain an effective system of internal controls over financial reporting could harm our financial performance, our ability to raise capital and our listing on the TSX.

We are responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There is a risk that internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the market price of our Subordinate Voting Shares and harm our ability to raise capital in the future.

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the market price of our Subordinate Voting Shares. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in the market price of our Subordinate Voting Shares and harm our ability to raise capital. Failure to accurately report our financial performance on a timely

basis could also jeopardize our listing on the TSX or any other stock exchange on which our Subordinate Voting Shares may be listed. Delisting of our Subordinate Voting Shares on any exchange would reduce the liquidity of the market for our Subordinate Voting Shares, which would reduce the price of and increase the volatility of the market price of our Subordinate Voting Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely effected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of the Subordinate Voting Shares.

Many of our business functions are centralized at our head office in the GTA. Disruptions to the operations in that region could have an adverse effect on our business.

We have centralized a large number of our facilities in the GTA, particularly in Vaughan, Ontario, where our head office is located. Most of our senior management, our primary data centre and critical resources dedicated to information technology, financial and administrative functions, are located at our head office. If we were required to shut down our GTA facilities for any reason, including fire, earthquake or other natural disaster or civil disruption, this would cause significant disruption and expense to our business and operations.

We recognize the need to continually enhance our disaster recovery, business continuity and document retention plans that would allow us to be operational despite unforeseen events impacting our GTA facilities. Without fulsome disaster recovery, business continuity and document retention plans, if we encounter difficulties or disasters at our GTA facilities, our critical systems, operations and information may be costly to restore and may not be restored in a timely manner, or at all, which may cause interruptions to our services and adversely impact our business operations.

There are covenants in the Credit Facilities that restrict our ability to engage in certain types of activities.

The Credit Facilities contain negative covenants that could limit our ability to engage in specified types of transactions. These covenants limit our ability and the ability of our subsidiaries to, among other things, incur indebtedness; create liens; engage in mergers or consolidations; sell assets; pay dividends or repurchase securities; make investments, acquisitions, loans or advances; repay, prepay or redeem certain indebtedness; engage in certain transactions with affiliates; amend material agreements governing certain indebtedness; and change our lines of business. A breach of any of these covenants could result in an event of default under either of the Revolving Facility or the Term Facility or both. Upon the occurrence of an event of default under either of the Revolving Facility or the Term Facility, the Lenders have the ability to elect to declare all amounts outstanding under such facility to be immediately due and payable and terminate all commitments to extend further credit, or seek amendments to the debt agreements that would provide for terms more favourable to the Lenders. If we are unable to repay those amounts, the Lenders are entitled to proceed against the collateral granted to them to secure that indebtedness.

Our indebtedness could adversely affect our financial condition and there can be no assurance of consistent or favourable interest rates or that we will be able to pay our indebtedness as it becomes due.

We are currently indebted under our Credit Facilities, which could:

- negatively affect our ability to pay principal and interest on our other indebtedness or dividends on our Subordinate Voting Shares;
- increase our vulnerability to general adverse economic and industry conditions;

- limit our ability to fund future capital expenditures and working capital, to engage in future acquisitions or development activities, or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal or to comply with any restrictive terms of our debt;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- impair our ability to obtain additional financing or to refinance our indebtedness in the future; and
- place us at a competitive disadvantage compared to our competitors that may have proportionately less debt.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could materially and adversely affect our financial position and results of operations and could cause the market price of our Subordinate Voting Shares to decline. Further, failure to comply with the covenants under our indebtedness may have a material adverse impact on our operations. If we fail to comply with the covenants under our indebtedness, and are unable to obtain a waiver or amendment, such failure may result in an event of default under our indebtedness. We may not have sufficient liquidity to repay or refinance our indebtedness if such indebtedness were accelerated upon an event of default. Under the terms of our outstanding indebtedness, we may not be able to incur substantial additional indebtedness in the future, which could further exacerbate the risks described above.

We are dependent on our distribution facilities. If one or more of our distribution facilities becomes inoperable, capacity is exceeded or if operations are disrupted, our business, financial condition and operating results could be negatively affected.

We depend on the orderly operation of the receiving and distribution process, which relies on adherence to shipping schedules and the effective management of our distribution facilities. Although we believe that our receiving and distribution processes are efficient, and we have appropriate contingency plans, unforeseen disruptions in operations due to fire, severe weather conditions, natural disasters, or other catastrophic events, electronic or power interruptions, failure of software and hardware or other system failures, labour disagreements or other shipping problems may result in delays in the delivery of our shipments. Additionally, although we believe that the capacity of our distribution facilities meets our current needs, we expect we will need to expand our receiving and distribution capacity in the future. It is possible that future expansions, as well as historic expansions in our Calgary, Montreal and GTA facilities, among others, may go unused or may lead to increased costs. Additionally, if we underestimate the construction costs and time required to complete expansions, or if we experience cost overruns and delays in completion/certifications, it may have an adverse effect on our ability to service our clients. There can be no assurance that future construction plans that we implement will be successfully completed on time, within budget and without design defect; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects; that we will be able to obtain all necessary governmental approvals and permits; or that the completion of the construction, the start-up costs and the ongoing operating costs will not be significantly higher than we anticipate. Any failure to effectively expand our distribution capacity in a timely manner to keep pace with our growth could have an adverse effect on our business.

Although we maintain business interruption insurance and property insurance, we cannot provide any assurance that our insurance coverage will adequately protect us from the adverse effects that could result from significant disruptions to our distribution system, such as the long-term loss of clients or an erosion of our reputation, or that insurance proceeds will be paid to us in a timely manner.

We may be subject to additional taxes, which could affect our operating results.

We may be subject to assessments for additional taxes, including sales taxes, which could reduce our operating results. In accordance with current law, we pay, collect and/or remit taxes in those jurisdictions where we maintain a physical presence. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities.

From time to time, we may be subject to income and non-income tax audits. While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, it is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us if the applicable authorities do not agree with our positions. A successful challenge by a tax authority, through asserting either an error in our calculation, or a change in the application of law or an interpretation of the law that differs from our own, could adversely affect our results of operations and cause the market price of our Subordinate Voting Shares to decline.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition.

IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with IFRS.

Negative publicity and sharing of information through social media could result in damage to our reputation and our business may suffer as a result.

There has been a marked increase in the use of social media platforms and similar channels, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and the accuracy of such information is not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Our reputation is important for attracting new clients as well as providing continued services to existing clients. While we believe that we have a good reputation and that we provide our clients with a superior service, there can be no assurance that we will continue to maintain a good relationship with our clients or avoid negative publicity. Negative posts or comments about us or our business on the internet or any social networking website or platform could damage our reputation. In addition, despite our efforts to educate and inform our personnel regarding confidential information, they or others may disclose non-public material information relating to our business through these or other channels. Any such breach of confidentiality or negative publicity could have a material adverse effect on our reputation, business, financial condition, operating results and cash flows.

We may use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

We may incorporate artificial intelligence (“AI”) solutions into our information technology infrastructure, and these applications may become important in our operations over time. Our competitors or other third parties may incorporate AI into their products and services more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, our business, reputation, financial condition, and results of operations could be adversely affected.

The use of AI applications may result in cybersecurity incidents which could adversely affect our reputation and results of operations. AI also presents emerging ethical issues, such as the proper use of copyrighted material with AI applications, and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain our information technology infrastructure and systems to ensure we implement AI ethically and minimize any unintended and harmful impacts.

We are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates.

We enter into foreign currency purchase and sale transactions and have assets and liabilities that are denominated in foreign currencies and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. We use derivative instruments to reduce our exposure to foreign currency risk only where appropriate. To the extent that we do not adequately hedge our foreign exchange

risk, changes in foreign exchange rates, particularly between the Canadian dollar and the United States dollar, may have a material adverse effect on our business, results of operations or financial condition.

Risks Related to the Ownership of Our Shares

Our dual class share structure has the effect of concentrating voting control and may prevent new investors from influencing significant corporate decisions, which may have a negative impact on the trading price of our Subordinate Voting Shares.

Our Multiple Voting Shares have four votes per share and our Subordinate Voting Shares have one vote per share. As of the date hereof, AMG owns and control all of our issued and outstanding Multiple Voting Shares and 10,200 Subordinate Voting Shares, representing approximately 53.0% of the issued and outstanding Shares (representing its non-diluted equity interest) and approximately 81.9% of the voting power attached to all of the Shares and has the right to nominate directors to our Board under the Investor Rights Agreement. As a result, AMG has a significant influence over us, including election of directors and significant corporate transactions. See “Material Contracts – Investor Rights Agreement.”

In addition, because of the four-to-one voting ratio between our Multiple Voting Shares and Subordinate Voting Shares, the holders of our Multiple Voting Shares continue to control a majority of the combined voting power of our voting Shares even where the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding Shares. The concentrated voting control of holders of our Multiple Voting Shares will limit the ability of holders of Subordinate Voting Shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amendment of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Multiple Voting Shares will have the ability to influence many matters affecting us and actions may be taken that holders of Subordinate Voting Shares may not view as beneficial. The market price of our Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the holders of Multiple Voting Shares. Additionally, the significant voting interest of holders of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

Each of our directors and officers owes a fiduciary duty to us and must act honestly and in good faith with a view to our best interests. However, any director and/or officer that is a Shareholder, even a controlling Shareholder, is entitled to vote their shares in their own interests, which may not always be in the interests of our Shareholders generally.

The market price for Subordinate Voting Shares may be volatile and your investment could suffer a decline in value.

The market price of our Subordinate Voting Shares could be subject to significant fluctuations, which could materially reduce the market price of our Subordinate Voting Shares regardless of our operating performance. In addition to the other risk factors described in this section of this Annual Information Form, such factors include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our Shares;
- litigation or regulatory action against us;
- changes in our dividend policy;
- investors’ general perception of us and the public’s reaction to our press releases, our other public announcements and our filings with Canadian securities regulators, including our financial statements;

- publication of research reports or news stories about us, our competitors or our industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends;
- sales of our Shares by existing Shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- the other risk factors described in this section of this Annual Information Form.

Future sales of our securities by existing Shareholders or by us could cause the market price for our Subordinate Voting Shares to fall.

Sales of a substantial number of our Subordinate Voting Shares in the public market by our existing Shareholders could occur at any time. These sales, or the market perception that the holders of a large number of shares intend to sell Shares, could significantly reduce the market price of our Subordinate Voting Shares and the market price could decline. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our Subordinate Voting Shares. If the market price of our Subordinate Voting Shares was to drop as a result, this might impede our ability to raise additional capital and might cause remaining Shareholders to lose all or part of their investments.

In addition, AMG has certain rights under the Investor Rights Agreement to require us to file a prospectus covering its registrable securities or to include its registrable securities in prospectuses that we may file for ourselves or on behalf of other Shareholders. See “Material Contracts – Investor Rights Agreement.”

The intentions of AMG regarding its long-term economic ownership are subject to change, with the result that AMG may sell more or less Shares in the future than currently expected. Factors that could cause AMG’s current intentions to change include changes in the personal circumstances of Michael Andlauer or his family, our succession planning or changes in our management, changes in tax laws, estate planning, market conditions and our financial performance.

Further, we cannot predict the size of future issuances of our Subordinate Voting Shares or the effect, if any, that future issuances and sales of our Subordinate Voting Shares will have on the market price of our Subordinate Voting Shares. Sales of substantial amounts of our Subordinate Voting Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Subordinate Voting Shares.

Shareholders will have limited control over the Company’s operations and right to dividends.

Holders of Subordinate Voting Shares will have limited control over changes in our policies and operations, which increases the uncertainty and risks of an investment in our Company. Our Board will determine major policies, including policies regarding financing, growth, debt capitalization, any future dividends to Shareholders, as well as the appointment of our executive officers. Generally, our Board may amend or revise these and other policies without a vote of the holders of Shares. Holders of Shares will only have a right to vote, as a class, in limited circumstances. Our Board’s broad discretion in setting policies and the limited ability of holders of Shares to exert control over those policies increases the uncertainty and risks of an investment in our Company.

Any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our shares, which could depress the market price of our Subordinate Voting Shares.

Our Board has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our Shareholders. Our preferred shares could be issued with liquidation, dividend and other rights superior to the rights of our Shares. The potential issuance of preferred shares may delay or prevent a change in control of us, discourage bids for our Shares at a premium over the market price and adversely affect the market price and other rights of the holders of our Shares.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us or our business, our trading price and volume could decline.

The trading market for our Subordinate Voting Shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavorable research about our business, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which could cause our trading price and volume to decline.

Future offerings of debt securities or preferred shares, which would rank senior to our Subordinate Voting Shares upon our bankruptcy or liquidation, and future offerings of equity securities that may be senior to our Subordinate Voting Shares for the purposes of dividend and liquidating distributions, may adversely affect the market price of our Subordinate Voting Shares.

In the future, we may attempt to increase our capital resources by making offerings of debt securities, preferred equity or additional offerings of equity securities. Upon bankruptcy or liquidation, holders of our debt securities and lenders with respect to other borrowings and holders of preferred equity will receive a distribution of our available assets prior to the holders of our Subordinate Voting Shares. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our Subordinate Voting Shares, or both. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future offerings, and shareholders bear the risk of our future offerings reducing the market price of our Subordinate Voting Shares and diluting their ownership interest in the Company.

DIVIDEND POLICY AND HISTORIC DIVIDENDS

Following the closing of the IPO, we paid an initial dividend for the period from December 11, 2019 to March 31, 2020 of \$0.06087 per Share to holders of record on March 31, 2020. For each quarter thereafter, extending from March 31, 2020 to December 31, 2021, we issued a quarterly dividend in the amount of \$0.05 per Share. Our dividend was increased to \$0.06 per Share for the quarters ended March 31, and June 30, 2022, and further increased to \$0.07 per Share for the quarters ended September 30, and December 31, 2022. Our dividend was increased to \$0.08 per Share for the quarters ended March 31, and June 30, 2023, and further increased to \$0.09 per Share for the quarters ended September 30, and December 31, 2023. Our dividend was increased to \$0.10 per Share for the quarters ended March 31, and June 30, 2024, and further increased to \$0.11 per Share for the quarters ended September 30, and December 31, 2024.

Subject to financial results, capital requirements, available cash flow, corporate law requirements and any other factors that our Board may consider relevant, we expect to continue to declare a quarterly dividend on the Subordinate Voting Shares and Multiple Voting Shares equal to approximately \$0.12 per Share on an ongoing basis. Dividends are declared and paid in arrears. The amount and timing of the payment of any dividends are not guaranteed and are subject to the discretion of our Board. See “Risk Factors”.

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the material attributes and characteristics of the Company’s authorized share capital. This summary is qualified by reference to, and is subject to, the terms and provisions of our articles (“**Articles**”), which are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

The Subordinate Voting Shares are considered “restricted securities” within the meaning of such term under applicable securities laws in Canada.

Our authorized share capital consists of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares and an unlimited number of preferred shares, issuable in series. As at December 31, 2024, there were 18,443,497 Subordinate Voting Shares issued and outstanding, 20,807,955 Multiple Voting Shares issued and outstanding, and no preferred shares issued and outstanding. In addition, as at such date we had 886,715 options issued and outstanding under our omnibus incentive plan, each of which can be exercised or settled for one Subordinate Voting Share, as well as 70,782 deferred share units and 53,256 restricted share units. As of the date hereof, AMG

holds all of the Multiple Voting Shares and 10,200 of the Subordinate Voting Shares, representing approximately 53.0% of the issued and outstanding Shares and 81.9% of the voting power attached to all of the Shares.

Subordinate Voting Shares and Multiple Voting Shares

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding-up.

Dividend Rights

Holders of Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as our Board may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares. In the event of the payment of a dividend in the form of Shares, holders of Subordinate Voting Shares will receive Subordinate Voting Shares and holders of Multiple Voting Shares will receive Subordinate Voting Shares.

Voting Rights

Holders of Multiple Voting Shares are entitled to four votes per Multiple Voting Share, and holders of Subordinate Voting Shares are entitled to one vote per Subordinate Voting Share on all matters upon which holders of Shares are entitled to vote. See also “– Certain Amendments” below. The Subordinate Voting Shares represent approximately 47.0% of our total issued and outstanding Shares and approximately 18.1% of the voting power attached to all of our Shares.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share.

Multiple Voting Shares are automatically convertible into Subordinate Voting Shares (the “**Sunset Clause**”) upon the earlier of: (i) the transfer of such Multiple Voting Shares to a Person that is not a Permitted Holder; (ii) the date the outstanding Multiple Voting Shares represent less than 20% of the aggregate Shares; and (iii) the date Michael Andlauer is no longer serving as a Director or in a senior management position of the Company. We believe the Sunset Clause, together with the Coattail Agreement discussed below under “Take-over Bid Protection”, affords reasonable protection to the holders of Subordinate Voting Shares.

Meetings of Shareholders

Holders of Multiple Voting Shares and Subordinate Voting Shares are entitled to receive notice of any meeting of our shareholders (“**Shareholders**”) and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if two or more Shareholders who, together, hold not less than 25% of the votes attaching to our outstanding voting shares entitled to vote at the meeting are present in person or represented by proxy.

Pre-Emptive and Redemption Rights

Holders of Subordinate Voting Shares have no pre-emptive or redemption rights. Holders of Multiple Voting Shares have no pre-emptive or redemption rights under our Articles, however AMG is entitled to certain pre-emptive rights to subscribe for additional Shares provided for in the Investor Rights Agreement. Further information regarding pre-emptive rights provided for in the Investor Rights Agreement is described under “Material Contracts – Investor Rights Agreement”.

Liquidation Rights

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of Subordinate Voting Shares and Multiple Voting Shares, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares.

Subdivision, Consolidation and Issuance of Rights

No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares may occur unless the shares of both classes are concurrently subdivided or consolidated and in the same manner and proportion. Other than as described in this Annual Information Form, no new rights to acquire additional shares or other securities or property of ours will be issued to holders of Subordinate Voting Shares or Multiple Voting Shares unless the same rights are concurrently issued to the holders of shares of both classes.

Certain Amendments

In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of our Articles from time to time in effect, but subject to the provisions of our Articles, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of Shareholders that may be required, in respect of any alteration, repeal or amendment of our Articles which would adversely affect the rights or special rights of the holders of Subordinate Voting Shares or affect the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, including an amendment to the terms of our Articles that provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our Shareholders under the OBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Issuance of Additional Multiple Voting Shares

We may not issue Multiple Voting Shares without the approval of at least two-thirds of the votes cast at a meeting of the holders of Subordinate Voting Shares duly held for that purpose. However, approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Subordinate Voting Shares and the Multiple Voting Shares. In all cases, the issuance of additional Multiple Voting Shares will be subject to the approval of any stock exchange upon which the Subordinate Voting Shares trade. Any further issuances of Subordinate Voting Shares or Multiple Voting Shares will result in immediate dilution to existing Shareholders and may have an adverse effect on the value of their shareholdings. See “Risk Factors”.

Take-Over Bid Protection

Under applicable securities laws in Canada, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, AMG has entered into a customary coattail agreement with us and a trustee (the “**Coattail Agreement**”). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable securities laws in Canada to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of Multiple Voting Shares or their Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that: (a) offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Multiple Voting Shares; (b) provides that the percentage of outstanding

Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror); (c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and (d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares by AMG to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of Multiple Voting Shares into Subordinate Voting Shares, whether or not such Subordinate Voting Shares are subsequently sold, does not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on us or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held by the holders of Multiple Voting Shares or their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms which constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the OBCA and our Articles, our Board may, by resolution, from time to time before the issue thereof determine the maximum number of preferred shares of each series, create an identifying name for each series, attach special rights or restrictions to the preferred shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on our liquidation, dissolution or winding-up and any sinking fund or other provisions, the whole to be subject to filing articles of amendment to create the series and to include the special rights or restrictions attached to the preferred shares of the series. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of Shareholders.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the preferred shares of every other series and be entitled to preference over the Subordinate Voting Shares and

the Multiple Voting Shares and any other of our shares ranking junior to the preferred shares with respect to payment of dividends.

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of our property or assets over the Subordinate Voting Shares and the Multiple Voting Shares and any other of our shares ranking junior to the preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the preferred shares. We currently anticipate that there will be no pre-emptive, subscription, redemption or conversion rights attaching to any series of preferred shares issued from time to time.

The Company has filed an undertaking with the OSC pursuant to which we will agree to provide reasonable prior notice to the OSC in the event we intend to issue a series of preferred shares that: (a) carry a greater number of votes on a per share basis, irrespective of the number or percentage of preferred shares owned, than the Subordinate Voting Shares; or (b) would cause any of the factors set out in section 4.1 of OSC Rule 56-501 *Restricted Shares* to be present in relation to the Subordinate Voting Shares, regardless of any existing restrictions on the Subordinate Voting Shares due to the existence of the Multiple Voting Shares.

Advance Notice Provisions

We have included certain advance notice provisions with respect to the election of our directors in our by-laws (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings of our Shareholders; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

We have included a forum selection provision in our by-laws that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the OBCA or our Articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

Normal Course Issuer Bid

On March 29, 2023, we commenced the 2023 NCIB for up to a maximum of 1,856,857 of the Subordinate Voting Shares, or approximately 10% our public float. In total, we purchased and cancelled a total of 634,090 Subordinate Voting Shares, or approximately 3% of our public float, pursuant to the 2023 NCIB. We funded the purchases, which totaled \$25.1 million, out of available cash. The 2023 NCIB terminated on March 28, 2024.

On June 27, 2024, we announced that the TSX had approved the 2024 NCIB for up to a maximum of 1,770,429 of the Subordinate Voting Shares, or approximately 10% of our public float as of June 26, 2024 over the 12-month period that commenced on July 2, 2024. The bid will terminate on July 1, 2025, or such earlier time as we complete our purchases pursuant to the bid or provide notice of termination. In connection with the 2024 NCIB, we established an automatic securities purchase plan (“ASPP”) with a designated broker that contains specified parameters regarding how our Subordinate Voting Shares may be purchased under the 2024 NCIB during times when we would ordinarily not be permitted to make such payments due to regulatory restrictions or self-imposed blackout periods. We have and may in the future, temporarily suspend the ASPP and vary the specified purchase parameters included therein, in accordance with the terms and conditions set forth in the ASPP. Any Subordinate Voting Shares purchased under the NCIB will be cancelled upon their purchase. We have funded and intend to continue to fund the purchases out of our available cash. As of the date hereof, a total of 266,534 Subordinate Voting Shares, comprising approximately 1.4% of the number of Subordinate Voting Shares outstanding, have been purchased and cancelled pursuant to the 2024 NCIB at an average price of \$38.99 per share, for a total purchase price of approximately \$10,391,861.

Substantial Issuer Bid

On May 15, 2024, we commenced the SIB, pursuant to which we offered to purchase for cancellation up to 2,000,000 Subordinate Voting Shares and Multiple Voting Shares (on an as-converted basis) at a price of \$45.00 per Share for an aggregate purchase price not exceeding \$90,000,000. The SIB expired on June 19, 2024 and Subordinate Voting Shares were taken up on June 20, 2024. AMG participated in the SIB and converted 1,032,045 Multiple Voting Shares to Subordinate Voting Shares, at their book value of \$15.00 per Share, which were taken up pursuant to the SIB. In aggregate, we purchased and cancelled 2,000,000 Subordinate Voting Shares under the SIB for a total consideration of \$90.0 million. We financed the SIB with \$50.0 million of cash on hand and a \$40.0 million draw on our Revolving Credit Facility.

MARKET FOR SECURITIES

Trading Price and Volume

The Subordinate Voting Shares are listed on the TSX and are traded under the symbol “AND”. The following table shows the monthly range of high and low prices per Subordinate Voting Share and total monthly volumes traded on the TSX for the year ended December 31, 2024.

Month	High	Low	Volume
January, 2024	\$41.82	\$39.04	367,798
February, 2024	\$40.54	\$38.15	900,021
March, 2024	\$44.12	\$38.20	583,410
April, 2024	\$43.31	\$40.82	331,843
May, 2024	\$42.54	\$36.43	857,938
June, 2024	\$40.50	\$36.99	1,484,169
July, 2024	\$41.61	\$37.21	667,616
August, 2024	\$42.75	\$37.23	519,970
September, 2024	\$40.20	\$37.15	278,868
October, 2024	\$41.84	\$37.91	472,318
November, 2024	\$44.92	\$40.81	681,121

Month	High	Low	Volume
December, 2024	\$43.83	\$41.23	436,612

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Employee Trust

In connection with the IPO, the Company settled the Employee Trust, the beneficiaries of which are the executive officers and employees of the Company and the AHG Entities as of the date of closing of the IPO. The trustees of the Employee Trust (the “Trustees”) consist of Michael Andlauer and two other individuals. On December 11, 2019, the Employee Trust acquired 925,000 Subordinate Voting Shares from AMG, for the benefit of its beneficiaries. Decisions of the Trustees, including voting rights in respect of any securities held in trust and the timing and amount of any distributions to selected beneficiaries will be made at the sole and absolute discretion of the Trustees, to be determined based on majority vote. Once securities are distributed to beneficiaries of the Employee Trust, such securities shall be freely transferrable. Unless otherwise determined by the Trustees, in their sole and absolute discretion, any securities allocated to an employee that remain in trust at the time the employment relationship between the Company and such employee is terminated, regardless of the reason for termination, will be reallocated at the discretion of the Trustees in consultation with the Company.

On June 23, 2020, the Employee Trust sold an aggregate of 508,000 Subordinate Voting Shares pursuant to a number of private agreements. The Employee Trust held the remaining 417,000 Subordinate Voting Shares for the benefit of executive officers and employees of AHG and the AHG entities. In September 2020, the Employee Trust began to distribute Subordinate Voting Shares to beneficiaries. As at the date hereof, 326,300 Subordinate Voting Shares have been distributed to executive officers and employees of AHG and the AHG entities. The Employee Trust continues to hold the remaining 90,700 Subordinate Voting Shares for its beneficiaries.

The following table sets forth the number of Shares held that, to the knowledge of the Company, are subject to a contractual restriction on transfer as of December 31, 2024:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Subordinate Voting Shares	90,700 ⁽¹⁾	0.5%

Notes:

- (1) 90,700 Subordinate Voting Shares held by the Employee Trust are subject to contractual restrictions pursuant to the terms of the Employee Benefit Plan Trust Agreement dated December 10, 2019.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and jurisdiction of residence of the directors and executive officers of the Company as at the date hereof, their respective positions and offices held with the Company and their principal occupation for the last five or more years. Each of the directors has served as a director of the Company since its incorporation on November 12, 2019, and their term will expire at the time of our next annual shareholders meeting.

Name, Province or State and Country of Residence	Current Position with the Company	Office Held Since	Principal Occupation During the Previous Five Years
Rona Ambrose ⁽¹⁾⁽²⁾⁽³⁾ <i>Calgary, Alberta, Canada</i>	Lead Director	2019	Corporate Director
Peter Jelley <i>East York, Ontario, Canada</i>	Chair of the Board	2019	President and Chief Executive Officer, Bulldog Capital Partners Inc.
Cameron Joyce ⁽¹⁾ <i>Cambridge, Ontario, Canada</i>	Director	2019	Corporate Director
Joseph Schlett ⁽¹⁾⁽²⁾⁽³⁾ <i>Waterdown, Ontario, Canada</i>	Director	2019	Chartered Professional Accountant (public practice) and Corporate Director
Evelyn Sutherland ⁽¹⁾⁽²⁾⁽³⁾ <i>East York, Ontario, Canada</i>	Director	2019	Chief Financial Officer, Staples Canada ULC
Thomas Wellner ⁽¹⁾⁽³⁾ <i>Toronto, Ontario, Canada</i>	Director	2019	President and Chief Executive Officer, Revera Inc. (now retired) and Corporate Director
Michael Andlauer <i>Oakville, Ontario, Canada</i>	Director, Chief Executive Officer	1992	Chief Executive Officer, AHG
Peter Bromley <i>Carlisle, Ontario, Canada</i>	Chief Financial Officer and Corporate Secretary	2019	Vice President and Managing Director, UPS Supply Chain Solutions
Dean Berg <i>Oakville, Ontario, Canada</i>	President, Logistics	2004	Vice President Business Development, Accuristix
Sandro Caccaro ⁽⁴⁾ <i>Milton, Ontario, Canada</i>	President, Transportation – Canada	2023	Chief Operating Officer, Versa Cold Logistics Services
Bryan McMahon <i>Brampton, Ontario, Canada</i>	Executive Vice President, Commercial and Specialty Solutions	2003	Vice President Sales, ATS Healthcare

Notes:

- (1) Independent director for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.
- (2) Member of the Compensation, Nominating and Governance Committee.
- (3) Member of the Audit Committee.
- (4) Bob Brogan retired as President, Specialty Solutions effective January 31, 2025. Mr. Brogan’s functional leadership team and responsibilities now report through Mr. Caccaro, who is responsible for leading the Company’s specialty solutions operations moving forward.

Biographical Information Regarding the Directors and Executive Officers

Non-Executive Directors

Rona Ambrose – Lead Director

The Honourable Ronalee Ambrose currently serves as Deputy Chairwoman of TD Securities. Ms. Ambrose is a former Leader of Canada's Official Opposition in the House of Commons and a former leader of the Conservative Party of Canada. She worked as Minister across nine Canadian government departments, and her service included the role of Vice Chair of the Treasury Board and chair of the cabinet committee for public safety, justice and aboriginal issues. In her time as health minister she worked with the World Health Organization on the global Ebola crisis and continues to promote health innovation. She also served as the Minister responsible for the Status of Women, and is a recognized champion for the rights of women and girls. She was named 1 of 100 Global Innovators for Women by the United Nations. In addition to serving as a corporate director, Ms. Ambrose is a Global Fellow at the Wilson Center's Canada Institute in Washington, D.C., focusing on Canada-U.S. bilateral trade and North American competitiveness issues. She sat on the Prime Ministers panel for the NAFTA renegotiations. Ms. Ambrose also serves on the advisory board of the Canadian Global Affairs Institute, is a member of the Trilateral Commission and is the Chair of Plan International Canada. Until September 1, 2020, she also served on the board of directors of Manulife Financial Corporation (an issuer listed on the TSX, New York Stock Exchange, Stock Exchange of Hong Kong and Philippine Stock Exchange) and the board of directors of TransAlta Corporation (an issuer listed on the TSX). Ms. Ambrose holds a Bachelor of Arts from the University of Victoria and a Master of Arts from the University of Alberta and has completed the Harvard Kennedy School of Government Senior Leaders Program.

Peter Jelley – Chair of the Board

Peter Jelley has over 25 years of experience in the investment banking and private equity industry. He is the President and Chief Executive Officer of Bulldog Capital Partners Inc., a Toronto-based merchant bank focused on private equity investments and advisory services for growth oriented businesses. In addition, Mr. Jelley is the President and Chief Executive Officer of Trout River Capital Ltd., a leading investor in amusement and hospitality businesses in Eastern Canada with successful investments in more than a dozen operating businesses since 1999. Mr. Jelley also serves on the board of a number of private companies, including Bourn Hall Fertility Clinic, Legion Partners (Ottawa Senators) and Bluewater Canada Inc. Mr. Jelley holds an Honours Bachelor of Arts from the University of King's College, a Master of Science (Economics) from the London School of Economics and a Master of Business Administration from the Harvard Business School.

Cameron Joyce - Director

Mr. Joyce has more than 35 years of experience in Canadian transportation and logistics. In 1994 Mr. Joyce co-founded Associated Logistics Solutions (now Accuristix), a leading Canadian healthcare logistics solutions provider. In 2004, the firm entered a joint venture with McKesson Corp., and he was appointed President of the new entity, McKesson Logistics Solutions. Mr. Joyce served as President from 2004 to 2009, when Associated Logistics acquired McKesson's equity stake in the Company, and it was rebranded Accuristix. He then served as President and CEO of Accuristix from 2009 to 2015, and as Chairman of the Board of Directors from 2015 until his retirement in March of 2019. Prior to co-founding Associated Logistics, Mr. Joyce had progressively senior roles with ICS Group, including heading their third-party logistics and healthcare divisions, and ultimately serving as Director of Operations, Canada. Mr. Joyce currently serves as a director of a few private companies, including Sheridan Nurseries and D.C. Racking, and sits on the board of the charity, Kid's Health Links Foundation. He had been an active member of the board of directors of the Chicago based International Warehouse Logistics Association (IWLA) for several years.

Joseph Schlett CPA, CA - Director

Joseph Schlett has over 40 years of public accounting experience, including an initial term of five years at a national accounting firm and over 35 years involvement with SB Partners LLP ("**SB Partners**"), a regional Chartered Professional Accountants firm located in Burlington, Ontario. Before retiring from SB Partners in 2018, Mr. Schlett was a senior partner and chair of the firm's board of directors. In his role with the firm, he assisted private company entrepreneurs with assurance, taxation, corporate finance, mergers and acquisition, business consulting and financial planning services. Fostering a passion for strategic planning, business excellence and attention to detail, Mr. Schlett

has been instrumental to the success of many private business entrepreneurs, and has contributed to the significant growth and development of SB Partners since 1983. During his career, Mr. Schlett has gained experience with a variety of board positions in both the private and non-profit sectors, involving various director, committee and chair positions. Mr. Schlett is a Chartered Professional Accountant and holds a Honours Bachelor of Commerce degree from McMaster University.

Evelyn Sutherland FCPA, FCA - Director

Evelyn Sutherland has over 20 years of experience in finance and marketing roles. Currently Ms. Sutherland serves as the Chief Financial Officer of Staples Canada ULC (“**Staples Canada**”). In this role, she is responsible for Staples Canada’s overall financial strategic direction, including all aspects of financial reporting and planning, treasury and controller’s operations, taxation, payroll, as well as M&A, procurement and real estate asset management. Prior to her appointment at Staples Canada in 2018, Ms. Sutherland held the position of Chief Financial Officer at Enercare Inc., helping to oversee the company’s significant growth during her tenure. Prior to that role, Ms. Sutherland was the Chief Financial Officer of Key REIT, at which time the organization managed a portfolio of 220 retail properties in seven provinces across Canada. Prior to this position, Ms. Sutherland was Chief Financial Officer of the United Purchasing Group of Canada, the Canadian purchasing group for Yum! Brands. In 2016, Ms. Sutherland was named one of Canada’s Most Powerful Women and received the Canadian Dealmakers Award for Mid-Markets. Ms. Sutherland is a Fellow of the Chartered Professional Accountants and holds a Honours Bachelor of Commerce, Accounting from the University of Windsor and a Bachelor of Arts from the University of Western Ontario.

Thomas Wellner - Director

Thomas Wellner is a highly experienced corporate executive who recently completed his mandate as President and Chief Executive Officer of Revera Inc. (“Revera”), a leading global owner, operator, and developer in the senior living / healthcare sector. With more than three decades of substantial global experience in biotechnology, pharmaceuticals, real estate and healthcare services, Mr. Wellner has led several organizations, including as President/CEO Eli Lilly & Company in Germany, LifeLabs/CML Healthcare, and Therapure Biopharma. He has been a guest lecturer on international business and healthcare at Harvard, Rotman and INSEAD Schools of Business, and has been engaged in significant advisory work within private equity and venture capital communities. He is also a published author. He currently serves on the board of the Ontario Teachers Pension Plan and has previously served on the boards of FreshBooks, Novadaq Technologies, Cipher Pharma, various Revera entities and has been an advisor to various private equity and venture capital funds . Mr. Wellner holds an Honours Bachelor of Science degree in Life Sciences from Queen’s University and has completed the Directors Education Program, ICD.D and has also completed a Board Chair Certification at the Institute of Corporate Directors at the Rotman School of Management; he has completed a Board Director Certification in Sustainability at Standford as well as an executive education course through the Harvard Business School.

Executive Officers Who Also Serve as Directors

Michael Andlauer - Chief Executive Officer

Mr. Andlauer has more than 35 years of experience in the Canadian transportation industry. He founded ATS Andlauer Transportation Services (now ATS Healthcare) in 1991 and Associated Logistics Solutions (now Accuristix) in 1994. Michael is also the founder of Bulldog Capital Partners, a Toronto-based merchant bank focused on private equity investments and advisory services for growth oriented businesses. He serves as the President and Chief Executive Officer of AMG, a company he founded in 1994 to manage and operate transportation and logistics companies in Canada that are focused in the healthcare sector. In 2019, Andlauer Healthcare Group was formed as a subsidiary of AMG to bring several specialized healthcare supply chain companies together under one brand.

Mr. Andlauer is a lifelong hockey fan. In 2023 he and his family purchased, together with other investors, the National Hockey League’s Ottawa Senators Hockey Club, which includes the American Hockey League’s Belleville Senators and the Sensplex rink properties. From 2009-2023 he was a minority owner of the NHL’s Montreal Canadiens and recently divested of his ownership of the Brantford Bulldogs, a two-time (2018, 2022) Ontario Hockey League Championship team. Mr. Andlauer and his wife Lucie are actively involved in the Senators Community Foundation and remain involved in the Bulldogs Foundation.

Executive Officers Who do Not Serve as Directors

Sandro Caccaro - President, Transportation - Canada

Sandro Caccaro joined ATS Healthcare in 2023 with more than 30 years of experience in the transportation and logistics industry. As a member of the executive team at the Company, he has comprehensive responsibility for the ATS Healthcare Transportation business unit. Prior to joining ATS Healthcare, Mr. Caccaro served as the Chief Operating Officer for VersaCold Logistics Services, Canada's largest supply chain company focused exclusively on the handling of temperature sensitive food products. Prior thereto, Sandro held various senior executive roles, including President and COO of Bruce R. Smith Ltd., Senior Vice-President of Operations at Canada Cartage and Vice President and General Manager (Canada) at Schneider National. He has served as a long-time member of the Ontario Trucking Association Board of Directors and holds a Bachelor of Arts degree from Trent University.

Bryan McMahon – Executive Vice President, Commercial and Specialty Solutions

Bryan McMahon joined ATS Healthcare in 2003 after serving as Vice President - Sales & Marketing with a large, national courier company. Mr. McMahon started his position at AHG as Vice President - Healthcare Logistics with the responsibility for all sales and customer service activities for ATS Healthcare. Mr. McMahon has also served as a member of the ATS Leadership team during this time. Mr. McMahon is an active member of a number of industry organizations where he is frequently called upon for his guidance into the many challenges of the healthcare landscape.

Peter Bromley P.Log, CPA, CA - Chief Financial Officer and Corporate Secretary

Peter Bromley joined AHG in 2019 after a 25 year career with UPS Supply Chain Solutions (“UPS”) and Livingston Inc. (“Livingston”). He began his career in the logistics industry in 1994 on the finance team of Livingston, a private Canadian logistics provider which was acquired by UPS in 2000. In 1997, Mr. Bromley moved to the operations team and ultimately served in the role of Vice President Operations in Canada before relocating to Switzerland in 2005 to manage UPS's logistics and distribution product in Europe. Mr. Bromley relocated to Brussels in 2008 when UPS's European Supply Chain Solutions headquarters moved from Switzerland to Belgium. In 2009, Mr. Bromley accepted the role to lead the logistics and distribution division's business development function and focused on the first healthcare clients to sign contracts in UPS Europe's inaugural healthcare distribution center. In 2010, he returned to the operations team and led the implementation of UPS's global healthcare strategy for logistics and distribution for the Europe Region. In 2013, Mr. Bromley relocated to The Netherlands where he continued to lead UPS's logistics and distribution healthcare strategy and was responsible for integrating the company's healthcare acquisitions in Europe. He returned to Canada in 2017 as UPS's Managing Director. Prior to joining Livingston, Inc., Mr. Bromley was an audit manager at PricewaterhouseCoopers where he managed a range of audit clients from private companies to large multinationals in the healthcare, high-tech, and consumer products sectors. Mr. Bromley is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto, and a Master of Business Administration from the University of Western Ontario.

Dean Berg - President, Logistics

Dean Berg joined Accuristix in 2004 after having served ten years with a large global logistics and supply chain company, in progressive sales and operations leadership positions. Mr. Berg began his career at AHG as Director, Pharmaceutical Sales, where he was responsible for the growth and development of the Company's branded and generic prescription-based market. In 2014, Mr. Berg was promoted to the leadership team as Vice President, Business Development to oversee sales and marketing. In 2018, Mr. Berg assumed additional responsibilities for the Client Solutions Team and Project Management Office. In June 2021, Mr. Berg became President, Logistics at AHG. Mr. Berg serves on several committees with industry organizations helping to shape the future of the healthcare sector.

Ownership Interest

As a group, our directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 391,709 Subordinate Voting Shares and 20,807,955 Multiple Voting Shares, representing approximately (i) 54.0% of the Shares (on a non-diluted basis) outstanding as of the date hereof and (ii) 82.2% of the voting power attached to the Shares (on a non-diluted basis) as of the date hereof. The foregoing does not take into account Shares to be issued upon the potential exercise or settlement of securities issued pursuant to our omnibus incentive plan Shares held by the Employee Trust.

Corporate Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such individuals) is, as of the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), that was issued while the individual was acting in the capacity as a director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that individual was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such individuals) or a Shareholder holding a sufficient number of securities to affect materially the control of the Company: (i) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that individual was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such individuals) or a Shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable holder of voting Shares in deciding whether to vote for the proposed director.

Conflicts of Interest

Certain of our directors and officers are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with the OBCA, directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. See “Interests of Management and Others in Material Transactions”.

Audit Committee

Our Audit Committee consists of four directors, all of whom are persons determined by the Board to be both independent directors and financially literate within the meaning of NI 52-110. The Audit Committee is comprised of Thomas Wellner, who acts as chair of this committee, Rona Ambrose, Evelyn Sutherland and Joseph Schlett. Thomas Wellner is the retired President and Chief Executive Officer of Revera Inc., a private company with financial reporting framework similar to that of a reporting issuer and the former Chief Executive Officer of CML Healthcare Inc., a TSX listed company. Rona Ambrose formerly sat on the Audit Committee of Manulife Financial Corporation, an issuer listed on the TSX, New York Stock Exchange, Stock Exchange of Hong Kong and Philippine Stock Exchange and the Audit and Risk Committee of TransAlta Corporation, an issuer listed on the TSX, and formerly served as vice-chair of Treasury Board for the Federal Government. Evelyn Sutherland currently serves as the Chief Financial Officer of Staples Canada ULC and is the former Chief Financial Officer of Enercare Inc. and Key REIT, each TSX-listed issuers. Joseph Schlett is a retired partner of SB Partners with over 40 years of public accounting experience and is an experienced corporate director having held a variety of board positions in both the private and non-profit sectors, involving various director, committee and chair positions. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Board has adopted a written charter, the text of which is reproduced in its entirety in Appendix A, setting forth the purpose, composition, authority and responsibility of the Audit Committee, consistent with NI 52-110. The Audit Committee assists the Board in fulfilling its oversight of, among other things:

- the quality and integrity of the Company's financial statements and related information;
- the qualifications, independence, appointment and performance of the external auditor;
- the accounting and financial reporting policies, practices and procedures of the Company and its subsidiaries and affiliates;
- the Company's risk management practices and legal and regulatory compliance;
- management's design, implementation and effective conduct of internal controls over financial reporting and disclosure controls and procedures;
- the performance of the Company's external auditor;
- the performance of the Company's internal audit function, if applicable;
- preparation of disclosures and reports required to be prepared by the Audit Committee by any law, regulation, rule or listing standard; and
- the Company's information governance policies and programs and privacy, information technology and cyber security risks.

In addition, the Audit Committee receives regular reports from management with respect to the Company's systems, policies, controls and procedures that management has implemented to identify, manage and mitigate risks related to information technology. Further to its responsibilities outlined in its charter, the Audit Committee reviews annually with management and the Board the Company's information governance policies and programs, privacy, information technology and cyber security risk exposures identified by management, and the adequacy of the steps management has taken to monitor and mitigate privacy, information technology and cyber security risks. The Audit Committee also has the responsibility to consider, review and monitor the effectiveness of the Company's regulatory affairs and quality assurance systems, policies and practices as well as its cash management strategy, and will consider and review as required, with management and the Board, any material tax planning initiatives or pending tax audits or assessments.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditor and management of the Company. The Audit Committee has full access to the Company's management and records and external auditor as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company shall provide appropriate funding, as determined by the Audit

Committee, for the payment of compensation to the external auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

External Auditor Service Fee

The external auditor of the Company, KPMG LLP, reports directly to the Audit Committee. The following table presents, by category, the fees billed by KPMG LLP to us in Fiscal 2024 and Fiscal 2023:

	2024	2023
Audit fees ⁽¹⁾	\$ 637,500	\$ 685,000
Audit-related Fees ⁽²⁾	\$ 180,000	\$ -
Tax compliance and preparation fees	\$ 157,335	\$ 339,316
All other fees ⁽³⁾	\$ 372,558	\$ 75,572
Total fees billed	\$ 1,347,393	\$ 1,099,888

Notes:

- (1) Fees for audit service on a billed basis.
- (2) Fees for financial due diligence and related services not included in audit fees above.
- (3) All other fees not included above, including fees related to tax due diligence and corporate restructuring (Fiscal 2024), tax planning for acquisitions (Fiscal 2024 and 2023) and transfer pricing (Fiscal 2023).

LEGAL PROCEEDINGS

The Company is not currently directly involved in any outstanding, threatened, pending or, to the knowledge of the Company, contemplated, litigation. Our subsidiaries are from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which our subsidiaries are currently involved, or have been involved since the beginning of our most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition, cash flows or results of operations.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below or elsewhere in this Annual Information Form (including without limitation, under the section entitled “Material Contracts”) or under the section entitled “Related Party Transactions” in the Company’s MD&A, there are no material interests, direct or indirect, of any of our directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

As of the date hereof, AMG holds all of the Multiple Voting Shares of the Company and 10,200 Subordinate Voting Shares, representing approximately 53.0% of the issued and outstanding Shares and 81.9% of the voting power attached to all of the Shares. AMG is owned and controlled by Michael Andlauer, our Chief Executive Officer and a director of the Company. AMG and its affiliates have entered into a number of transactions with the Company over the past three years.

- A subsidiary of AMG, Andlauer Properties and Leasing Inc., leases certain facilities and logistics and transportation equipment to the Company, including facilities located at: 881 Bell Blvd. W, Belleville, Ontario; 18 Sandbourne Dr., Pontypool, Ontario (commenced in January 2021); 80 – 14th Avenue, Hanover, Ontario; 465 Ofield Road South, Dundas, Ontario; 605 Max Brose Drive, London, Ontario; and 5480 61 Avenue SE, Calgary, Alberta.

- A subsidiary of AMG, 9143-5271 Québec Inc., leases a facility located at 655 Desserte E. Hwy 13, Laval Québec to the Company.
- A company owned by Mr. Andlauer's spouse, Ready Staffing Solutions Inc., provides the Company with temporary agency employee services – providing hourly dock labour for our handling operations, principally in the GTA.

Bourbon Street Enterprises Inc. (“**BSE**”) is partially owned by Cameron Joyce, one of our directors. Two partially-owned subsidiaries of BSE, D.C. Racking & Maintenance Inc. and Logiserv Inc. provide the Company with warehouse racking, warehouse racking components and warehouse racking installation, maintenance and repair services.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Subordinate Voting Shares and the Multiple Voting Shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

This Annual Information Form includes a summary description of certain of our material contracts. The summary describes the material attributes of each of the material contracts and is subject to, and qualified by reference to the terms of the relevant material contract, which have been filed with the Canadian securities regulatory authorities and made available on the Company's profile on SEDAR+ at www.sedarplus.ca. Investors are encouraged to read the full text of such material agreements.

The following are the only material agreements of the Company or its subsidiaries entered into within the last financial year or which are still in effect, other than contracts entered into in the ordinary course of business:

- the Coattail Agreement (described above under “Description of Share Capital – Take-over Bid Protection”);
- the Investor Rights Agreement;
- the Credit Facilities; and
- the underwriting agreement in connection with the Offering, as described in the Offering prospectus dated October 19, 2021.

Investor Rights Agreement

We are party to an investor rights agreement (the “**Investor Rights Agreement**”) with AMG and Michael Andlauer with respect to certain Shareholder rights, dated December 11, 2019. Among other things, the Investor Rights Agreement includes the terms summarized below.

Nomination Rights

The Investor Rights Agreement provides that AMG shall be entitled to nominate directors commensurate with its ownership interests in the Company, as follows (in each case with the number of nominees rounded up to the nearest whole number):

- AMG can nominate 50% of the directors so long as it holds more than 50% of the issued and outstanding Shares on a non-diluted basis;
- AMG can nominate 40% of the directors so long as it holds more than 40% of the issued and outstanding Shares on a non-diluted basis;

- AMG can nominate 30% of the directors so long as it holds more than 30% of the issued and outstanding Shares on a non-diluted basis;
- AMG can nominate 20% of the directors so long as it holds more than 20% of the issued and outstanding Shares on a non-diluted basis; and
- AMG can nominate one director so long as it holds more than 10% of the issued and outstanding Shares on a non-diluted basis.

The nominees included under the Investor Rights Agreement as at the date hereof are Michael Andlauer, Peter Jelley, Cameron Joyce and Joseph Schlett.

Registration Rights

The Investor Rights Agreement provides that for so long as AMG holds 10% of the Shares on a non-diluted basis, AMG will have the right (the “**Demand Registration Right**”), among others, to require the Company to use reasonable commercial efforts to file on one or more prospectuses with applicable Canadian securities regulatory authorities, all or a portion of the Subordinate Voting Shares held by AMG, including those issuable upon the conversion in accordance with the Articles of any Multiple Voting Shares beneficially owned by AMG (together, the “**Registrable Securities**”) for distribution to the public (a “**Demand Distribution**”), provided that the Company will not be obliged to effect (i) more than two Demand Distributions in any calendar year or (ii) any Demand Distribution where the value of the Registrable Securities offered under such demand registration is less than \$20 million. The Company may also distribute Registrable Securities in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Registrable Securities to be included in such Demand Distribution should be limited for certain prescribed reasons, the Registrable Securities to be included in the Demand Distribution will first be allocated to AMG.

The Investor Rights Agreement also provides that for so long as AMG holds 10% of the Shares on a non-diluted basis, AMG will have the right (the “**Piggy-Back Registration Right**”) to require the Company to include its Registrable Securities in any future public offerings undertaken by the Company by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a “**Piggy-Back Distribution**”). The Company is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Registrable Securities that AMG requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Registrable Securities to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Registrable Securities to be included in the Piggy-Back Distribution will first be allocated to the Company.

The Demand Registration Right and Piggy-Back Registration Right are subject to various conditions and limitations, and the Company is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. The expenses in respect of a Demand Distribution, subject to certain exceptions, will be borne by the Company and AMG on a proportionate basis according to the number of Registrable Securities distributed by each. The expenses in respect of a Piggy-Back Distribution, subject to certain exceptions, will be borne by the Company, except that any underwriting fee on the sale of Registrable Securities by AMG and the fees of their external legal counsel will be borne by AMG.

Pursuant to the Investor Rights Agreement, the Company will indemnify AMG for any misrepresentation in a prospectus under which AMG’s Registrable Securities are distributed (other than in respect of any prospectus disclosure provided by AMG, in respect of AMG). AMG will indemnify the Company for any prospectus disclosure provided by AMG in respect of AMG.

Pre-Emptive Rights

In the event that the Company or any of its subsidiaries decides to issue Shares or any type of securities convertible into or exchangeable or redeemable for Shares or an option or other right to acquire such securities (in each case, “**Offered Securities**”), AMG, for so long as it continues to own at least 10% of the issued and outstanding Shares on a non-diluted basis, shall have pre-emptive rights to purchase that number of Offered Securities so as to maintain its pro rata economic interest. Notice of exercise of such rights is to be provided in advance of the commencement of any

offering of securities of the Company or such other securities as are being contemplated for issuance and otherwise in accordance with the terms and conditions to set out in the Investor Rights Agreement.

Pursuant to the Investor Rights Agreement, the pre-emptive rights will not apply to issuances in the following circumstances:

- to participants in any dividend reinvestment plan or similar plan;
- in respect of the exercise of options, warrants, rights or other securities issued under equity based compensation arrangements of the Company, which for clarity shall include any employee share purchase plan adopted by the Company;
- upon the conversion of Multiple Voting Shares into Subordinate Voting Shares;
- exercise by a holder of a conversion, exchange or other similar right pursuant to the terms of a security in respect of which AMG did not exercise, failed to exercise, or waived its pre-emptive right or in respect of which the pre-emptive right did not apply;
- pursuant to a shareholders' rights plan of the Company;
- to the Company or any subsidiary of the Company;
- pursuant to a share split, stock dividend or any similar recapitalization;
- pursuant to a bona fide arm's length acquisition by the Company of the shares, assets, properties or business of any person; and
- pursuant to the exercise of the over-allotment option in connection with the Company's IPO.

Credit Facilities

The Company is party to credit facilities with a syndicate of lenders effective as of December 11, 2019 (the "**Credit Facilities**"). We entered into the Credit Facilities upon closing of our IPO, comprised of the Revolving Facility in the aggregate principal amount of up to \$75.0 million and the Term Facility in the aggregate principal amount of up to \$25.0 million. On February 19, 2021, in connection with our acquisitions of Skelton and 49% of Skelton USA, we amended the Credit Facilities to increase the amounts available to be drawn under the Revolving Facility and the Term Facility each by \$25.0 million.

On June 26, 2024, we further amended the Credit Facilities to extend the term by one year. The remaining terms and conditions of the Credit Facilities remain unchanged, except that they will mature and be due and payable on March 1, 2026, and bankers' acceptances loans were replaced by Canadian overnight repo rate average ("**CORRA**") loans. The Credit Facilities are available to be drawn in Canadian dollars by way of prime rate loans, CORRA loans and letters of credit, and in U.S. dollars by way of base rate loans and letters of credit, in each case, plus the applicable margin in effect from time to time.

Although the Credit Facilities are payable on March 1, 2026, the Revolving Facility has been classified as a current liability on our balance sheet as at December 31, 2024 as we intend to repay any drawn amounts within 12 months. The Term Facility was drawn in a single Canadian dollar advance of \$25.0 million on closing of the IPO by way of prime rate loans and was subsequently converted to bankers' acceptances and increased by a single Canadian dollar advance of \$25.0 million by way of bankers' acceptances in connection with the Skelton acquisitions on March 1, 2021. The initial Term Facility advance of \$25.0 million was repaid on August 1, 2023 leaving \$25.0 million outstanding, drawn by way of CORRA loans. As at December 31, 2024, the aggregate amount outstanding before financing costs under the Credit Facilities was \$25.0 million under the Term Facility and \$30.0 million under the Revolving Facility.

The Credit Facilities are subject to customary negative covenants and include financial covenants requiring us to maintain at all times a maximum net leverage ratio and a minimum interest coverage ratio, tested on a quarterly basis. As at December 31, 2024, we were in compliance with all of the covenants under the Credit Facilities.

In order to support future potential growth through acquisitions, the Credit Facilities also include an accordion feature to allow us to increase the commitment under one or both of the Credit Facilities in an aggregate principal amount of up to \$100,000,000, such that any amounts drawn under the accordion feature would be in addition to the amounts ordinarily available, subject to the agreement of participating lenders and provided that we are not, or would not, be in default under the Credit Facilities, or in non-compliance with any financial covenants and an event of default does

not or would not exist, after giving effect thereto and provided that all representations and warranties are true and correct immediately prior to, and after giving effect to, such increase. As of the date hereof, this accordion feature remains uncommitted.

The obligations of the Company under the Credit Facilities are guaranteed by each of our material subsidiaries (collectively, the “**Guarantors**”) and are secured by: (i) a first priority lien over all of the personal property of the Company and the Guarantors, subject to certain exclusions and permitted liens, (ii) charges over certain material leased real property interests, and (iii) a first ranking pledge of 100% of the securities of any Guarantors owned by the Company or a Guarantor. The Credit Facilities contain customary negative covenants and representations and warranties with respect to the Company and the Guarantors.

INTERESTS OF EXPERTS

The Company’s auditor is KPMG LLP, located at Hamilton, Ontario. KPMG LLP has confirmed that it is independent of the Company within the meaning of the *Chartered Professional Accountants Code of Professional Conduct (Ontario)*. To the knowledge of the Company, KPMG LLP does not own any registered or beneficial interest, directly or indirectly, in any securities or other property of the Company. A copy of the consolidated annual financial statements of the Company, including the external auditor’s report thereon, is available on the Company’s profile on SEDAR+ at www.sedarplus.ca.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of our Company’s securities and securities authorized for issuance under equity compensation plans, will be contained in the Company’s management information circular for the 2025 annual meeting of Shareholders. Additional financial information is provided in the Company’s audited annual consolidated financial statements and management’s discussion and analysis of our financial condition and results of operations for our most recently completed financial year ended December 31, 2024. Such documentation, as well as additional information relating to the Company, may be found under the Company’s profile on SEDAR+ at www.sedarplus.ca or on our website at www.andlauerheathcare.com.

SCHEDULE “A” – CHARTER OF THE AUDIT COMMITTEE

**Charter of the Audit Committee
(the “Charter”)****1. General****A. Purpose**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Andlauer Healthcare Group Inc. (the “**Company**”). The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Company’s financial controls and reporting and monitoring whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

- (1) The Committee should be comprised of a minimum of three directors and a maximum of five directors.
- (2) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”).
- (3) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- (4) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Company or any of its related parties or subsidiaries.
- (5) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements).
- (6) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee's Duties

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the Company and its subsidiaries as to the non-audit services provided to the Company and its subsidiaries by the external auditor, (iv) financial statements of the Company represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the Company and shall meet within 90 days following the end of the fiscal year of the Company. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee. The Committee shall report to the Board in a timely manner with respect to each of its meetings held, which may take the form of circulating copies of the minutes of such meeting.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of management and employees of the Company (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Company (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Company with management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the review and approval of the Company's interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

A. Disclosure

- (1) Review, approve and recommend for Board approval the Company's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion and analysis and press release.

- (2) Review, approve and recommend for Board approval the Company's annual consolidated financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related management's discussion and analysis and press release.
- (3) Review and approve any other press releases that contain material financial information and such other financial information of the Company provided to the public or any governmental body as the Committee requires.
- (4) Periodically assess and satisfy itself that adequate procedures have been put in place by management for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and the related management's discussion and analysis.
- (5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Company and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (6) Receive periodically management reports assessing the adequacy and effectiveness of the Company's disclosure controls and procedures.
- (7) Review and approve the mandate of the Company's disclosure committee.
- (8) Review the Company's disclosure committee's quarterly reports to the Committee pertaining to the disclosure committee's activities for the previous quarter.

B. Internal Control

- (1) Review management's process to identify and manage the significant risks associated with the financial disclosure of the Company, including risks relating to fraud.
- (2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.
- (3) Have the authority to communicate directly with the internal auditor, if applicable.
- (4) Receive periodical management reports assessing the adequacy and effectiveness of the Company's internal control systems.
- (5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management.

C. Relationship with the External Auditor

- (1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.
- (3) Advise the external auditor that it is required to report to the Committee, and not to management.
- (4) Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.

- (5) Review and discuss with the external auditor all critical accounting policies and practices to be used in the Company's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.
- (6) Review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Company's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
- (7) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
- (8) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, management or employees that might interfere with the independence of the external auditor.
- (9) Pre-approve all non-audit services to be provided by the external auditor to the Company and its subsidiaries, or delegate such pre-approval of non-audit services to the Chair of the Committee; provided that the Chair shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.
- (10) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (11) Periodically consult with the external auditor out of the presence of management about (a) any significant risks or exposures facing the Company, (b) internal controls and other steps that management has taken to control such risks, and (c) the completeness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (12) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

D. Audit Process

- (1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (2) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (3) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (4) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

- (5) Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (6) Review the system in place to seek to ensure that the financial statements, management's discussion and analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Process

- (1) Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.
- (2) Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no internal auditors, consider, on an annual basis, whether the Company requires internal auditors, report to the Board on the internal auditors' performance and make related recommendations to the Board.
- (3) Review all material balance sheet issues, material contingent obligations and material related party transactions.
- (4) Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. Other

- (1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business, including with respect to regulatory matters.
- (2) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (3) Review in advance, and approve, the hiring and appointment of the Company's Chief Financial Officer.
- (4) Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Company's whistleblower policy.
- (5) Consider and review annually with management and the Board the Company's information governance policies and programs, privacy, information technology and cyber security risk exposures identified by management, and the adequacy of the steps management has taken to monitor and mitigate such privacy, information technology and cyber security risks.
- (6) Consider, review and monitor the effectiveness of the Company's regulatory affairs and quality assurance systems, policies and practices.
- (7) Consider, review and monitor the Company's cash management strategy.
- (8) Consider and review as required with management and the Board, any material tax planning initiatives or pending tax audits or assessments.

- (9) Assist the Board and Compensation, Nominating and Governance Committee in relation to disclosure and compliance regarding related party transactions and other matters involving conflicts of interest, other than to the extent to which such matters fall within the mandate of the Compensation, Nominating and Governance Committee.
- (10) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Independent Advice

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Company, independent counsel and other special advisors as the Committee determines to be necessary to permit it to carry out its duties. The Committee shall have the authority to set and pay the reasonable compensation for any such advisors employed by the Committee.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

- (1) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- (2) Review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee believes to be appropriate.

8. No Rights Created

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable law and the Company's constating documents, this Charter does not create any legally binding obligations on the Committee, the Board, any director or the Company.