



MARCH 26, 2019

PRESS RELEASE

UPS partners with Matternet to transport medical samples via drone across hospital system in Raleigh, N.C.

First FAA sanctioned use of a drone for routine revenue flights involving the transport of a product under a contractual delivery agreement

Atlanta, March 26, 2019 — UPS (NYSE:UPS) today announced a groundbreaking new logistics service to deliver medical samples via unmanned drones through a collaboration with Matternet, a leader in autonomous drone technology. The program is taking place at WakeMed's flagship hospital and campus in the Raleigh, N.C., metropolitan area, with oversight by the Federal Aviation Administration and North Carolina Department of Transportation. Today's flight marks the beginning of numerous planned daily revenue flights at the WakeMed Raleigh campus.

The UPS and Matternet program represents a major milestone for unmanned aviation in the United States. Currently, the majority of medical samples and specimens are transported across WakeMed's expanding health system by courier cars. The addition of drone transport provides an option for on-demand and same-day delivery, the ability to avoid roadway delays, increase medical delivery efficiency, lower costs and improve the patient experience with potentially life-saving benefits.

NCDOT, which is working to leverage drones to expand healthcare access for the residents of North Carolina, supported Matternet in conducting first-round test flights using Matternet's drone technology on WakeMed's campus in August 2018 as part of the FAA's Unmanned Aircraft System Integration Pilot Program (IPP). The three-year FAA program aims to test practical applications of drones by partnering local governments with private sector companies to learn more about how this emerging technology can be safely and usefully integrated into day-to-day activities. The five IPP partners involved are the FAA, NCDOT, UPS, Matternet, and WakeMed.

The program will utilize Matternet's M2 quadcopter, which is powered by a rechargeable lithium-ion battery, and can carry medical payloads weighing up to about 5 lbs. over distances of up to 12.5 miles.

Throughout the WakeMed program, a medical professional will load a secure drone container with a medical sample or specimen – such as a blood sample – at one of WakeMed's nearby facilities. The drone will fly along a predetermined flight path, monitored by a specially trained Remote Pilot-in-Command (RPIC), to a fixed landing pad at WakeMed's main hospital and central pathology lab. This will be an ongoing program at WakeMed, and UPS and Matternet will use the learnings to consider how drones can be applied to improve transport services at other hospitals and medical facilities across the U.S.



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Enhancing the UPS Global Smart Logistics Network to support hospitals and other healthcare organizations remains a key element of the company's transformation strategy. Healthcare and life science logistics is a priority segment for UPS, and the company is building new relationships and technologies to deliver better patient care with streamlined logistics and supply chain.

This collaboration is the latest UPS program to utilize drone flights in support of healthcare logistics. UPS partnered with GAVI and Zipline in 2016 to deliver blood products to remote locations in Rwanda. The Matternet team has already completed more than 3,000 flights for healthcare systems in Switzerland.

[Editor's Note: *Please see adjacent quotes page for approved executive statements.*]

About UPS Healthcare

UPS provides global supply chain solutions and expertise to pharmaceutical, biopharma and medical device companies. UPS has approximately 8 million square feet of cGMP- or cGDP-compliant healthcare distribution space. UPS also maintains one of the world's largest networks of field stocking locations with approximately 900 sites. For parcels requiring strict temperature environments, from CRT to cryogenic, and those requiring around-the-clock monitoring, UPS has solutions such as UPS Temperature True™ and UPS Proactive Response™ services. UPS is committed to expanding its healthcare capabilities including recent acquisitions of Marken, CEMELOG and Poltraf, to meet the complex and evolving supply chain needs of the healthcare and life science sectors. Visit ups.com/healthcare.

About Matternet

Matternet is the developer of the world's leading technology platform for on-demand aerial delivery in urban environments. The company provides its technology platform as a service to healthcare, e-commerce and logistics organizations. In March 2017, Matternet became the first company in the world to be authorized for full operations of drone logistics networks over densely populated areas in Switzerland. In May 2018, Matternet was selected to carry out drone logistics operations for US hospitals under the FAA's drone integration program. In June 2018, Matternet formed a strategic partnership with Boeing to shape the next generation of transportation solutions. Matternet is also the exclusive partner of Mercedes-Benz Vans for integrating its drone logistics system with Mercedes-Benz Vans. For more information about Matternet, please visit: <https://mtrr.net>



PRESS RELEASE

About WakeMed Health & Hospitals

Serving the community since 1961, WakeMed is a not-for-profit health care system founded and based in Raleigh, N.C. The largest health system in Wake County, WakeMed exists to improve the health and well-being of our community by providing outstanding and compassionate care to all. The 941-bed system comprises a network of facilities throughout the Triangle area, including three full-service hospitals, seven emergency departments, a dedicated Children's Hospital and Rehabilitation Hospital, more than 80 physician offices and Wake County's only Level I Trauma Center. WakeMed's mission-driven team includes more than 9,100 employees, 1,500 volunteers, 1,300 affiliated physicians and 525 employed physicians. WakeMed is also home to WakeMed Innovations, dedicated to taking ideas from conception to reality by connecting partners, employees and providers with tools and resources to accelerate innovation and enhance patient care. For more information, visit www.wakemed.org.

About NCDOT

North Carolina's experiencing tremendous population growth as well as new challenges and opportunities. More emphasis than ever before is on transportation, and that means leveraging all of the state's transportation infrastructure to ensure a vibrant and healthy economy for future generations. To learn more, visit <https://www.ncdot.gov/about-us/our-mission/Pages/goals-vision.aspx>.

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Executive Statements:

Chris Cassidy, President of Global Healthcare & Life Sciences Strategy, UPS

“UPS Healthcare & Life Sciences is excited to expand on our current lab specimen logistics portfolio to drive step change in today’s delivery models. Using drones to bring blood and other diagnostic specimens from medical facilities to central labs will improve transport efficiencies like never before. And with fewer vehicles on the road, we’ll generate less environmental impact.”

Bala Ganesh, UPS Vice President, Advanced Technology Group, UPS

“We believe Unmanned Aerial Systems could better serve customer needs and provide opportunities for network improvements that generate efficiencies and enable us to grow our business.”

Andreas Raptopoulos, Founder & CEO, Matternet

“Together with UPS, we aim to shift the status quo for on-demand logistics for healthcare systems in the U.S. through drone delivery networks. Our technology allows hospital systems to transport medical items at an unprecedented level of speed and predictability, resulting in improved patient care and operational savings. We are excited to work with our partners to breathe new life into healthcare logistics, and help establish a new layer of ultra-fast, predictable transportation.”

Donald Gintzig, Wakemed President & CEO

“Drone transport will improve speed of deliveries at a lower cost, enhance access to care and create healthier communities. Wakemed is committed to innovation, and we believe drone technology has the potential to achieve transformative improvements in health and health care delivery.”

Bobby Walston, Director of Aviation, NCDOT

“North Carolina has always been a leader in aviation innovation, and today is a national leader in drone safety education and use. We’re excited to participate in this program and leverage this emerging technology to expand access to life-saving healthcare and medicine for the people of our state.”