TFI International

2025 ANNUAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2025

TFI International

GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company", "TFI International" and "TFI" shall mean TFI International Inc., including its operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three-month period and year ended December 31, 2025 with the corresponding three-month period and year ended December 31, 2024 and it reviews the Company's financial position as of December 31, 2025. It also includes a discussion of the Company's affairs up to February 17, 2026, which is the date of this MD&A. The MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2025.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") unless otherwise noted. All amounts are in United States dollars (U.S. dollars), and the term "dollar", as well as the symbol "$", designate U.S. dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's audited consolidated financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on February 17, 2026. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at www.tfiintl.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website, or directly through the SEDAR system at www.sedarplus.ca, or through the EDGAR system at www.sec.gov/edgar.shtml.

FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "might", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", "to its knowledge", "could", "design", "forecast", "goal", "hope", "intend", "likely", "predict", "project", "seek", "should", "target", "will", "would" or "continue" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variations and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, imposing of tariffs or changes to the rates of tariffs and their impact on the market, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, credit market liquidity, and the Company's ability to identify, negotiate, consummate and successfully integrate business acquisitions.

The foregoing list should not be construed as exhaustive, and the Company disclaims any subsequent obligation to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) *(in thousands of U.S. dollars, except per share data)*	Three months ended December 31			Years ended December 31		
	2025	2024	2023	**2025**	2024	2023
Revenue	**1,679,658**	1,826,675	1,674,114	**6,913,039**	7,304,626	6,416,886
Fuel surcharge	**234,334**	250,212	294,564	**971,632**	1,092,204	1,104,281
Total revenue	**1,913,992**	2,076,887	1,968,678	**7,884,671**	8,396,830	7,521,167
Adjusted EBITDA[1]	**279,628**	315,319	320,938	**1,170,530**	1,320,971	1,187,940
Operating income	**127,194**	160,233	198,257	**565,316**	718,962	757,635
Net income	**71,652**	88,115	131,386	**310,553**	422,484	504,877
Adjusted net income[1]	**89,523**	101,835	147,020	**364,915**	489,523	538,333
Net cash from operating activities	**282,196**	262,364	302,580	**977,788**	1,062,651	1,013,839
Free cash flow[1]	**258,855**	207,521	243,788	**832,288**	768,625	775,895
Per share data						
EPS – diluted	**0.87**	1.03	1.53	**3.72**	4.96	5.80
Adjusted EPS – diluted[1]	**1.09**	1.19	1.71	**4.37**	5.75	6.18
Dividends	**0.47**	0.45	0.40	**1.82**	1.65	1.45
As a percentage of revenue before fuel surcharge						
Adjusted EBITDA margin[1]	**16.6%**	17.3%	19.2%	**16.9%**	18.1%	18.5%
Depreciation of property and equipment	**5.1%**	5.0%	3.8%	**5.1%**	4.6%	3.9%
Depreciation of right-of-use assets	**2.6%**	2.4%	2.1%	**2.5%**	2.3%	2.1%
Amortization of intangible assets	**1.3%**	1.1%	1.0%	**1.3%**	1.1%	0.9%
Operating margin[1]	**7.6%**	8.8%	11.8%	**8.2%**	9.8%	11.8%
Adjusted operating ratio[1]	**92.3%**	91.2%	87.7%	**91.9%**	89.9%	88.4%

Q4 Highlights

- Operating income of $127.2 million compared to $160.2 million the same quarter last year.
- Net income of $71.7 million compared to $88.2 million in Q4 2024, and diluted earnings per share (diluted "EPS") of $0.87 compared to $1.03 in Q4 2024.
- Adjusted net income[1], a non-IFRS measure, of $89.5 million compared to $101.8 million in Q4 2024.
- Adjusted diluted EPS[1], a non-IFRS measure, of $1.09 compared to $1.19 in Q4 2024.
- Net cash from operating activities of $282.2 million increased 8% from $262.4 million in Q4 2024.
- Free cash flow[1], a non-IFRS measure, of $258.9 million increased 25% from $207.5 million in Q4 2024.
- The Company's reportable segments performed as follows:
  - Less-Than-Truckload operating income of $61.5 million compared to $70.3 million in the year-earlier period;
  - Truckload operating income of $48.2 million compared to $59.7 million in the year-earlier period; and
  - Logistics operating income of $31.3 million compared to $42.9 million in the year-earlier period.
- On December 15, 2025, the Board of Directors of TFI declared a quarterly dividend of $0.47 per share paid on January 15, 2026, a 4% increase over the quarterly dividend of $0.45 per share declared in Q4 2024. The annualized dividend[1] represents 17.8% of the trailing twelve-month free cash flow.
- During the fourth quarter, the Company returned $54.1 million of capital to shareholders through $36.7 million in quarterly dividends and $17.4 million of share repurchases, as the Company repurchased and cancelled 190,000 shares.
- During the quarter, TFI International acquired Hearn Industrial Services ("Hearn"), which now operates as part of the Logistics business segment.

[1] This is a non-IFRS measure. For a reconciliation, please r*efer to the "Non-IFRS financial measures" section below.*

ABOUT TFI INTERNATIONAL

Services

TFI International is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency. TFI International companies service the following reportable segments:

- Less-Than-Truckload ("LTL");
- Truckload ("TL");
- Logistics.

Seasonality of operations

The activities conducted by the Company are subject to general demand for freight transportation. Historically, demand has been relatively stable with the weakest generally occurring during the first quarter. Furthermore, during the winter months, fuel consumption and maintenance costs tend to rise.

Human resources

As at December 31, 2025, the Company had 25,875 employees throughout TFI International's various business segments across North America. This compares to 27,205 employees as at December 31, 2024. The year-over-year decrease of 1,330 employees is attributable to rationalizations affecting 2,337 employees, offset by business acquisitions that added 1,007 employees. The Company believes that it has a relatively low turnover rate among its employees in Canada, and a normal turnover rate in the U.S. comparable to other U.S. carriers, and that its employee relations are very good.

Equipment

The Company is a significant transportation provider throughout North America. As at December 31, 2025, the Company had 12,927 trucks, 40,687 trailers and 6,194 independent contractors. This compares to 14,243 trucks, 45,453 trailers and 7,592 independent contractors as at December 31, 2024.

Facilities

TFI International's head office is in Montréal, Québec and has executive offices in Etobicoke, Ontario, Dallas, Texas and Palm Beach Gardens, Florida. As at December 31, 2025, the Company had 632 facilities, as compared to 658 facilities as at December 31, 2024. Of these 632 facilities, 379 are located in the United States and 253 are located in Canada. In the last twelve months, 17 facilities were added from business acquisitions while terminal consolidation decreased the total number of facilities by 43, across all segments.

Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offerings and the range of segments in which it operates, a downturn in the activities of an individual customer or customers in a particular industry would not be expected to have a material adverse impact on operations. The Company has forged strategic partnerships with other transport companies in order to extend its service offerings to customers across North America.

Revenue by Top Customers' Industry[1]	2025	Years ended December 31 2024
Manufactured Goods	19%	17%
Retail	18%	18%
Building Materials	11%	13%
Metals & Mining	10%	10%
Automotive	9%	10%
Food & Beverage	7%	8%
Services	7%	7%
Energy	6%	3%
Chemicals & Explosives	5%	6%
Waste Management	3%	3%
Forest Products	3%	2%
Others	2%	1%
Maritime Containers	1%	1%

[1] This measure is calculated by obtaining the top 30 customers of each operating entity and also excluding revenues related to customers in the transportation and logistics business. This represents 62% of the total revenue in the year ended December 31, 2025 (58% of the total revenue in the year ended December 31, 2024).

CONSOLIDATED RESULTS

This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented Results" section.

2025 business acquisitions

In line with its growth strategy, the Company acquired four businesses during 2025, and one subsequent to year end.

On December 15, 2025, TFI International acquired Hearn Industrial Services ("Hearn"). Hearn operates across North America primarily servicing clientele in the automotive industry. Hearn provides supply chain services, including general warehousing, sequencing, bulk metering and assembly, and transportation services. Hearn will be reported in the Logistics segment.

Of the additional three acquisitions, all of which were acquired in second quarter, Basin Transportation LLC and Veilleux Transit Inc. are reported in the Truckload segment, and AES Logistics is reported in the Logistics segment.

Subsequent to year end the Company acquired Benchmark Logistics and Triangle Warehouse Inc., this will be reported in the Truckload segment.

Revenue

For the three months ended December 31, 2025, revenue before fuel surcharge was $1,679.7 million, as compared to $1,826.7 million in Q4 2024. The decrease was mainly attributable to a weakened market which resulted in weaker volumes and was partially offset by contributions from business acquisitions of $16.4 million.

For the year ended December 31, 2025, revenue before fuel surcharge was $6.91 billion, as compared to $7.30 billion in Q4 2024. The decrease was mainly attributable to a weakened market which resulted in weaker volumes, partially offset by contributions from business acquisitions of $346.1 million.

Operating expenses

For the three months ended December 31, 2025, the Company's operating expenses decreased by $129.9 million, to $1,786.8 million, from $1,916.7 million in Q4 2024. This decrease was due primarily to a decrease in revenues and the Company's effort to reduce expenses, offset partially by an increase from business acquisitions of $14.0 million.

For the three months ended December 31, 2025, materials and services expenses, net of fuel surcharge, decreased by $66.7 million, to $715.4 million from $782.1 million in the same period last year due primarily to the decrease in volumes, and partially offset by an increase from business acquisitions of $5.5 million.

For the three months ended December 31, 2025, personnel expense decreased 5% to $587.9 million from $619.1 million in Q4 2024. The decrease is primarily related to the decrease in volumes and was offset partially by the increase from business acquisitions of $5.1 million.

Other operating expenses, which are primarily comprised of costs related to office and terminal rent, taxes, heating, telecommunications, maintenance and security and other general and administrative expenses, decreased by $8.6 million for the three months ended December 31, 2025, as compared to the same period last year. The decrease related primarily to a decrease in the building repairs and maintenance and decrease in the bad debt expense.

For the year ended December 31, 2025, the Company's operating expenses decreased by $358.5 million from $7.68 billion in 2024 to $7.32 billion in 2025. The decrease is a result of reduced volumes from existing operations which reduced the operating expenses by $731.9 million, including decreases of $481.9 million in materials and service expenses, $187.6 million in personnel expenses and $38.0 million in other operating expenses, and was partially offset by contributions from business acquisitions of $373.4 million.

Operating income

For the three months ended December 31, 2025, the Company's operating income was $127.2 million compared to $160.2 million during the same quarter in 2024. The decrease is primarily attributable to the decline in revenues from existing operations as a result of weaker market demand in the quarter and is partially offset by contributions from business acquisitions of $2.8 million.

For the year ended December 31, 2025, the Company's operating income was $565.3 million as compared to $719.0 million in the same period in 2024. The decrease is primarily attributable to the decline in revenues from existing operations as a result of weaker market demand and is partially offset by $19.7 million in restructuring related expenses for Daseke in Q2 2024 and contributions from business acquisitions of $12.8 million.

Finance income and costs

(unaudited) *(in thousands of U.S. dollars)*	Three months ended December 31		Years ended December 31	
	2025	2024	**2025**	2024
Interest expense on long-term debt	**28,764**	32,255	**119,345**	127,062
Interest expense on lease liabilities	**6,640**	6,979	**26,509**	24,904
Interest income	**(744)**	(772)	**(1,795)**	(7,723)
Net change in fair value and accretion expense of contingent considerations	**(558)**	15	**(517)**	(6,037)
Net foreign exchange (gain) loss	**(542)**	716	**380**	3,786
Others	**4,878**	4,296	**16,034**	16,247
Net finance costs	**38,438**	43,489	**159,956**	158,239

Interest expense

Interest expense on long-term debt for the three-month period ended December 31, 2025 decreased by $3.5 million as compared to the same quarter last year as the average level of debt decreased from $2.50 billion to $2.44 billion, due to repayments of debt, and the average rate decreased from 5.17% to 4.70%, driven by rate reductions in the Company's floating rate debt, repayment of higher rate debt, as well as refinancing of higher rate debt with lower rate debt.

Interest expense on long-term debt for the year ended December 31, 2025 decreased by $7.7 million, as compared to the same period last year, as the average interest rate decreased from 5.19% to 4.86%. This was partially offset by rise in the average level of debt from $2.44 billion to $2.46 billion. Interest income decreased by $5.9 million from $7.7 million to $1.8 million in the current period. The decrease is due to a reduction in cash primarily held in Q1 2024 prior to the acquisition of Daseke.

Net foreign exchange gain or loss and net investment hedge

The Company designates as a hedge a portion of its U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income. Net foreign exchange gains or losses recorded in income or loss are attributable to the translation of the U.S. dollar portion of the Company's credit facilities not designated as a hedge and to the translation of other financial assets and liabilities denominated in currencies other than the functional currency. For the three-month period ended December 31, 2025, a gain of $30.5 million of foreign exchange variations (a gain of $30.6 million net of tax) was recorded to other comprehensive income as it relates to the translation of the debt in the net investment hedge. For the three-month period ended December 31, 2024, a loss of $103.6 million of foreign exchange variations (a loss of $104.1 million net of tax) was recorded to other comprehensive income as it relates to the translation of the debt in the net investment hedge.

For the year ended December 31, 2025, a gain of $84.8 million of foreign exchange variations (a gain of $84.8 million net of tax) was recorded to other comprehensive income as it relates to the translation of the debt in the net investment hedge. For the year ended December 31, 2024, a loss of $136.1 million of foreign exchange variations (a loss of $135.1 million net of tax) was recorded to other comprehensive income as it relates to the translation of the debt in the net investment hedge.

Income tax expense

For the three months ended December 31, 2025, the Company's effective tax rate was 19.3%. The income tax expense of $17.1 million reflects a $6.4 million favorable variance versus an anticipated income tax expense of $23.5 million based on the Company's statutory tax rate of 26.5%. The favorable variance is due to a favorable variation from tax deductions and tax-exempt income of $4.3 million and adjustments for prior years of $4.4 million, partially offset by an unfavorable variation from non-deductible expenses of $1.0 million. For the three months ended December 31, 2024, the Company's effective tax rate was 24.5%. The income tax expense of $28.6 million reflects a $2.3 million favorable variance versus an anticipated income tax expense of $30.9 million based on the Company's statutory tax rate of 26.5%. The favorable variance is due to a favorable variation from tax deductions and tax-exempt income of $6.2 million and partially offset by an unfavorable variation from non-deductible expenses of $1.5 million.

For the year ended December 31, 2025, the Company's effective tax rate was 23.4%. The income tax expense of $94.8 million reflects a $12.6 million favorable variance versus an anticipated income tax expense of $107.4 million based on the Company's statutory tax rate of 26.5%. The favorable variance is due to a favorable variation from tax deductions and tax-exempt income of $16.4 million and adjustments from prior periods of $3.1 million, offset partially by unfavorable variations from non-deductible expenses of $4.8 million. For the year ended December 31, 2024, the Company's effective tax rate was 24.7%. The income tax expense of $138.2 million reflects a $10.4 million favorable variance versus an anticipated income tax expense of $148.6 million based on the Company's statutory tax rate of 26.5%. The favorable variance is mainly due to favorable variations from tax deductions and tax-exempt income of $17.0 million.

Net income and adjusted net income

(unaudited) *(in thousands of U.S. dollars, except per share data)*		Three months ended December 31			Years ended December 31	
	2025	2024	2023	**2025**	2024	2023
Net income	**71,652**	88,115	131,386	**310,553**	422,484	504,877
Amortization of intangible assets related to business acquisitions	**18,801**	18,908	15,598	**76,490**	73,682	56,160
Net change in fair value and accretion expense of contingent considerations	**(558)**	15	31	**(517)**	(6,037)	165
Net foreign exchange (gain) loss	**(542)**	716	(1,620)	**380**	3,786	(491)
Loss on sale of business and direct attributable costs	**—**	—	—	**—**	—	3,011
(Gain) loss, net of impairment, on sale of land and buildings and assets held for sale	**2,635**	529	7,026	**(5,382)**	192	(14,721)
Restructuring from business acquisitions	**—**	—	—	**—**	19,748	—
Tax impact of adjustments	**(2,465)**	(6,448)	(5,401)	**(16,609)**	(24,332)	(10,668)
Adjusted net income[1]	**89,523**	101,835	147,020	**364,915**	489,523	538,333
Adjusted EPS – basic[1]	**1.09**	1.20	1.73	**4.39**	5.79	6.27
Adjusted EPS – diluted[1]	**1.09**	1.19	1.71	**4.37**	5.75	6.18

For the three months ended December 31, 2025, TFI International's net income was $71.7 million as compared to $88.1 million in Q4 2024. The Company's adjusted net income[1], a non-IFRS measure, which excludes items listed in the above table, was $89.5 million as compared to $101.8 million in Q4 2024. EPS, fully diluted, was $0.87 compared to $1.03 in Q4 2024, and adjusted EPS[1], fully diluted, of $1.09 compared to $1.19 in Q4 2024.

For the year ended December 31, 2025, TFI International's net income was $310.6 million as compared to $422.5 million in 2024. The Company's adjusted net income[1], a non-IFRS measure, which excludes items listed in the above table, was $364.9 million as compared to $489.5 million in 2024. EPS, fully diluted, was $3.72 compared to $4.96 in 2024, and adjusted EPS[1], fully diluted, of $4.37 compared to $5.75 in 2024.

[1] *This is a non-IFRS. For the reconciliation, refer to the "Non-IFRS financial measures" section below.*

SEGMENTED RESULTS

To facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that "Total revenue" is not affected by this reallocation.

Selected segmented financial information

(unaudited) *(in thousands of U.S. dollars)*	Less-Than-Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Three months ended December 31, 2025						
Revenue before fuel surcharge[1]	**660,516**	**674,179**	**358,097**	**—**	**(13,134)**	**1,679,658**
% of total revenue[2]	**41%**	**39%**	**19%**			**100%**
Adjusted EBITDA[3]	**115,192**	**130,945**	**47,245**	**(13,754)**	**—**	**279,628**
Adjusted EBITDA margin[3,4]	**17.4%**	**19.4%**	**13.2%**			**16.6%**
Operating income (loss)	**61,542**	**48,196**	**31,291**	**(13,835)**	**—**	**127,194**
Operating margin[3,4]	**9.3%**	**7.1%**	**8.7%**			**7.6%**
Total assets less intangible assets[3]	**2,083,936**	**1,853,433**	**445,553**	**261,877**	**—**	**4,644,799**
Net capital expenditures[3]	**26,770**	**11,548**	**925**	**—**	—	**39,243**
Three months ended December 31, 2024						
Revenue before fuel surcharge[1]	737,291	693,240	410,198	—	(14,054)	1,826,675
% of total revenue[2]	42%	38%	21%			101%
Adjusted EBITDA[3]	123,595	147,426	58,121	(13,823)	—	315,319
Adjusted EBITDA margin[3,4]	16.8%	21.3%	14.2%			17.3%
Operating income (loss)	70,326	59,652	42,896	(12,641)	—	160,233
Operating margin[3,4]	9.5%	8.6%	10.5%			8.8%
Total assets less intangible assets[3]	2,222,181	1,882,637	363,881	54,194		4,522,893
Net capital expenditures[3]	14,651	15,766	1,629	126	—	32,172
Years ended December 31, 2025						
Revenue before fuel surcharge[1]	**2,730,208**	**2,733,421**	**1,503,929**	**—**	**(54,519)**	**6,913,039**
% of total revenue[2]	**41%**	**39%**	**20%**			**100%**
Adjusted EBITDA[3]	**464,640**	**556,649**	**194,024**	**(44,783)**	**—**	**1,170,530**
Adjusted EBITDA margin[3,4]	**17.0%**	**20.4%**	**12.9%**			**16.9%**
Operating income (loss)	**259,953**	**220,145**	**131,279**	**(46,061)**	**—**	**565,316**
Operating margin[3,4]	**9.5%**	**8.1%**	**8.7%**			**8.2%**
Total assets less intangible assets[3]	**2,083,936**	**1,853,433**	**445,553**	**261,877**	**—**	**4,644,799**
Net capital expenditures[3]	**56,043**	**100,287**	**5,647**	**187**	**—**	**162,164**
Years ended December 31, 2024						
Revenue before fuel surcharge[1]	3,085,727	2,551,540	1,720,976	—	(53,617)	7,304,626
% of total revenue[2]	44%	35%	22%			101%
Adjusted EBITDA[3]	577,308	557,358	242,746	(56,441)	—	1,320,971
Adjusted EBITDA margin[3,4]	18.7%	21.8%	14.1%			18.1%
Operating income	361,235	252,435	182,363	(77,071)	—	718,962
Operating margin[3,4]	11.7%	9.9%	10.6%			9.8%
Total assets less intangible assets[3]	2,222,181	1,882,637	363,881	54,194	—	4,522,893
Net capital expenditures[3]	124,401	125,240	5,561	730	—	255,932

[1] Includes intersegment revenue.
[2] Segment revenue including fuel surcharge and intersegment revenue to consolidated revenue including fuel surcharge and intersegment revenue.
[3] This is a non-IFRS measure. For a reconciliation, refer to the "Non-IFRS financial measures" section below.
[4] As a percentage of revenue before fuel surcharge.

Less-Than-Truckload

(unaudited)	Three months ended December 31				Years ended December 31			
(in thousands of U.S. dollars)	**2025**	**%**	2024	**%**	**2025**	**%**	2024	**%**
Total revenue	**792,477**		876,140		**3,270,514**		3,702,934	
Fuel surcharge	**(131,961)**		(138,849)		**(540,306)**		(617,207)	
Revenue	**660,516**	**100.0%**	737,291	100.0%	**2,730,208**	**100.0%**	3,085,727	100.0%
Materials and services expenses (net of fuel surcharge)	**195,723**	**29.6%**	228,316	31.0%	**799,742**	**29.3%**	924,269	30.0%
Personnel expenses	**303,982**	**46.0%**	330,121	44.8%	**1,272,225**	**46.6%**	1,360,982	44.1%
Other operating expenses	**45,444**	**6.9%**	55,080	7.5%	**193,664**	**7.1%**	222,619	7.2%
Depreciation of property and equipment	**32,888**	**5.0%**	36,896	5.0%	**137,944**	**5.1%**	150,665	4.9%
Depreciation of right-of-use assets	**12,782**	**1.9%**	12,349	1.7%	**50,236**	**1.8%**	50,328	1.6%
Amortization of intangible assets	**2,966**	**0.4%**	3,001	0.4%	**12,281**	**0.4%**	12,531	0.4%
(Gain) loss on sale of rolling stock and equipment	**166**	**0.0%**	197	0.0%	**(43)**	**-0.0%**	513	0.0%
(Gain) loss on derecognition of right-of-use assets	**9**	**0.0%**	(18)	-0.0%	**(20)**	**-0.0%**	36	0.0%
Loss, net of impairment, on sale of land and buildings and assets held for sale	**5,014**	**0.8%**	1,023	0.1%	**4,226**	**0.2%**	2,549	0.1%
Operating income	**61,542**	**9.3%**	70,326	9.5%	**259,953**	**9.5%**	361,235	11.7%
Adjusted EBITDA[1]	**115,192**	**17.4%**	123,595	16.8%	**464,640**	**17.0%**	577,308	18.7%

[1] This is a non-IFRS measure. For a reconciliation, refer to the "Non-IFRS financial measures" section below.

Operational data *(unaudited)* ***(Revenue in U.S. dollars)***	**2025**	2024	Variance	%	**2025**	2024	Variance	%
	Three months ended December 31				**Years ended December 31**			
LTL								
Adjusted Operating Ratio[2]	**89.9%**	90.3%			**90.3%**	88.2%		
Return on invested capital[2]	**12.2%**	16.4%						
U.S. LTL								
Revenue (in thousands of dollars)	**394,934**	449,722	(54,788)	-12.2%	**1,683,695**	1,905,732	(222,037)	-11.7%
GFP Revenue (in thousands of dollars)	**27,993**	34,312	(6,319)	-18.4%	**130,443**	208,065	(77,622)	-37.3%
FSC Revenue (in thousands of dollars)	**78,419**	80,170	(1,751)	-2.2%	**328,581**	375,768	(47,187)	-12.6%
Adjusted Operating Ratio[2]	**95.3%**	97.3%			**95.1%**	93.1%		
Revenue per hundredweight (excluding fuel)[1]	**$26.13**	$27.73	$(1.60)	-5.8%	**$26.20**	$27.80	$(1.60)	-5.8%
Revenue per shipment (excluding fuel)[1]	**$335.26**	$340.18	$(4.92)	-1.4%	**$333.21**	$339.16	$(5.95)	-1.8%
Revenue per hundredweight (including fuel)[1]	**$31.31**	$32.67	$(1.36)	-4.2%	**$31.31**	$33.28	$(1.97)	-5.9%
Revenue per shipment (including fuel)[1]	**$401.83**	$400.83	$1.00	0.2%	**$398.24**	$406.03	$(7.79)	-1.9%
Tonnage (in thousands of tons)[1]	**756**	811	(55)	-6.8%	**3,213**	3,428	(215)	-6.3%
Shipments (in thousands)[1]	**1,178**	1,322	(144)	-10.9%	**5,053**	5,619	(566)	-10.1%
Average weight per shipment (in lbs)[1]	**1,284**	1,227	57	4.6%	**1,272**	1,220	52	4.3%
Average length of haul (in miles)[1]	**1,122**	1,194	(72)	-6.0%	**1,139**	1,170	(31)	-2.6%
Cargo claims (% revenue)	**0.9%**	0.9%			**0.8%**	0.7%		
Vehicle count, average[3]	**4,081**	4,515	(434)	-9.6%	**4,237**	4,151	86	2.1%
Truck age[4]	**4.4**	4.2	0.2	4.8%	**4.4**	4.4	—	0.0%
Business days	**62**	62	—	—	**253**	254	(1)	-0.4%
Return on invested capital[2]	**8.2%**	12.5%						
Canadian LTL								
Revenue (in thousands of dollars)	**124,021**	134,653	(10,632)	-7.9%	**507,462**	551,440	(43,978)	-8.0%
FSC Revenue (in thousands of dollars)	**28,161**	30,119	(1,958)	-6.5%	**116,388**	136,387	(19,999)	-14.7%
Adjusted Operating Ratio[2]	**81.7%**	81.0%			**80.9%**	78.4%		
Revenue per hundredweight (excluding fuel)	**$11.01**	$11.06	$(0.05)	-0.5%	**$11.01**	$11.08	$(0.07)	-0.6%
Revenue per shipment (excluding fuel)	**$231.38**	$230.18	$1.20	0.5%	**$232.35**	$228.62	$3.73	1.6%
Revenue per hundredweight (including fuel)[1]	**$13.52**	$13.53	$(0.01)	-0.1%	**$13.54**	$13.82	$(0.28)	-2.0%
Revenue per shipment (including fuel)[1]	**$283.92**	$281.66	$2.26	0.8%	**$285.65**	$285.17	$0.48	0.2%
Tonnage (in thousands of tons)	**563**	609	(46)	-7.6%	**2,304**	2,489	(185)	-7.4%
Shipments (in thousands)	**536**	585	(49)	-8.4%	**2,184**	2,412	(228)	-9.5%
Average weight per shipment (in lbs)	**2,101**	2,092	9	0.4%	**2,110**	2,064	46	2.2%
Average length of haul (in miles)	**899**	842	57	6.8%	**855**	791	64	8.1%
Cargo claims (% revenue)	**0.0%**	0.3%			**0.1%**	0.3%		
Vehicle count, average	**780**	920	(140)	-15.2%	**827**	923	(96)	-10.4%
Truck age	**4.1**	4.4	(0.3)	-6.8%	**4.0**	4.4	(0.4)	-9.1%
Business days	**63**	63	—	0.0%	**251**	252	(1)	-0.4%
Return on invested capital[2]	**16.0%**	18.5%						
Package and Courier								
Revenue (in thousands of dollars)	**123,269**	125,033	(1,764)	-1.4%	**446,046**	445,409	637	0.1%
FSC Revenue (in thousands of dollars)	**26,070**	29,421	(3,351)	-11.4%	**98,296**	109,037	(10,741)	-9.9%
Adjusted Operating Ratio[2]	**80.5%**	73.9%			**82.5%**	77.9%		
Revenue per pound (including fuel)*	**$0.51**	$0.56	$(0.05)	-8.9%	**$0.53**	$0.55	$(0.02)	-3.6%
Revenue per pound (excluding fuel)*	**$0.42**	$0.45	$(0.03)	-6.7%	**$0.43**	$0.44	$(0.01)	-2.3%
Revenue per package (including fuel)*	**$7.86**	$7.83	$0.03	0.4%	**$7.58**	$7.87	$(0.29)	-3.7%
Revenue per package (excluding fuel)*	**$6.49**	$6.34	$0.15	2.4%	**$6.21**	$6.32	$(0.11)	-1.7%
Tonnage (in thousands of tons)*	**146**	138	8	5.8%	**514**	503	11	2.2%
Packages (in thousands)*	**18,988**	19,726	(738)	-3.7%	**71,853**	70,435	1,418	2.0%
Average weight per package (in lbs)*	**15.38**	13.99	1.39	9.9%	**14.31**	14.28	0.03	0.2%
Vehicle count, average	**843**	926	(83)	-9.0%	**867**	940	(73)	-7.8%
Weekly revenue per vehicle (incl. fuel, in thousands of U.S. dollars)	**$13.63**	$12.83	$0.80	6.2%	**$12.07**	$11.34	$0.73	6.4%
Business days	**63**	63	—	0.0%	**251**	252	(1)	-0.4%
Return on invested capital[2]	**17.2%**	23.5%						

[1] Operational statistics exclude figures from Ground Freight Pricing ("GFP").
[2] This is a non-IFRS measure. For a reconciliation please refer to the "Non-IFRS and Other Financial Measures" section below.
3 As at December 31, 2025, the active vehicle count was 3,245 (December 31, 2024 - 3,468)
[4] The truck age for U.S. LTL operations has been presented for active trucks.
[*] The amount of tonnage and packages in Package and Courier have been recasted to exclude intra-segment amounts which were not previously eliminated from the operational data. Other measures calculated using this data have also been adjusted.

Revenue

For the three-months ended December 31, 2025, revenue decreased by $76.8 million, or 10%, to $660.5 million. This decrease is mostly due to a $61.1 million reduction in existing U.S. LTL operations, including Ground with Freight pricing (GFP), combined with an $10.6 million decrease in existing Canadian LTL operations.

The reduction in U.S. LTL revenue is explained by both the LTL and Ground with Freight pricing (GFP) operations. LTL tonnage decreased 6.8%, and LTL revenue per hundredweight (excluding fuel surcharge revenue) was down 5.8%. The reduction in tonnage is explained by a 10.9% reduction in shipments, partially offset by a 4.6% increase in weight per shipment. The reduction in GFP revenue is mostly explained by a 22.7% reduction in volume. Canadian LTL revenue reduction was mostly driven by a 7.6% decrease in tonnage combined with a 0.5% reduction in revenue per hundredweight (excluding fuel surcharge revenue). This decrease in tonnage is coming from an 8.4% decrease in shipment count partially offset by a 0.4% increase in weight per shipment.

For the year ended December 31, 2025, revenue decreased $355.5 million, or 12%, to $2,730.2 million. The decrease is mostly due to a reduction in revenues from existing operations of $370.0 million partially offset by a $14.5 million contribution from business acquisitions.

Operating expenses

For the three-months ended December 31, 2025, materials and services expenses, net of fuel surcharge revenue, decreased $32.6 million, or 14%, attributable mostly to a $29.0 million reduction in sub-contractor costs, combined with an $8.6 million decrease in rolling stock maintenance and a $4.2 million reduction in fuel costs, partly offset by a $6.9 million decrease in fuel surcharge revenue. Personnel expenses decreased $26.1 million, or 8%, from a reduction in direct labor and administrative salaries, mostly from volume reduction. Other operating expenses decreased $9.6 million or 17%, mostly from a $3.3 million reduction in real estate costs, combined with a $4.4 million reduction in bad debt expenses. Depreciation of property and equipment was down $4.0 million, or 11%, mostly from a $4.2 million reduction in rolling stock depreciation. Loss on sale of land and building and assets held for sale, net of impairment, was down $4.0 million. As of December 31, 2025, the LTL segment's terminals had 12,458 doors, of which 9,896 are owned.

For the year ended December 31, 2025, materials and services expenses, net of fuel surcharge revenue, decreased $124.5 million, or 13%, attributable to a $150.9 million reduction in sub-contractor costs, combined with a $24.3 million reduction in fuel costs and a $26.9 million reduction in rolling stock maintenance and repair and tire expense, partly offset by a $76.9 million decrease in fuel surcharge revenue. Personnel expenses decreased $88.8 million, or 7%, again from volume reduction. Other operating expenses decreased $29.0 million or 13%, mostly from a $6.2 million reduction in real estate costs, combined with a $6.3 million reduction in external personnel and third-party commission, an $8.9 million reduction in professional fees and IT cost and a $10.5 million reduction in bad debt and various other expenses. Depreciation of property and equipment was down $12.7 million, or 8%, mostly from an $11.0 million reduction in rolling stock depreciation.

Operating income

Operating income for the three months ended December 31, 2025, decreased $8.8 million to $61.5 million. Adjusted operating ratio, a non-IFRS measure, of the LTL operations was 89.9% in the fourth quarter of 2025 as compared to 90.3% in the same prior year period.

For the year ended December 31, 2025, operating income decreased $101.3 million, or 28%, to $260.0 million.

Return on invested capital, a non-IFRS measure, of the LTL segment was 12.2% for the year ended December 31, 2025, as compared to 16.4% in the same prior year period.

Truckload

(unaudited)	Three months ended December 31				Years ended December 31			
(in thousands of U.S. dollars)	**2025**	**%**	2024	%	**2025**	**%**	2024	%
Total revenue	**761,247**		786,338		**3,097,231**		2,937,305	
Fuel surcharge	**(87,068)**		(93,098)		**(363,810)**		(385,765)	
Revenue	**674,179**	**100.0%**	693,240	100.0%	**2,733,421**	**100.0%**	2,551,540	100.0%
Materials and services expenses (net of fuel surcharge)	**307,492**	**45.6%**	309,798	44.7%	**1,246,918**	**45.6%**	1,125,653	44.1%
Personnel expenses	**210,727**	**31.3%**	209,941	30.3%	**830,124**	**30.4%**	783,894	30.7%
Other operating expenses	**29,541**	**4.4%**	25,787	3.7%	**112,620**	**4.1%**	94,835	3.7%
Depreciation of property and equipment	**50,172**	**7.4%**	53,071	7.7%	**204,799**	**7.5%**	173,489	6.8%
Depreciation of right-of-use assets	**25,797**	**3.8%**	26,233	3.8%	**104,274**	**3.8%**	100,221	3.9%
Amortization of intangible assets	**9,162**	**1.4%**	8,964	1.3%	**36,952**	**1.4%**	33,534	1.3%
(Gain) loss on sale of rolling stock and equipment	**(4,407)**	**-0.7%**	242	0.0%	**(12,709)**	**-0.5%**	(10,281)	-0.4%
(Gain) loss on derecognition of right-of-use assets	**(119)**	**-0.0%**	46	0.0%	**(181)**	**-0.0%**	81	0.0%
Gain on sale of land and buildings and assets held for sale	**(2,382)**	**-0.4%**	(494)	-0.1%	**(9,521)**	**-0.3%**	(2,321)	-0.1%
Operating income	**48,196**	**7.1%**	59,652	8.6%	**220,145**	**8.1%**	252,435	9.9%
Adjusted EBITDA[1]	**130,945**	**19.4%**	147,426	21.3%	**556,649**	**20.4%**	557,358	21.8%

Operational data	Three months ended December 31				Years ended December 31			
(unaudited)	**2025**	2024	Variance	%	**2025**	2024	Variance	%
Truckload								
Adjusted operating ratio[1]	**93.2%**	91.5%			**92.3%**	90.2%		
Revenue per truck per week (excluding fuel)	**$4,289**	$4,135	$154	3.7%	**$4,251**	$4,212	$39	0.9%
Revenue per truck per week (including fuel)	**$4,971**	$4,803	$168	3.5%	**$4,945**	$4,979	$(34)	-0.7%
Return on invested capital[1]	**5.8%**	8.4%						
Specialized TL								
Revenue (in thousands of U.S. dollars)	**517,307**	531,890	(14,583)	-2.7%	**2,079,213**	1,930,164	149,049	7.7%
Brokerage revenue (in thousands of U.S. dollars)	**96,464**	87,164	9,300	10.7%	**396,134**	322,535	73,599	22.8%
FSC (in thousands of U.S. dollars)	**77,756**	81,814	(4,058)	-5.0%	**324,700**	334,698	(9,998)	-3.0%
Adjusted operating ratio[1]	**93.4%**	91.6%			**92.6%**	90.2%		
Revenue per truck per week (excluding fuel)	**$4,524**	$4,298	$226	5.3%	**$4,427**	$4,396	$31	0.7%
Revenue per truck per week (including fuel)	**$5,204**	$4,959	$245	4.9%	**$5,118**	$5,158	$(40)	-0.8%
Truck count, average	**6,469**	6,888	(419)	-6.1%	**6,610**	6,109	501	8.2%
Trailer count, average	**18,424**	20,392	(1,968)	-9.7%	**19,203**	17,819	1,384	7.8%
Truck age	**3.2**	3.2	0.0	0.0%	**3.2**	3.2	0.0	0.0%
Trailer age	**11.6**	11.2	0.4	3.6%	**11.6**	11.2	0.4	3.6%
Number of owner operators, average	**2,327**	2,631	(304)	-11.6%	**2,422**	2,335	87	3.7%
Return on invested capital[1]	**5.6%**	8.5%						
Canadian based Conventional TL								
Revenue (in thousands of U.S. dollars)	**39,702**	46,511	(6,809)	-14.6%	**165,087**	195,256	(30,169)	-15.5%
Brokerage revenue (in thousands of U.S. dollars)	**23,016**	29,771	(6,755)	-22.7%	**101,755**	112,702	(10,947)	-9.7%
FSC (in thousands of U.S. dollars)	**9,411**	11,473	(2,062)	-18.0%	**39,822**	52,122	(12,300)	-23.6%
Adjusted operating ratio[1]	**91.1%**	90.3%			**90.2%**	90.2%		
Total mileage (in thousands)	**19,832**	23,185	(3,353)	-14.5%	**82,659**	97,243	(14,584)	-15.0%
Revenue per mile (excluding fuel)[2]	**$2.00**	$2.01	$(0.01)	-0.5%	**$2.00**	$2.01	$(0.01)	-0.5%
Revenue per mile (including fuel)[2]	**$2.48**	$2.50	$(0.02)	-0.8%	**$2.48**	$2.54	$(0.06)	-2.4%
Revenue per truck per week (excluding fuel)	**$2,991**	$2,981	$10	0.3%	**$3,029**	$3,078	$(49)	-1.6%
Revenue per truck per week (including fuel)	**$3,700**	$3,716	$(16)	-0.4%	**$3,759**	$3,899	$(140)	-3.6%
Truck count, average	**813**	977	(164)	-16.8%	**838**	986	(148)	-15.0%
Trailer count, average	**3,195**	3,463	(268)	-7.7%	**3,266**	3,566	(300)	-8.4%
Truck age	**2.7**	2.8	(0.1)	-3.6%	**2.7**	2.8	(0.1)	-3.6%
Trailer age	**8.0**	7.4	0.6	8.1%	**8.0**	7.4	0.6	8.1%
Number of owner operators, average	**208**	223	(15)	-6.7%	**210**	234	(24)	-10.3%
Return on invested capital[1]	**7.5%**	8.1%						

[1] This is a non-IFRS measure. For a reconciliation, please refer to the "Non-IFRS Financial Measures" section below.
[2] The revenue per mile calculation excludes brokerage revenues

Revenue

For the three months ended December 31, 2025, revenue decreased by $19.1 million, or 3%, from $693.2 million in Q4 2024 to $674.2 million in Q4 2025. The contributions from business acquisitions were $7.1 million, offset by a decrease in revenue from existing operations of $26.1 million. Specialized TL revenue decreased by $5.3 million, or 1%, compared to the prior year period, mainly due to a decrease from existing operations of $12.4 million, partially offset by contributions from business acquisitions of $7.1 million. For Canadian based conventional TL operations, revenue decreased by $13.6 million, or 18%, compared to the same prior year period. Revenue per truck, excluding fuel surcharge for Canadian based conventional TL operations, increased 0.3% in Q4 2025 compared to Q4 2024, made up of a 0.6% increase in miles per truck, partially offset by a 0.5% decline in revenue per mile.

For the year ended December 31, 2025, Truckload revenue increased by $181.9 million, or 7%, from $2,551.5 million in 2024 to $2,733.4 million in 2025. This increase was mainly due to contributions from business acquisitions of $319.7 million, partially offset by a decline in revenue from existing operations of $137.8 million, primarily the result of pricing and lower volumes.

Operating expenses

For the three months ended December 31, 2025, operating expenses, net of fuel surcharge, decreased by $7.6 million, or 1%, from $633.6 million in Q4 2024 to $626.0 million in Q4 2025. This is mainly due to a decrease of $14.3 million in operating expenses, net of fuel surcharge, from existing truckload operations, partially offset by an increase in operating expenses, net of fuel surcharge, from business acquisitions of $6.7 million.

For the Year ended December 31, 2025, operating expenses, net of fuel surcharge, increased by $214.2 million, or 9%, from $2,299.1 million in Q4 2024 to $2,513.3 million in Q4 2025. This is mainly due to an increase of $308.8 million from business acquisitions, partially offset by a decrease of $94.6 million from existing operations.

Operating income

Operating income for the segment was $48.2 million for the three months ended December 31, 2025, down 19% from $59.7 million in the fourth quarter of 2024. This is mainly due to a decrease in operating income from existing operations of $11.8 million, partially offset by contributions from business acquisitions of $0.4 million.

For the year ended December 31, 2025, operating income in the segment decreased by $32.3 million, or 13%, from $252.4 million in 2024 to $220.1 million in 2025. The decrease was due to a $43.2 million decline in existing operations, partially offset by contributions from business acquisitions of $10.9 million.

Return on invested capital, a non-IFRS measure, of the segment was 5.8% as at December 31, 2025, as compared to 8.4% in the same prior year period. The decrease is primarily due to the decrease in operating income.

Logistics

(unaudited)	Three months ended December 31				Years ended December 31			
(in thousands of U.S. dollars)	**2025**	**%**	2024	%	**2025**	**%**	2024	%
Total revenue	**375,917**		431,401		**1,581,986**		1,821,711	
Fuel surcharge	**(17,820)**		(21,203)		**(78,057)**		(100,735)	
Revenue	**358,097**	**100.0%**	410,198	100.0%	**1,503,929**	**100.0%**	1,720,976	100.0%
Materials and services expenses (net of fuel surcharge)	**228,339**	**63.8%**	266,408	64.9%	**971,470**	**64.6%**	1,115,292	64.8%
Personnel expenses	**58,249**	**16.3%**	62,832	15.3%	**242,246**	**16.1%**	267,569	15.5%
Other operating expenses	**24,307**	**6.8%**	22,874	5.6%	**96,538**	**6.4%**	95,438	5.5%
Depreciation of property and equipment	**2,406**	**0.7%**	2,058	0.5%	**8,441**	**0.6%**	7,995	0.5%
Depreciation of right-of-use assets	**4,145**	**1.2%**	4,750	1.2%	**17,424**	**1.2%**	18,595	1.1%
Amortization of intangible assets	**9,403**	**2.6%**	8,417	2.1%	**36,875**	**2.5%**	33,829	2.0%
Gain on sale of rolling stock and equipment	**(43)**	**-0.0%**	(37)	-0.0%	**(99)**	**-0.0%**	(57)	-0.0%
Gain on derecognition of right-of-use assets	**—**	**-**	—	—	**(250)**	**-0.0%**	(12)	-0.0%
(Gain) loss on sale of land and building	**—**	**—**	—	—	**5**	**0.0%**	(36)	-0.0%
Operating income	**31,291**	**8.7%**	42,896	10.5%	**131,279**	**8.7%**	182,363	10.6%
Adjusted EBITDA[1]	**47,245**	**13.2%**	58,121	14.2%	**194,024**	**12.9%**	242,746	14.1%
Return on invested capital[1]	**12.0%**		17.6%					

[1] This is a non-IFRS measure. For a reconciliation, refer to the "Non-IFRS financial measures" section below.

Revenue

For the three months ended December 31, 2025, revenue decreased by $52.1 million, or 13%, from $410.2 million in 2024 to $358.1 million in 2025. The decrease is mostly due to decreases in the truck moving business, down $38.9 million, 3PL operations down $14.8 million, and the last mile business, down $4.9 million, offset by $9.3 million from business acquisitions.

For the year ended December 31, 2025, revenue decreased by $217.0 million, or 13%, from $1,721.0 million in 2024 to $1,503.9 million in 2025. The decrease is explained by $129.7 million from the truck moving business, $57.1 million from the 3PL operations and $36.7 million from the last mile business, offset by $12.0 million from business acquisitions.

Approximately 81% (2024 – 83%) of the logistics segment's revenues in the quarter were generated by operations in the U.S. and approximately 19% (2024 – 17%) were generated by operations in Canada.

Operating expenses

For the three months ended December 31, 2025, total operating expenses, net of fuel surcharge, decreased by $40.5 million, or 11%, relative to the same prior year period, from $367.3 million to $326.8 million. The $38.1 million decrease in materials and services expenses is from volume reductions across all service offerings within the Logistics segment. Personnel expenses decreased $4.6 million, or 7%, of which $2.5 million is explained by the direct labor cost related to volume reduction, as well as a $2.4 million decrease in administrative personnel expenses, mostly explained by a headcount reduction. The other operating expenses increased by $1.4 million mainly due to a settlement.

For the year ended December 31, 2025, total operating expenses, net of fuel surcharge, decreased by $166.0 million, or 11%, from $1,538.6 million to $1,372.7 million. The decrease in total operating expenses, net of fuel surcharge, is mostly explained by volume reductions across all service offerings within the Logistics segment.

Operating income

Operating income for the three months ended December 31, 2025, decreased by $11.6 million, or 27%, from $42.9 million to $31.3 million. The decrease is mostly explained by lower volumes across all service offerings within the Logistics segment.

For the year ended December 31, 2025, operating income decreased by $51.1 million, or 28%, mainly due to lower market volumes.

The return on invested capital of 12.0% compared to 17.6% in the same prior year period.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) *(in thousands of U.S. dollars)*	**Three months ended December 31**		**Years ended December 31**	
	2025	2024	**2025**	2024
Sources of cash:				
Net cash from operating activities	**282,196**	262,364	**977,788**	1,062,651
Proceeds from sale of property and equipment	**15,471**	15,914	**58,778**	65,389
Proceeds from sale of assets held for sale	**44,008**	1,990	**68,942**	33,404
Net variance in cash and bank indebtedness	**—**	63,425	**—**	353,180
Net proceeds from long-term debt	**172,687**	—	**153,970**	225,083
Others	**2,299**	1,913	**6,471**	32,591
Total sources	**516,661**	345,606	**1,265,949**	1,772,298
Uses of cash:				
Purchases of property and equipment	**82,820**	72,747	**273,220**	392,819
Business combinations, net of cash acquired	**164,903**	12,781	**201,258**	957,963
Net variance in cash and bank indebtedness	**172,815**	—	**211,928**	—
Net repayment of long-term debt	**—**	138,644	**—**	—
Repayment of lease liabilities	**40,238**	42,088	**163,250**	165,350
Dividends paid	**36,737**	33,145	**151,091**	133,928
Repurchase of own shares	**17,360**	42,437	**225,815**	76,616
Others	**1,788**	3,764	**39,387**	45,622
Total usage	**516,661**	345,606	**1,265,949**	1,772,298

Cash flow from operating activities

For the year ended December 31, 2025, net cash from operating activities of $977.8 million compared to $1,062.7 million in 2024. The decrease in net cash from operating activities is primarily due to a decrease in income of $111.9 million, an increase in benefit payments of $69.8 million, and an increase in payments related to provisions of $49.0 million, partially offset by an increase in non-cash operating working capital of $130.9 million, primarily due to a decrease in trade receivables and other receivables.

Cash flow used in investing activities

Property and equipment

The following table presents the additions of property and equipment by category for the three-month periods and years ended December 31, 2025 and 2024.

(unaudited) *(in thousands of U.S. dollars)*	**Three months ended December 31**		**Years ended December 31**	
	2025	2024	**2025**	2024
Additions to property and equipment:				
Purchases as stated on cash flow statements	**82,820**	72,747	**273,220**	392,819
Non-cash adjustments	**—**	482	**(482)**	482
	82,820	73,229	**272,738**	393,301
Additions by category:				
Land and buildings	**27,609**	24,059	**49,436**	68,580
Rolling stock	**46,551**	43,896	**201,466**	295,452
Equipment	**8,660**	5,274	**21,836**	29,269
	82,820	73,229	**272,738**	393,301

The Company invests in new equipment to maintain its quality of service while minimizing maintenance costs. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order and to maintain a strategic allocation of its capital resources.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gains or losses on disposition. The following table indicates the proceeds and gains or losses from the sale of property and equipment and assets held for sale by category for the three-month periods and years ended December 31, 2025 and 2024.

(unaudited) *(in thousands of U.S. dollars)*	**Three months ended December 31**		**Years ended December 31**	
	2025	2024	**2025**	2024
Proceeds by category:				
Land and buildings	**43,511**	906	**66,582**	30,004
Rolling stock	**15,968**	16,998	**61,114**	68,774
Equipment	**—**	—	**24**	15
	59,479	17,904	**127,720**	98,793
Gains (losses) by category:				
Land and buildings	**8,445**	(344)	**16,699**	11,117
Rolling stock	**4,117**	(587)	**12,340**	5,477
Equipment	**—**	—	**12**	2,016
	12,562	(931)	**29,051**	18,610

Business acquisitions

For the year ended December 31, 2025, cash used in business acquisitions, net of cash acquired, totaled $201.3 million to acquire four businesses, as compared to $958.0 million incurred in 2024 for eleven businesses, including $770.7 million, net of cash, for Daseke. Further information can be found in note 5 of the December 31, 2025 audited consolidated financial statements.

Purchase and sale of investments

For the year ended December 31, 2025, $4.8 million of level 1 investments were acquired and elected to be measured at fair value through OCI. No investments were sold during the year ended December 31, 2025 as compared to proceeds of $19.1 million received in 2024. These investments were previously elected to be measured at fair value through OCI.

Cash flow used in financing activities

For the year ended December 31, 2025, the Company generated net proceeds from debt of $154.0 million, primarily to fund the business acquisitions, as compared to net proceeds from debt of $225.1 million in 2024, when the Company was preparing for the acquisition of Daseke.

On June 27, 2025, the Company received CAD $300 million in proceeds from the issuance of new debt, taking the form of unsecured senior notes consisting of three tranches, with terms from 5 to 9 years and bearing fixed interest rates between 4.52% and 5.33%. Deferred financing fees of $0.8 million were recognized as a result of the transaction.

On May 30, 2025 the Company extended its revolving credit facility until May 30, 2028. Under the new extension, while the total availability remained unchanged, the CAD availability was reduced to CAD $1.135 billion and USD availability was increased to $125.0 million. Deferred financing fees of $0.7 million were recognized on the extension.

On March 22, 2024, the Company amended its revolving credit facility, including the addition of a $500.0 million term loan and an extension. Under the new amendment, the revolving credit facility was extended to March 22, 2027. The new agreement also provides the Company with a non-revolving term loan of $500.0 million maturing in 1 to 3 years, $100.0 million each in year one and year two, and $300.0 million in year three. Based on certain ratios, the interest rate on the term loan is the sum of SOFR, plus an applicable margin, which can vary between 128 basis points and 190 basis points. The applicable margin on the credit facility is currently 1.5%. Deferred financing fees of $1.3 million were recognized on the increase.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on November 4, 2025, and ends on November 3, 2026, the Company is authorized to repurchase for cancellation up to a maximum of 7,667,696 of its common shares under certain conditions. As at December 31, 2025, and since the inception of this NCIB, the Company has not repurchased or cancelled any common shares.

For the three-month period ended December 31, 2025, the Company repurchased 190,000 common shares (as compared to 295,205 common shares during the same period in 2024) at a weighted average price of $91.23 (as compared to $143.71 in the prior year period) for a total purchase price of $17.4 million (as compared to $42.4 million in the prior year period).

For the year ended December 31, 2025, the Company repurchased 2,481,295 common shares (as compared to 545,305 during the same period in 2024) at a weighted average price of $91.00 (as compared to $140.50 in the prior year period) for a total purchase price of $225.8 million (as compared to $76.6 million in the prior year period).

Free cash flow[1]

(unaudited) *(in thousands of U.S. dollars)*	Three months ended December 31			Years ended December 31		
	2025	2024	2023	**2025**	2024	2023
Net cash from operating activities	**282,196**	262,364	302,580	**977,788**	1,062,651	1,013,839
Additions to property and equipment	**(82,820)**	(72,747)	(80,643)	**(273,220)**	(392,819)	(361,563)
Proceeds from sale of property and equipment	**15,471**	15,914	11,708	**58,778**	65,389	73,339
Proceeds from sale of assets held for sale	**44,008**	1,990	10,143	**68,942**	33,404	50,280
Free cash flow	**258,855**	207,521	243,788	**832,288**	768,625	775,895

[1] This is a non-IFRS measure. For a reconciliation refer to the “Non-IFRS financial measures” section below.

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness for its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and solid financial position.

For the year ended December 31, 2025, the Company generated free cash flow of $832.3 million, compared to $768.6 million in 2024, which represents a year-over-year increase of $63.7 million. The increase is due to lower additions to property and equipment of $119.6 million, as the Company is reducing capital expenditures in response to the reduced market demand, and an increase in proceeds from the sale of property and equipment and assets held for sale of $28.9 million and is offset by a decrease in net cash from operating activities of $84.9 million.

Free cash flow conversion[1], which measures the amount of capital employed to generate earnings, for the year ended December 31, 2025, of 86.1% compares to 80.6% in the same prior year period.

Based on the December 31, 2025, closing share price of $103.35, free cash flow[1] generated by the Company in the preceding twelve months ($832.3 million, or $10.13 per share) represented a yield of 9.8%. Based on the December 31, 2024, closing share price of $135.09, free cash flow[1] generated by the Company in the preceding twelve months ($768.6 million, or $9.11 per share outstanding) represented a yield of 6.7%.

Financial position

(unaudited) *(in thousands of U.S. dollars)*	**As at December 31, 2025**	As at December 31, 2024*
Intangible assets	**2,864,436**	2,642,933
Total assets, less intangible assets[1]	**4,644,799**	4,522,893
Long-term debt	**2,577,975**	2,402,881
Lease liabilities	**637,764**	573,662
Shareholders' equity	**2,677,627**	2,673,275

[1] This is a non-IFRS measure. For a reconciliation refer to the “Non-IFRS financial measures” section below.
* Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c of the audited consolidated financial statements)

Contractual obligations and commitments

The following table indicates the Company’s contractual obligations, excluding purchase commitments, with their respective maturity dates at December 31, 2025, including future interest payments.

(unaudited) *(in thousands of U.S. dollars)*	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Unsecured revolving facility – *May 2028*	**548,640**	—	548,640	—	—
Unsecured senior notes – *December 2026 to October 2043*	**1,874,426**	150,000	150,000	324,713	1,249,713
Conditional sales contracts	**154,839**	72,121	74,045	8,316	357
Lease liabilities	**628,300**	161,672	221,458	100,711	144,459
Other long-term debt	**3,971**	377	3,594	—	—
Interest on debt and lease liabilities	**790,722**	119,819	177,582	131,969	361,353
Total contractual obligations	**4,000,898**	**503,989**	**1,175,319**	**565,709**	**1,755,882**

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis and are calculated as prescribed by the credit agreement which, among other things, requires the exclusion of the impact of IFRS 16 Leases:

(unaudited) *Covenants*	*Requirements*	*As at December 31, 2025*
Funded debt-to- EBITDA ratio [ratio of total debt, net of cash, plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	2.49
EBITDAR Coverage Ratio [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	3.83

The funded debt measure in the banking covenant above includes $140.9 million of letters of credit and $101.0 million of contingent consideration.

As at December 31, 2025, the Company had $140.9 million of outstanding letters of credit ($129.8 million on December 31, 2024).

As at December 31, 2025, the Company had $18.8 million of purchase commitments and $2.5 million of purchase orders that the Company intends to enter into a lease (December 31, 2024 – $35.6 million and $26.7 million, respectively).

Dividends and outstanding share data

Dividends

The Company declared $38.6 million in dividends, or $0.47 per common share, in the fourth quarter of 2025. On February 17, 2026, the Board of Directors approved a quarterly dividend of $0.47 per outstanding common share of the Company's capital, to be declared in March and payable on April 15, 2026, to shareholders of record at the close of business on March 31, 2026 for an expected aggregate payment of $38.6 million.

Outstanding shares and share-based awards

A total of 82,151,032 common shares were outstanding as at December 31, 2025 (December 31, 2024 – 84,408,437). There were no material changes in the Company's outstanding share capital between December 31, 2025 and February 17, 2026. The average number of diluted shares for the three months ended December 31, 2025, was 82,421,338 shares as compared to 85,151,136 shares in the same prior year period. This reduction is due to share repurchases and cancellations. The average number of diluted shares for the year ended December 31, 2025, was 83,414,310 shares as compared to 85,243,108 shares in the same prior year period.

As at December 31, 2025, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 53,999 (December 31, 2024 – 277,889) of which 53,999 were exercisable (December 31, 2024 – 277,889). Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the volume-weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at December 31, 2025, the number of restricted share units (''RSUs'') granted under the Company's equity incentive plan to its senior employees was 192,554 (December 31, 2024 – 157,117). On February 18, 2025, the Company granted a total of 61,829 RSUs under the Company's equity incentive plan. The RSUs will vest in February of the third year following the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSUs granted was $129.66 per unit. On April 30, 2025, the Company granted a total of 31,328 RSUs under the Company's equity incentive plan. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSUs granted was $81.03 per unit.

As at December 31, 2025, the number of performance share units (''PSUs'') granted under the Company's equity incentive plan to its senior employees was 156,803 (December 31, 2024 – 154,620). On February 18, 2025, the Company granted a total of 58,143 PSUs under the Company's equity incentive plan. The PSUs will vest in February of the third year following the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares. The fair value of the PSUs granted was $135.51 per unit.

Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any, resulting from such litigation individually or in total, would not materially adversely nor positively affect the Company's financial condition or performance and, if necessary, has been provided for in the financial statements.

OUTLOOK

The North American economic growth forecast from leading economists has slightly improved despite higher tariffs and ongoing concerns over inflation, interest rate uncertainty and geopolitical conflicts. Freight volumes have somewhat stabilized, although overcapacity continues to characterize much of the ground transportation industry. However, the Company's diversification across industrial and consumer end markets and multiple modes of transportation, along with its sharp focus on quality of revenue and enhanced operational efficiencies have served as mitigating factors. As industry supply rationalizes and the freight cycle improves, management believes that recent cost structure enhancements and well-timed investments will ultimately drive stronger results.

TFI International remains vigilant in monitoring potential emerging risks, including escalating international trade friction that may result in freight volume declines and higher costs that could adversely affect TFI's operating companies and the markets they serve. Beyond these macroeconomic factors, additional uncertainties include but are not limited to diesel price fluctuations, labor market dynamics, consumer sentiment shifts, environmental mandates, and changes to the tax code in any jurisdiction in which TFI International operates.

Management believes the Company is well positioned to navigate current conditions, benefiting from its solid financial foundation, strong cash flow and its recently improved cost structure driven by a pronounced focus on profitability, efficiency, network density, customer service, optimal pricing, revenue per shipment, driver retention and prudent capacity management. Looking beyond near-term industry challenges, diverse industrial exposure through TFI's specialized TL and LTL segments should help it capitalize on a potential shift toward domestic manufacturing, data center and electric grid related industry growth, as well as bonus depreciation from new U.S. tax rules that could potentially support customer demand in 2026 and beyond, while the company's Logistics segment is structured to capitalize on the expansion of e-commerce and domestic truck production.

Regardless of the operating environment, management remains focused on building shareholder value through unwavering adherence to its core operating principles, including customer focus that ultimately drives higher volumes and stronger pricing, an asset-light approach, and continuous efforts to enhance efficiencies. In addition, TFI International values strong free cash flow generation and ample liquidity with a conservative balance sheet that features primarily fixed rate debt and limited near-term debt maturities. This strong financial footing allows the Company to strategically invest and pursue selective, accretive acquisitions, while returning excess capital to shareholders whenever possible.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(in millions of U.S. dollars, except per share data)	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Total revenue	1,914.0	1,968.7	2,037.6	1,964.4	2,076.9	2,184.6	2,264.5	1,870.8
Adjusted EBITDA[1]	279.6	305.4	326.6	259.0	315.3	357.2	380.1	268.4
Operating income	127.2	153.3	170.2	114.6	160.2	201.2	206.0	151.6
Net income	71.7	84.7	98.2	56.0	88.1	125.9	115.7	92.8
EPS – basic	0.87	1.02	1.18	0.66	1.04	1.49	1.37	1.10
EPS – diluted	0.87	1.02	1.17	0.66	1.03	1.48	1.36	1.09
Adjusted net income[1]	89.5	99.1	112.0	64.2	101.8	136.6	145.6	105.5
Adjusted EPS - diluted[1]	1.09	1.20	1.34	0.76	1.19	1.60	1.71	1.24

[1] This is a non-IFRS measure. For a reconciliation refer to the "Non-IFRS financial measures" section below.

The differences between the quarters are mainly the result of seasonality (softer in Q1) and business acquisitions.

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS, including the following measures:

Operating expenses: Operating expenses include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, vehicle leasing costs, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; d) depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and gain or loss on the sale of rolling stock and equipment, on derecognition of right-of use assets, on sale of business and on sale of land and buildings and assets held for sale; e) bargain purchase gain; and f) impairment of intangible assets.

Operating income (loss): Net income or loss before finance income and costs and income tax expense, as stated in the consolidated financial statements.

This MD&A includes references to certain non-IFRS financial measures as described below. These non-IFRS financial measures are not standardized financial measures under IFRS used to prepare the financial statements of the Company to which the measures relate and might not be comparable to similar financial measures disclosed by other issuers. Accordingly, they should not be considered in isolation, in addition to, nor as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The terms and definitions of non-IFRS measures used in this MD&A and a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure are provided below.

Adjusted net income: Net income or loss excluding amortization of intangible assets related to business acquisitions, net change in the fair value and accretion expense of contingent considerations, net change in the fair value of derivatives, net foreign exchange gain or loss, impairment of intangible assets, bargain purchase gain, gain or loss on sale of land and buildings and assets held for sale, impairment on assets held for sale, gain or loss on the sale of business and directly attributable expense due to the disposal, restructuring from business acquisitions and corresponding tax impacts. In presenting an adjusted net income and adjusted EPS, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share excluding specific impacts from significant business combinations and other items to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks and non-compete agreements accounted for in business combinations and the income tax effects related to this amortization. Management also believes, that in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. The Company excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. See reconciliation on page 7.

Adjusted earnings per share (adjusted "EPS") - basic: Adjusted net income divided by the weighted average number of common shares.

Adjusted EPS - diluted: Adjusted net income divided by the weighted average number of diluted common shares.

Adjusted EBITDA: Net income before finance income and costs, income tax expense, depreciation, amortization, impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale, sale of business, and gain or loss on disposal of intangible assets and restructuring from business acquisitions. Management believes adjusted EBITDA to be a useful supplemental measure. Adjusted EBITDA is provided to enhance the comparability of the measure and to assist the Company to assess its performance.

Segmented adjusted EBITDA refers to operating income (loss) before depreciation, amortization, impairment of intangible assets, bargain purchase gain, gain or loss on sale of business, land and buildings, and assets held for sale and gain or loss on disposal of intangible assets and restructuring from business acquisitions. Management believes segmented adjusted EBITDA to be a useful supplemental measure. Segmented adjusted EBITDA is provided to enhance the comparability of the measure and to assist the Company to assess its performance.

Consolidated adjusted EBITDA reconciliation:

(unaudited) ***(in thousands of U.S. dollars)***			**Three months ended December 31**			**Years ended December 31**
	2025	2024	2023	**2025**	2024	2023
Net income	**71,652**	88,115	131,386	**310,553**	422,484	504,877
Net finance costs	**38,438**	43,489	23,263	**159,956**	158,239	80,871
Income tax expense	**17,104**	28,629	43,608	**94,807**	138,239	171,887
Depreciation of property and equipment	**85,141**	90,641	64,053	**350,902**	332,580	249,835
Depreciation of right-of-use assets	**42,915**	43,515	34,901	**172,762**	169,505	132,112
Amortization of intangible assets	**21,746**	20,401	16,701	**86,840**	79,984	60,028
Loss on sale of business	**—**	—	—	**—**	—	3,011
Restructuring from business acquisition	**—**	—	—	**—**	19,748	—
Loss on sale of land and buildings	**—**	—	—	**92**	—	40
(Gain) loss, net of impairment, on sale of assets held for sale	**2,632**	529	7,026	**(5,382)**	192	(14,721)
Adjusted EBITDA	**279,628**	315,319	320,938	**1,170,530**	1,320,971	1,187,940

Segmented adjusted EBITDA reconciliation:

(unaudited) *(in thousands of U.S. dollars)*	**Three months ended December 31**		**Years ended December 31**	
	2025	2024	**2025**	2024
Less-Than-Truckload				
Operating income	**61,542**	70,326	**259,953**	361,235
Depreciation and amortization	**48,636**	52,246	**200,461**	213,524
Loss on sale of land and buildings	**—**	—	**87**	—
(Gain) loss, net of impairment, on sale of assets held for sale	**5,014**	1,023	**4,139**	2,549
Gain on sale of intangible assets	**—**	—	**—**	—
Adjusted EBITDA	**115,192**	123,595	**464,640**	577,308
Truckload				
Operating income	**48,196**	59,652	**220,145**	252,435
Depreciation and amortization	**85,131**	88,268	**346,025**	307,244
Gain on sale of assets held for sale	**(2,382)**	(494)	**(9,521)**	(2,321)
Adjusted EBITDA	**130,945**	147,426	**556,649**	557,358
Logistics				
Operating income	**31,291**	42,896	**131,279**	182,363
Depreciation and amortization	**15,954**	15,225	**62,740**	60,419
Loss on sale of land and buildings	**—**	—	**5**	—
Gain on sale of assets held for sale	**—**	—	**—**	(36)
Adjusted EBITDA	**47,245**	58,121	**194,024**	242,746
Corporate				
Operating loss	**(13,835)**	(12,641)	**(46,061)**	(77,071)
Depreciation and amortization	**81**	(1,182)	**1,278**	882
Restructuring from business acquisitions	**—**	—	**—**	19,748
Adjusted EBITDA	**(13,754)**	(13,823)	**(44,783)**	(56,441)

Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of revenue before fuel surcharge.

Annualized dividend is calculated by annualizing the cash outflow of the most recent dividend issued and dividing by the trailing twelve month free cash flow. Management believes that this measure provides insight on the amount of free cash to be used fund the dividend, and consequently what can be used for other purposes. The annualized dividend as at December 31, 2025 was 17.8%.

Free cash flow: Net cash from operating activities less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 16.

Free cash flow conversion: Adjusted EBITDA less net capital expenditures, divided by the adjusted EBITDA. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to convert its operating profit into free cash flow.

Free cash flow conversion reconciliation:

(unaudited) *(in thousands of U.S. dollars)*	**Three months ended December 31**		**Years ended December 31**	
	2025	2024	**2025**	2024
Net income	**71,652**	88,115	**310,553**	422,484
Net finance costs	**38,438**	43,489	**159,956**	158,239
Income tax expense	**17,104**	28,629	**94,807**	138,239
Depreciation of property and equipment	**85,141**	90,641	**350,902**	332,580
Depreciation of right-of-use assets	**42,915**	43,515	**172,762**	169,505
Amortization of intangible assets	**21,746**	20,401	**86,840**	79,984
Restructuring from business acquisition	**—**	—	**—**	19,748
Loss on sale of land and buildings	**—**	—	**92**	—
(Gain) loss, net of impairment, on sale assets held for sale	**2,632**	529	**(5,382)**	192
Adjusted EBITDA	**279,628**	315,319	**1,170,530**	1,320,971
Net capital expenditures	**(39,243)**	(32,172)	**(162,164)**	(255,932)
Adjusted EBITDA less net capital expenditures	**240,385**	283,147	**1,008,366**	1,065,039
Free cash flow conversion	**86.0%**	89.8%	**86.1%**	80.6%

Total assets less intangible assets: Management believes that this presents a more useful basis to evaluate the return on the productive assets. The excluded intangibles relate primarily to intangibles assets acquired through business acquisitions.

(unaudited) *(in thousands of U.S. dollars)*	Less-Than-Truckload	Truckload	Logistics	Corporate	Eliminations	Total
As at December 31, 2025						
Total assets	**2,491,628**	**3,374,439**	**1,379,429**	**263,739**	**-**	**7,509,235**
Intangible assets	**407,692**	**1,521,006**	**933,876**	**1,862**	**-**	**2,864,436**
Total assets less intangible assets	**2,083,936**	**1,853,433**	**445,553**	**261,877**	**-**	**4,644,799**
As at December 31, 2024*						
Total assets	2,618,714	3,393,992	1,098,617	54,503	-	7,165,826
Intangible assets	396,533	1,511,355	734,736	309	-	2,642,933
Total assets less intangible assets	2,222,181	1,882,637	363,881	54,194	-	4,522,893

* Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c of the audited consolidated financial statements)

Net capital expenditures: Additions to rolling stock and equipment, net of proceeds from the sale of rolling stock and equipment and assets held for sale excluding property. Management believes that this measure illustrates the recurring net capital expenditures which were required for the respective period.

(unaudited) *(in thousands of U.S. dollars)*	Less-Than-Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Three months ended December 31, 2025						
Additions to rolling stock	**21,504**	**24,615**	**432**	**-**		**46,551**
Additions to equipment	**7,230**	**892**	**538**	**-**		**8,660**
Proceeds from the sale of rolling stock	**(1,964)**	**(13,959)**	**(45)**	**-**		**(15,968)**
Proceeds from the sale of equipment	**-**	**-**	**-**	**-**		**-**
Net capital expenditures	**26,770**	**11,548**	**925**	**-**		**39,243**
Three months ended December 31, 2024						
Additions to rolling stock	14,405	27,779	1,712	-	-	43,896
Additions to equipment	3,104	2,025	19	126		5,274
Proceeds from the sale of rolling stock	(2,859)	(14,037)	(102)			(16,998)
Proceeds from the sale of equipment	-	-	-	-		-
Net capital expenditures	14,650	15,767	1,629	126		32,172
Years ended December 31, 2025						
Additions to rolling stock	**51,925**	**146,464**	**3,077**	**-**		**201,466**
Additions to equipment	**14,411**	**4,376**	**2,774**	**275**		**21,836**
Proceeds from the sale of rolling stock	**(10,269)**	**(50,553)**	**(204)**	**(88)**		**(61,114)**
Proceeds from the sale of equipment	**(24)**	**-**	**-**	**-**		**(24)**
Net capital expenditures	**56,043**	**100,287**	**5,647**	**187**		**162,164**
Years ended December 31, 2024						
Additions to rolling stock	122,125	168,166	5,161	-		295,452
Additions to equipment	21,509	6,441	589	730		29,269
Proceeds from the sale of rolling stock	(19,234)	(48,745)	(189)	(606)		(68,774)
Proceeds from the sale of equipment	-	(15)	-	-		(15)
Net capital expenditures	124,400	125,847	5,561	124		255,932

Operating margin is calculated as operating income (loss) as a percentage of revenue before fuel surcharge.

Adjusted operating ratio: Operating expenses before gain on sale of business, bargain purchase gain, and gain or loss on sale of land and buildings and assets held for sale, gain or loss on disposal of intangible assets, and restructuring from business acquisitions ("**Adjusted operating expenses**"), net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the adjusted operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which the Company believes provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

Consolidated adjusted operating ratio reconciliation:

(unaudited) *(in thousands of U.S. dollars)*		Three months ended December 31			Years ended December 31	
	2025	2024	2023	**2025**	2024	2023
Operating expenses	**1,786,798**	1,916,654	1,770,421	**7,319,355**	7,677,868	6,763,532
Loss on sale of business	**—**	—	—	**—**	—	(3,011)
Loss on sale of land and building	**—**	—	—	**(92)**	—	(40)
Gain (Loss), net of impairment, on sale of assets held for sale	**(2,632)**	(529)	(7,026)	**5,382**	(192)	14,721
Restructuring from business acquisition	**—**	—	—	**—**	(19,748)	—
Adjusted operating expenses	**1,784,166**	1,916,125	1,763,395	**7,324,645**	7,657,928	6,775,202
Fuel surcharge revenue	**(234,334)**	(250,212)	(294,564)	**(971,632)**	(1,092,204)	(1,104,281)
Adjusted operating expenses, net of fuel surcharge revenue	**1,549,832**	1,665,913	1,468,831	**6,353,013**	6,565,724	5,670,921
Revenue before fuel surcharge	**1,679,658**	1,826,675	1,674,114	**6,913,039**	7,304,626	6,416,886
Adjusted operating ratio	**92.3%**	91.2%	87.7%	**91.9%**	89.9%	88.4%

Less-Than-Truckload and Truckload reportable segments adjusted operating ratio reconciliation and Truckload operating segments reconciliations:

(unaudited) *(in thousands of U.S. dollars)*	Three months ended December 31		Years ended December 31	
	2025	2024	**2025**	2024
Less-Than-Truckload				
Total revenue	**792,477**	876,140	**3,270,514**	3,702,934
Total operating expenses	**730,935**	805,814	**3,010,561**	3,341,699
Operating income	**61,542**	70,326	**259,953**	361,235
Operating expenses	**730,935**	805,814	**3,010,561**	3,341,699
Loss on sale of land and buildings	**—**	—	**(87)**	—
Loss, net of impairment, on sale of assets held for sale	**(5,014)**	(1,023)	**(4,139)**	(2,549)
Adjusted operating expenses	**725,921**	804,791	**3,006,335**	3,339,150
Fuel surcharge revenue	**(131,961)**	(138,849)	**(540,306)**	(617,207)
Adjusted operating expenses, net of fuel surcharge revenue	**593,960**	665,942	**2,466,029**	2,721,943
Revenue before fuel surcharge	**660,516**	737,291	**2,730,208**	3,085,727
Adjusted operating ratio	**89.9%**	90.3%	**90.3%**	88.2%
Less-Than-Truckload - Revenue before fuel surcharge				
U.S. based LTL	**422,927**	484,034	**1,814,138**	2,113,797
Canadian based LTL	**124,021**	134,653	**507,462**	551,440
Package and Courier	**123,269**	125,033	**446,046**	445,409
Eliminations	**(9,701)**	(6,429)	**(37,438)**	(24,919)
	660,516	737,291	**2,730,208**	3,085,727
Less-Than-Truckload - Fuel surcharge revenue				
U.S. based LTL	**78,419**	80,170	**328,581**	375,768
Canadian based LTL	**28,161**	30,119	**116,388**	136,387
Package and Courier	**26,070**	29,421	**98,296**	109,037
Eliminations	**(689)**	(861)	**(2,959)**	(3,985)
	131,961	138,849	**540,306**	617,207
Less-Than-Truckload - Operating income				
U.S. based LTL	**14,869**	12,150	**84,011**	143,683
Canadian based LTL	**22,670**	25,570	**97,760**	119,117
Package and Courier	**24,003**	32,606	**78,182**	98,435
	61,542	70,326	**259,953**	361,235
U.S. based LTL				
Operating expenses**	**486,477**	552,054	**2,058,708**	2,345,882
Loss on sale of land and buildings	**(69)**	-	**(69)**	-
Loss, net of impairment, on sale of assets held for sale	**(4,945)**	(1,023)	**(5,166)**	(2,549)
Adjusted operating expenses	**481,463**	551,031	**2,053,473**	2,343,333
Fuel surcharge revenue	**(78,419)**	(80,170)	**(328,581)**	(375,768)
Adjusted operating expenses, net of fuel surcharge	**403,044**	470,861	**1,724,892**	1,967,565
Revenue before fuel surcharge	**422,927**	484,034	**1,814,138**	2,113,797
Adjusted operating ratio	**95.3%**	97.3%	**95.1%**	93.1%
Canadian based LTL				
Operating expenses**	**129,512**	139,202	**526,090**	568,710
Loss on sale of land and buildings	**(5)**	-	**(5)**	-
Gain on sale land and building and assets held for sale	**5**	-	**1,027**	-
Adjusted operating expenses	**129,512**	139,202	**527,112**	568,710
Fuel surcharge revenue	**(28,161)**	(30,119)	**(116,388)**	(136,387)
Adjusted operating expenses, net of fuel surcharge	**101,351**	109,083	**410,724**	432,323
Revenue before fuel surcharge	**124,021**	134,653	**507,462**	551,440
Adjusted operating ratio	**81.7%**	81.0%	**80.9%**	78.4%
Package and Courier				
Operating expenses**	**125,336**	121,848	**466,160**	456,011
Loss on sale of land and buildings	**-**	-	**(13)**	-
Adjusted operating expenses	**125,336**	121,848	**466,147**	456,011
Fuel surcharge revenue	**(26,070)**	(29,421)	**(98,296)**	(109,037)
Adjusted operating expenses, net of fuel surcharge	**99,266**	92,427	**367,851**	346,974
Revenue before fuel surcharge	**123,269**	125,033	**446,046**	445,409
Adjusted operating ratio	**80.5%**	73.9%	**82.5%**	77.9%

** Operating expenses excluding intra LTL eliminations

Less-Than-Truckload and Truckload reportable segments adjusted operating ratio reconciliation and Truckload operating segments reconciliations (continued):

(unaudited) *(in thousands of U.S. dollars)*	Three months ended December 31		Years ended December 31	
	2025	2024	**2025**	2024
Truckload				
Total revenue	**761,247**	786,338	**3,097,231**	2,937,305
Total operating expenses	**713,051**	726,686	**2,877,086**	2,684,870
Operating income	**48,196**	59,652	**220,145**	252,435
Operating expenses	**713,051**	726,686	**2,877,086**	2,684,870
Gain on sale of assets held for sale	**2,382**	494	**9,521**	2,321
Adjusted operating expenses	**715,433**	727,180	**2,886,607**	2,687,191
Fuel surcharge revenue	**(87,068)**	(93,098)	**(363,810)**	(385,765)
Adjusted operating expenses, net of fuel surcharge revenue	**628,365**	634,082	**2,522,797**	2,301,426
Revenue before fuel surcharge	**674,179**	693,240	**2,733,421**	2,551,540
Adjusted operating ratio	**93.2%**	91.5%	**92.3%**	90.2%
Truckload - Revenue before fuel surcharge				
Canadian based Conventional TL	**62,718**	76,282	**266,842**	307,958
Specialized TL	**613,771**	619,054	**2,475,347**	2,252,699
Eliminations	**(2,310)**	(2,096)	**(8,768)**	(9,117)
	674,179	693,240	**2,733,421**	2,551,540
Truckload - Fuel surcharge revenue				
Canadian based Conventional TL	**9,411**	11,473	**39,822**	52,122
Specialized TL	**77,756**	81,814	**324,700**	334,698
Eliminations	**(99)**	(189)	**(712)**	(1,055)
	87,068	93,098	**363,810**	385,765
Truckload - Operating income				
Canadian based Conventional TL	**5,611**	7,408	**33,312**	30,287
Specialized TL	**42,584**	52,244	**186,833**	222,148
	48,195	59,652	**220,145**	252,435
Canadian based Conventional TL				
Operating expenses**	**66,518**	80,347	**273,352**	329,793
Gain on sale of assets held for sale	**3**	—	**7,086**	—
Adjusted operating expenses	**66,521**	80,347	**280,438**	329,793
Fuel surcharge revenue	**(9,411)**	(11,473)	**(39,822)**	(52,122)
Adjusted operating expenses, net of fuel surcharge revenue	**57,110**	68,874	**240,616**	277,671
Revenue before fuel surcharge	**62,718**	76,282	**266,842**	307,958
Adjusted operating ratio	**91.1%**	90.3%	**90.2%**	90.2%
Specialized TL				
Operating expenses**	**648,943**	648,624	**2,613,214**	2,365,249
Gain on sale of assets held for sale	**2,379**	494	**2,435**	2,321
Adjusted operating expenses	**651,322**	649,118	**2,615,649**	2,367,570
Fuel surcharge revenue	**(77,756)**	(81,814)	**(324,700)**	(334,698)
Adjusted operating expenses, net of fuel surcharge revenue	**573,566**	567,304	**2,290,949**	2,032,872
Revenue before fuel surcharge	**613,771**	619,054	**2,475,347**	2,252,699
Adjusted operating ratio	**93.4%**	91.6%	**92.6%**	90.2%

** Operating expenses excluding intra TL eliminations

Return on invested capital ("ROIC"): Management believes ROIC at the segment level is a useful measure in the efficiency in the use of capital funds. The Company calculates ROIC as segment operating income net of exclusions, after tax, divided by the segment average invested capital. Operating income net of exclusions, after tax, is calculated as the trailing twelve months of operating income before bargain purchase gain, gain or loss on the sale of land and buildings and assets held for sale, and amortization of intangible assets, after tax using the statutory tax rate of the Company. Average invested capital is calculated as total assets excluding intangibles, net of trade and other payables, current taxes payable and provisions averaged between the beginning and ending balance over a twelve-month period.

Return on invested capital segment reconciliation:

(unaudited) *(in thousands of U.S. dollars)*	**2025**	As at December 31 2024
Less-Than-Truckload		
Operating income	**259,953**	361,235
Loss on sale of land and buildings	**87**	—
Loss, net of impairment, on sale of assets held for sale	**4,139**	2,549
Amortization of intangible assets	**12,281**	12,531
Operating income, net of exclusions	**276,460**	376,315
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**203,198**	276,592
Intangible assets	**407,691**	396,532
Total assets, excluding intangible assets	**1,812,344**	1,950,589
less: Trade and other payables, income taxes payable and provisions	**(577,390)**	(658,208)
Total invested capital, current year	**1,642,645**	1,688,913
Intangible assets, prior year	**396,532**	378,623
Total assets, excluding intangible assets, prior year	**1,950,589**	2,038,638
less: Trade and other payables, income taxes payable and provisions, prior year	**(658,208)**	(703,722)
Total invested capital, prior year	**1,688,913**	1,713,539
Average invested capital	**1,665,779**	1,701,226
Return on invested capital	**12.2%**	16.3%
Less-Than-Truckload - Package and Courier		
Operating income	**78,182**	98,435
Loss on sale of land and buildings	**13**	—
Amortization of intangible assets	**534**	595
Operating income, net of exclusions	**78,729**	99,030
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**57,866**	72,787
Intangible assets	**176,842**	168,280
Total assets, excluding intangible assets	**241,021**	203,719
less: Trade and other payables, income taxes payable and provisions	**(59,651)**	(57,530)
Total invested capital, current year	**358,212**	314,469
Intangible assets, prior year	**168,280**	183,841
Total assets, excluding intangible assets, prior year	**203,719**	175,336
less: Trade and other payables, income taxes payable and provisions, prior year	**(57,530)**	(53,870)
Total invested capital, prior year	**314,469**	305,307
Average invested capital	**336,341**	309,888
Return on invested capital	**17.2%**	23.5%
Less-Than-Truckload - Canadian based LTL		
Operating income	**97,760**	119,117
Loss on sale of land and buildings	**5**	—
Gain on sale of assets held for sale	**(1,027)**	—
Amortization of intangible assets	**6,664**	7,071
Operating income, net of exclusions	**103,402**	126,188
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**76,000**	92,748
Intangible assets	**163,946**	158,936
Total assets, excluding intangible assets	**381,294**	386,814
less: Trade and other payables, income taxes payable and provisions	**(69,972)**	(68,546)
Total invested capital, current year	**475,268**	477,204
Intangible assets, prior year	**158,936**	184,025
Total assets, excluding intangible assets, prior year	**386,814**	418,217
less: Trade and other payables, income taxes payable and provisions, prior year	**(68,546)**	(78,384)
Total invested capital, prior year	**477,204**	523,858
Average invested capital	**476,236**	500,531
Return on invested capital	**16.0%**	18.5%

Return on invested capital segment reconciliation (continued):

(unaudited) *(in thousands of U.S. dollars)*	**2025**	As at December 31 2024*
Truckload		
Operating income	**220,145**	252,435
Gain on sale of assets held for sale	**(9,521)**	(2,321)
Amortization of intangible assets	**36,952**	33,532
Operating income, net of exclusions	**247,576**	283,646
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**181,968**	208,480
Intangible assets	**1,521,007**	1,491,373
Total assets, excluding intangible assets	**1,853,432**	1,882,636
less: Trade and other payables, income taxes payable and provisions	**(273,960)**	(288,609)
Total invested capital, current year	**3,100,479**	3,085,400
Intangible assets, prior year	**1,424,244**	857,666
Total assets, excluding intangible assets, prior year	**2,026,835**	1,146,497
less: Trade and other payables, income taxes payable and provisions, prior year	**(280,932)**	(151,404)
Total invested capital, prior year	**3,170,147**	1,852,759
Average invested capital	**3,135,313**	2,469,080
Return on invested capital	**5.8%**	8.4%
Truckload - Canadian based Conventional TL		
Operating income	**33,312**	30,287
Gain on sale of assets held for sale	**(7,086)**	—
Amortization of intangible assets	**1,654**	2,286
Operating income, net of exclusions	**27,880**	32,573
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**20,492**	23,941
Intangible assets	**116,700**	114,181
Total assets, excluding intangible assets	**174,915**	202,560
less: Trade and other payables, income taxes payable and provisions	**(33,212)**	(29,470)
Total invested capital, current year	**258,403**	287,271
Intangible assets, prior year	**114,181**	121,871
Total assets, excluding intangible assets, prior year	**202,560**	210,872
less: Trade and other payables, income taxes payable and provisions, prior year	**(29,470)**	(26,866)
Total invested capital, prior year	**287,271**	305,877
Average invested capital	**272,837**	296,574
Return on invested capital	**7.5%**	8.1%
Truckload - Specialized TL		
Operating income	**186,833**	222,148
Gain on sale of assets held for sale	**(2,435)**	(2,321)
Amortization of intangible assets	**35,298**	31,246
Operating income, net of exclusions	**219,696**	251,073
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**161,477**	184,539
Intangible assets	**1,404,307**	1,377,192
Total assets, excluding intangible assets	**1,678,517**	1,680,076
less: Trade and other payables, income taxes payable and provisions	**(240,748)**	(259,139)
Total invested capital, current year	**2,842,076**	2,798,129
Intangible assets, prior year	**1,310,063**	735,795
Total assets, excluding intangible assets, prior year	**1,824,275**	935,625
less: Trade and other payables, income taxes payable and provisions, prior year	**(251,462)**	(124,538)
Total invested capital, prior year	**2,882,876**	1,546,882
Average invested capital	**2,862,476**	2,172,506
Return on invested capital	**5.6%**	8.5%

* Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c of the audited consolidated financial statements)

Return on invested capital segment reconciliation (continued):

(unaudited) *(in thousands of U.S. dollars)*	**2025**	As at December 31 2024
Logistics		
Operating income	**131,279**	182,363
Loss on sale of land and buildings	**5**	—
Gain on sale of assets held for sale	**—**	(36)
Amortization of intangible assets	**36,875**	33,829
Operating income, net of exclusions	**168,159**	216,156
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**123,597**	158,875
Intangible assets	**933,876**	734,736
Total assets, excluding intangible assets	**445,552**	363,880
less: Trade and other payables, income taxes payable and provisions	**(200,980)**	(213,747)
Total invested capital, current year	**1,178,448**	884,869
Intangible assets, prior year	**734,736**	782,923
Total assets, excluding intangible assets, prior year	**363,880**	357,251
less: Trade and other payables, income taxes payable and provisions, prior year	**(213,747)**	(220,328)
Total invested capital, prior year	**884,869**	919,846
Average invested capital	**1,031,659**	902,358
Return on invested capital	**12.0%**	17.6%

Return on invested capital for US LTL: Management believes ROIC at the segment level is a useful measure in the efficiency in the use of capital funds. The return on invested capital of the U.S. based LTL has been modified to remove the impacts of the bargain purchase gain from the operating income net of exclusions as well as from the average invested capital to align the capital with the acquisition price.

(unaudited) *(in thousands of U.S. dollars)*	**2025**	As at December 31 2024
Less-Than-Truckload - U.S. based LTL		
Operating income	**84,011**	143,683
Loss on sale of land and buildings	**69**	—
Loss, net of impairment, on sale of assets held for sale	**5,166**	2,549
Amortization of intangible assets	**5,083**	4,865
Operating income, net of exclusions	**94,329**	151,097
Income tax	**26.5%**	26.5%
Operating income net of exclusions, after tax	**69,332**	111,056
Intangible assets	**66,903**	69,316
Total assets, excluding intangible assets	**1,190,029**	1,360,056
less: Total liabilities	**(447,767)**	(532,132)
Total invested capital, current year	**809,165**	897,240
Total invested capital, acquisition price	**874,372**	874,372
Average invested capital	**841,769**	885,806
Return on invested capital	**8.2%**	12.5%

RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over many of which the Company has little or no control. The following discussion of risk factors contains forward-looking statements. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business, prospects, financial condition, results of operations and cash flows.

Competition. The Company faces growing competition from other transporters in Canada, the United States and Mexico. These factors, including the following, could impair the Company's ability to maintain or improve its profitability and could have a material adverse effect on the Company's results of operations:

- the Company competes with many other transportation companies of varying sizes, including Canadian, U.S. and Mexican transportation companies;
- the Company's competitors may periodically reduce their freight rates to gain business, which may limit the Company's ability to maintain or increase freight rates or maintain growth in the Company's business;
- some of the Company's customers are other transportation companies or companies that also operate their own private trucking fleets, and they may decide to transport more of their own freight or bundle transportation with other services;
- some of the Company's customers may reduce the number of carriers they use by selecting so-called "core carriers" as approved service providers or by engaging dedicated providers, and in some instances the Company may not be selected;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some of the Company's business to competitors;
- the market for qualified drivers is highly competitive, particularly in the Company's growing U.S. operations, and the Company's inability to attract and retain drivers could reduce its equipment utilization and cause the Company to increase compensation, both of which would adversely affect the Company's profitability;
- economies of scale that may be passed on to smaller carriers by procurement aggregation providers may improve their ability to compete with the Company;
- some of the Company's smaller competitors may not yet be fully compliant with recently-enacted regulations which may allow such competitors to take advantage of additional driver productivity;
- advances in technology, such as advanced safety systems, automated package sorting, handling and delivery, vehicle platooning, alternative fuel vehicles, autonomous vehicle technology, digitization of freight services, and artificial intelligence enabled systems may require the Company to increase investments in order to remain competitive, and the Company's customers may not be willing to accept higher freight rates to cover the cost of these investments;
- the Company's competitors may have better safety records than the Company or a perception of better safety records, which could impair the Company's ability to compete;
- some high-volume package shippers, such as Amazon.com, are developing and implementing in-house delivery capabilities and utilizing independent contractors for deliveries, which could in turn reduce the Company's revenues and market share;
- the Company's brand names may be subject to adverse publicity (whether or not justified) and lose significant value, which could result in reduced demand for the Company's services;
- competition from freight brokerage companies may materially adversely affect the Company's customer relationships and freight rates; and
- higher fuel prices and, in turn, higher fuel surcharges to the Company's customers may cause some of the Company's customers to consider freight transportation alternatives, including rail transportation.

Regulation. In Canada, carriers must obtain licenses issued by provincial transport boards in order to carry goods inter-provincially or to transport goods within any province. Licensing from U.S. and Mexican regulatory authorities is also required for the transportation of goods in Canada, the United States, and Mexico. Any change in or violation of existing or future regulations could have an adverse impact on the scope of the Company's activities. Future laws and regulations may be more stringent, require changes in the Company's operating practices, influence the demand for transportation services or require the Company to incur significant additional costs. Higher costs incurred by the Company, or by the Company's suppliers who pass the costs onto the Company through higher supplies and materials pricing, could adversely affect the Company's results of operations.

In addition to the regulatory regime applicable to operations in Canada, the Company is increasing its operations in the United States, and is therefore increasingly subject to rules and regulations related to the U.S. transportation industry, including regulation from various federal, state and local agencies, including the Department of Transportation (“DOT”) (in part through the Federal Motor Carrier Safety Administration (“FMCSA”)), the Environmental Protection Agency (“EPA”) and the Department of Homeland Security. Drivers must, both in Canada and the United States, comply with safety and fitness regulations, including those relating to drug and alcohol testing, driver safety performance and hours of service. Weight and dimensions, exhaust emissions and fuel efficiency are also subject to government regulation. The Company may also become subject to new or more restrictive regulations relating to fuel efficiency, exhaust emissions, hours of service, drug and alcohol testing, ergonomics, on-board reporting of operations, collective bargaining, security at ports, speed limitations, driver training and other matters affecting safety or operating methods.

In the United States, there are currently two methods of evaluating the safety and fitness of carriers: the Compliance, Safety, Accountability (“CSA”) program, which evaluates and ranks fleets on certain safety-related standards by analyzing data from recent safety events and investigation results, and the DOT safety rating, which is based on an on-site investigation and affects a carrier’s ability to operate in interstate commerce. Additionally, the FMCSA has proposed rules in the past that would change the methodologies used to determine carrier safety and fitness.

Under the CSA program, carriers are evaluated and ranked against their peers based on seven categories of safety-related data. The seven categories of safety-related data currently include Unsafe Driving, Hours-of-Service Compliance, Driver Fitness, Controlled Substances/Alcohol, Vehicle Maintenance, Hazardous Materials Compliance and Crash Indicator (such categories known as “BASICs”). Carriers are grouped by category with other carriers that have a similar number of safety events (i.e. crashes, inspections, or violations) and carriers are ranked and assigned a rating percentile or score. If the Company were subject to any such interventions, this could have an adverse effect on the Company’s business, financial condition and results of operations. As a result, the Company’s fleet could be ranked poorly as compared to peer carriers. There is no guarantee that the Company will be able to maintain its current safety ratings or that it will not be subject to interventions in the future. The Company recruits first-time drivers to be part of its fleet, and these drivers may have a higher likelihood of creating adverse safety events under CSA. The occurrence of future deficiencies could affect driver recruitment in the United States by causing high-quality drivers to seek employment with other carriers or limit the pool of available drivers or could cause the Company’s customers to direct their business away from the Company and to carriers with higher fleet safety rankings, either of which would materially adversely affect the Company’s business, financial condition and results of operations. In addition, future deficiencies could increase the Company’s insurance expenses. Additionally, competition for drivers with favorable safety backgrounds may increase, which could necessitate increases in driver-related compensation costs. Further, the Company may incur greater than expected expenses in its attempts to improve unfavorable scores.

In December 2016, the FMCSA issued a final rule establishing a national clearinghouse for drug and alcohol testing results and requiring motor carriers and medical review officers to provide records of violations by commercial drivers of FMCSA drug and alcohol testing requirements. Motor carriers in the United States will be required to query the clearinghouse to ensure drivers and driver applicants do not have violations of federal drug and alcohol testing regulations that prohibit them from operating commercial motor vehicles. The final rule became effective on January 4, 2017, with a compliance date of January 6, 2020. In December 2019, however, the FMCSA announced a final rule extending by three years the date for state driver’s licensing agencies to comply with certain requirements. The December 2016 commercial driver’s license rule required states to request information from the clearinghouse about individuals prior to issuing, renewing, upgrading or transferring a commercial driver’s license. This new action will allow states’ compliance with the requirement, which was set to begin January 2020, to be delayed until January 2023. The compliance date of January 2020 remained in place for all other requirements set forth in the clearinghouse final rule. Upon implementation, the rule may reduce the number of available drivers in an already constrained driver market. Pursuant to a new rule finalized by the FMCSA, effective November 2021, states are required to query the clearinghouse when issuing, renewing, transferring, or upgrading a commercial driver's license and must revoke a driver’s commercial driving privileges if such driver is prohibited from driving a motor vehicle for one or more drug or alcohol violations.

In addition, other rules have been proposed or made final by the FMCSA, including (i) a rule requiring the use of speed-limiting devices on heavy-duty tractors to restrict maximum speeds, which was proposed in 2016, and (ii) a rule setting out minimum driver training standards for new drivers applying for commercial driver’s licenses for the first time and to experienced drivers upgrading their licenses or seeking a hazardous materials endorsement, which was made final in December 2016 with a compliance date in February 2020 (FMCSA officials delayed implementation of the final rule by two years). In July 2017, the DOT announced that it would no longer pursue a speed limiter rule, but left open the possibility that it could resume such a pursuit in the future. In May 2021, however, a bill was reintroduced in the U.S. House of Representatives that would require commercial motor vehicles with gross weight exceeding

26,000 pounds to be equipped with a speed limiting device, prohibiting speeds greater than 65 miles per hour. Whether the bill will become law is uncertain. The effect of these rules, to the extent they become effective, could result in a decrease in fleet production and/or driver availability, either of which could materially adversely affect the Company's business, financial condition and results of operations.

The Company's subsidiaries with U.S. operating authority currently have a satisfactory DOT rating, which is the highest available rating under the current safety rating scale. If the Company's subsidiaries with U.S. operating authority were to receive a conditional or unsatisfactory DOT safety rating, it could materially adversely affect the Company's business, financial condition and results of operations as customer contracts may require a satisfactory DOT safety rating, and a conditional or unsatisfactory rating could materially adversely affect or restrict the Company's operations and increase the Company's insurance costs.

The FMCSA has proposed regulations that would modify the existing rating system and the safety labels assigned to motor carriers evaluated by the DOT. Under regulations that were proposed in 2016, the methodology for determining a carrier's DOT safety rating would be expanded to include the on-road safety performance of the carrier's drivers and equipment, as well as results obtained from investigations. Exceeding certain thresholds based on such performance or results would cause a carrier to receive an unfit safety rating. The proposed regulations were withdrawn in March 2017, but the FMCSA noted that a similar process may be initiated in the future. If similar regulations were enacted and the Company were to receive an unfit or other negative safety rating, the Company's business would be materially adversely affected in the same manner as if it received a conditional or unsatisfactory safety rating under the current regulations. In addition, poor safety performance could lead to increased risk of liability, increased insurance, maintenance and equipment costs and potential loss of customers, which could materially adversely affect the Company's business, financial condition and results of operations. The FMCSA has also indicated that it is in the early phases of a new study on the causation of large truck crashes. Although it remains unclear whether such a study will ultimately be completed, the results of such study could spur further proposed and/or final rules regarding safety and fitness in the United States.

From time to time, the FMCSA proposes and implements changes to regulations impacting hours-of-service. Such changes can negatively impact the Company's productivity and affect its operations and profitability by reducing the number of hours per day or week the Company's U.S. drivers and independent contractors may operate and/or disrupt the Company's network. However, in August 2019, the FMCSA issued a proposal to make changes to its hours-of-service rules that would allow U.S. truck drivers more flexibility with their 30-minute rest break and with dividing their time in the sleeper berth. It also would extend by two hours the duty time for U.S. drivers encountering adverse weather, and extend the shorthaul exemption by lengthening the drivers' maximum on-duty period from 12 hours to 14 hours. In June 2020, the FMCSA adopted a final rule substantially as proposed, which became effective in September 2020. Certain industry groups have challenged these rules in U.S. courts, and it remains unclear what, if anything, will come from such challenges. Any future changes to U.S. hours-of-service regulations could materially and adversely affect the Company's operations and profitability.

The U.S. National Highway Traffic Safety Administration, the EPA and certain U.S. states, including California, have adopted regulations that are aimed at reducing truck emissions and/or increasing fuel economy of the equipment the Company uses. Certain of these regulations are currently effective, with stricter emission and fuel economy standards becoming effective over the next several years. Other regulations have been proposed in the United States that would similarly increase these standards. U.S. federal and state lawmakers and regulators have also adopted or are considering a variety of other climate-change legal requirements related to carbon emissions and greenhouse gas emissions. These legal requirements could potentially limit carbon emissions within certain states and municipalities in the United States. Certain of these legal requirements restrict the location and amount of time that diesel-powered trucks (like the Company's) may idle, which may force the Company to purchase on-board power units that do not require the engine to idle or to alter the Company's drivers' behavior, which might result in a decrease in productivity and/or an increase in driver turnover. All of these regulations have increased, and may continue to increase, the cost of new trucks and trailers and may require the Company to retrofit certain of its trucks and trailers, may increase its maintenance costs, and could impair equipment productivity and increase the Company's operating costs, particularly if such costs are not offset by potential fuel savings. The occurrence of any of these adverse effects, combined with the uncertainty as to the reliability of the newly-designed diesel engines and the residual values of the Company's equipment, could materially adversely affect the Company's business, financial condition and results of operations. Furthermore, any future regulations that impose restrictions, caps, taxes or other controls on emissions of greenhouse gases could adversely affect the Company's operations and financial results. The Company cannot predict the extent to which its operations and productivity will be impacted by any future regulations. The Company will continue monitoring its compliance with U.S. federal and state environmental regulations.

In March 2014, the U.S. Ninth Circuit Court of Appeals (the "Ninth Circuit") held that the application of California state wage and hour laws to interstate truck drivers is not pre-empted by U.S. federal law. The case was appealed to the U.S. Supreme Court, which denied certiorari in May 2015, and accordingly, the Ninth Circuit decision stood. However, in December 2018, the FMCSA granted a petition filed by the American Trucking Associations determining that federal law pre-empt California's wage and hour laws, and interstate truck drivers are not subject to such laws. The FMCSA's decision was appealed by labor groups and multiple lawsuits were filed in U.S. courts seeking to overturn the decision. In January 2021, however, the Ninth Circuit upheld the FMCSA's determination that U.S. federal law does pre-empt California's meal and rest break laws, as applied to drivers of property-carrying commercial motor vehicles. Other current and future U.S. state and local wage and hour laws, including laws related to employee meal breaks and rest periods, may vary significantly from U.S. federal law. Further, driver piece rate compensation, which is an industry standard, has been attacked as non-compliant with state minimum wage laws. As a result, the Company, along with other companies in the industry, is subject to an uneven patchwork of wage and hour laws throughout the United States. In addition, the uncertainty with respect to the practical application of wage and hour laws are, and in the future may be, resulting in additional costs for the Company and the industry as a whole, and a negative outcome with respect to any of the above-mentioned lawsuits could materially affect the Company. If U.S. federal legislation is not passed pre-empting state and local wage and hour laws, the Company will either need to continue complying with the most restrictive state and local laws across its entire fleet in the United States, or revise its management systems to comply with varying state and local laws. Either solution could result in increased compliance and labor costs, driver turnover, decreased efficiency and increased risk of non-compliance. In April 2016, the Food and Drug Administration ("FDA") published a final rule establishing requirements for shippers, loaders, carriers by motor vehicle and rail vehicle, and receivers engaged in the transportation of food, to use sanitary transportation practices to ensure the safety of the food they transport as part of the FSMA. This rule sets forth requirements related to (i) the design and maintenance of equipment used to transport food, (ii) the measures taken during food transportation to ensure food safety, (iii) the training of carrier personnel in sanitary food transportation practices, and (iv) maintenance and retention of records of written procedures, agreements, and training related to the foregoing items. These requirements took effect for larger carriers in April 2017 and apply to the Company when it acts as a carrier or as a broker. If the Company is found to be in violation of applicable laws or regulations related to the FSMA or if the Company transports food or goods that are contaminated or are found to cause illness and/or death, the Company could be subject to substantial fines, lawsuits, penalties and/or criminal and civil liability, any of which could have a material adverse effect on the Company's business, financial condition, and results of operations.

Changes in existing regulations and implementation of new regulations, such as those related to trailer size limits, emissions and fuel economy, hours of service, mandating ELDs and drug and alcohol testing in Canada, the United States and Mexico, could increase capacity in the industry or improve the position of certain competitors, either of which could negatively impact pricing and volumes or require additional investments by the Company. The short-term and long-term impacts of changes in legislation or regulations are difficult to predict and could materially adversely affect the Company's results of operations.

The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and laws. Although the Company is committed to compliance with laws and safety, there is no assurance that it will be in full compliance with them at all times. Consequently, at some future time, the Company could be required to incur significant costs to maintain or improve its compliance record.

United States and Mexican operations. A significant portion of the Company's revenue is derived from operations in the United States and transportation to and from Mexico. The Company's international operations are subject to a variety of risks, including fluctuations in foreign currencies, changes in the economic strength or greater volatility in the economies of foreign countries in which the Company does business, difficulties in enforcing contractual rights and intellectual property rights, compliance burdens associated with export and import laws, theft or vandalism, and social, political and economic instability. The Company's international operations could be adversely affected by restrictions on travel. Additional risks associated with the Company's international operations include restrictive trade policies, imposition of duties, changes to trade agreements and other treaties, taxes or government royalties by foreign governments, adverse changes in the regulatory environments, including in tax laws and regulations, of the foreign countries in which the Company does business, compliance with anti-corruption and anti-bribery laws, restrictions on the withdrawal of foreign investments, the ability to identify and retain qualified local managers and the challenge of managing a culturally and geographically diverse operation. The Company cannot guarantee compliance with all applicable laws, and violations could result in substantial fines, sanctions, civil or criminal penalties, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect the Company's results of operations.

Since February 1, 2025, when the U.S. administration signed executive orders imposing, effective February 4, 2025, a 25% tariff on imports from Canada and Mexico, a 10% tariff on energy products from Canada, and an additional 10% tariff on goods imported from China, and in response, Canada announced, on February 1, 2025, that it would retaliate by imposing a 25% tariff on specified U.S. products, to come in effect in February 2025, and would also consider additional non-tariff measures, the tariff situation has remained volatile. New tariffs have been announced and imposed while others have been announced and reversed. Although the services provided by the Company would not be subject to tariffs, any future actions taken by the U.S. and other countries in response, including the further escalation or implementation of tariffs or quotas or changes to certain trade agreements could, among other things, have a negative impact on the markets in which the Company operates, increase the costs of the materials used by the Company's suppliers to produce new revenue equipment or increase the price of fuel. Such cost increases for the Company's revenue equipment suppliers would likely be passed on to the Company, and to the extent fuel prices increase, the Company may not be able to fully recover such increases through rate increases or the Company's fuel surcharge program, either of which could have a material adverse effect on the Company's business.

The United States-Mexico-Canada Agreement ("USMCA") entered into effect in July 2020. The USMCA is designed to modernize food and agriculture trade, advance rules of origin for automobiles and trucks, and enhance intellectual property protections, among other matters, according to the Office of the U.S. Trade Representative. Although USMCA is currently active, it is up for a mandatory joint review in July 2026 and the impacts of the evolving imposing and removal of tariffs could have a significant impact on supply and demand in the transportation industry, and could adversely impact the amount, movement and patterns of freight transported by the Company given the amount of North American trade that moves by truck.

The U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how the Company will apply the law and impact the Company's results of operations in future periods. The timing and scope of such regulations and interpretative guidance are uncertain. In addition, there is a risk that states within the United States or foreign jurisdictions may amend their tax laws in response to these tax reforms, which could have a material adverse effect on the Company's results.

In addition, if the Company is unable to maintain its Free and Secure Trade ("FAST") and U.S. Customs Trade Partnership Against Terrorism ("C-TPAT") certification statuses, it may have significant border delays, which could cause its cross-border operations to be less efficient than those of competitor carriers that obtain or continue to maintain FAST and C-TPAT certifications.

Operating Environment and Seasonality. The Company is exposed to the following factors, among others, affecting its operating environment:

- the Company's future insurance and claims expense, including the cost of its liability insurance premiums and the number and dollar amount of claims, may exceed historical levels, which would require the Company to incur additional costs and could reduce the Company's earnings;
- a decline in the demand for used revenue equipment could result in decreased equipment sales, lower resale values and lower gains (or recording losses) on sales of assets;
- truck and trailer vendors may reduce their manufacturing output in response to lower demand for their products in economic downturns or shortages of component parts, including the current shortage of semiconductors and other components and supplies, such as steel, which may materially adversely affect the Company's ability to purchase a quantity of new revenue equipment that is sufficient to sustain its desired growth rate and negatively impact the Company's financial results if it incurs higher costs to purchase trucks and trailers; and
- increased prices for new revenue equipment, design changes of new engines, reduced equipment efficiency resulting from new engines designed to reduce emissions, or decreased availability of new revenue equipment.

The Company's truck productivity decreases during the winter season because inclement weather impedes operations and some shippers reduce their shipments after the winter holiday season. Revenue may also be adversely affected by inclement weather and holidays, since revenue is directly related to available working days of shippers. At the same time, operating expenses increase and fuel efficiency declines because of engine idling and harsh weather creating higher accident frequency, increased claims and higher equipment repair expenditures. The Company may also suffer from weather-related or other unforeseen events such as tornadoes, hurricanes, blizzards, ice storms, floods, and fires, which may increase in frequency and severity due to climate change, as well as other man-made disasters. These events may disrupt fuel supplies, increase fuel costs, disrupt freight shipments or routes, affect regional economies, damage or destroy the Company’s assets or adversely affect the business or financial condition of the Company’s customers, any of which could materially adversely affect the Company’s results of operations or make the Company’s results of operations more volatile.

General Economic, Credit, and Business Conditions. The Company’s business is subject to general economic, credit, business and regulatory factors that are largely beyond the Company’s control, and which could have a material adverse effect on the Company’s operating results.

The Company’s industry is subject to cyclical pressures, and the Company’s business is dependent on a number of factors that may have a material adverse effect on its results of operations, many of which are beyond the Company’s control. The Company believes that some of the most significant of these factors include (i) excess truck and trailer capacity in the transportation industry in comparison with shipping demand; (ii) declines in the resale value of used equipment; (iii) limited supply and increased cost of new and used equipment; (iv) recruiting and retaining qualified drivers; (v) strikes, work stoppages or work slowdowns at the Company’s facilities or at customer, port, border crossing or other shipping-related facilities; (vi) compliance with ongoing regulatory requirements; (vii) increases in interest rates, fuel taxes, tolls and license and registration fees; and (vii) rising healthcare and insurance and claims costs in the United States; and (ix) the impact of the COVID-19 pandemic.

The Company is also affected by (i) recessionary economic cycles, which tend to be characterized by weak demand and downward pressure on rates; (ii) changes in customers’ inventory levels and in the availability of funding for their working capital; (iii) changes in the way in which the Company’s customers choose to source or utilize the Company’s services; and (iv) downturns in customers’ business cycles, such as retail and manufacturing, where the Company has significant customer concentration. Economic conditions may adversely affect customers and their demand for and ability to pay for the Company’s services. Customers encountering adverse economic conditions represent a greater potential for loss and the Company may be required to increase its allowance for doubtful accounts.

Economic conditions that decrease shipping demand and increase the supply of available trucks and trailers can exert downward pressure on rates and equipment utilization, thereby decreasing asset productivity. The risks associated with these factors are heightened when the economy is weakened. Some of the principal risks during such times include:

- the Company may experience a reduction in overall freight levels, which may impair the Company’s asset utilization;
- freight patterns may change as supply chains are redesigned, resulting in an imbalance between the Company’s capacity and assets and customers’ freight demand;
- the Company may be forced to accept more loads from freight brokers, where freight rates are typically lower, or may be forced to incur more non-revenue generating miles to obtain loads;
- the Company may increase the size of its fleet during periods of high freight demand during which its competitors also increase their capacity, and the Company may experience losses in greater amounts than such competitors during subsequent cycles of softened freight demand if the Company is required to dispose of assets at a loss to match reduced freight demand;
- customers may solicit bids for freight from multiple trucking companies or select competitors that offer lower rates in an attempt to lower their costs, and the Company may be forced to lower its rates or lose freight; and
- lack of access to current sources of credit or lack of lender access to capital, leading to an inability to secure credit financing on satisfactory terms, or at all.

The Company is subject to cost increases that are outside the Company’s control that could materially reduce the Company’s profitability if it is unable to increase its rates sufficiently. Such cost increases include, but are not limited to, increases in fuel and energy prices, driver and office employee wages, purchased transportation costs, taxes, interest rates, tolls, license and registration fees, insurance premiums and claims, revenue equipment and related maintenance, and tires and other components. Strikes or other work stoppages at the Company’s service centers or at customer, port, border or other shipping locations, deterioration of Canadian, U.S. or Mexican transportation infrastructure and reduced investment in such infrastructure, or actual or threatened armed conflicts or terrorist attacks, efforts to combat terrorism, military action against a foreign state or group located in a foreign state or heightened security requirements could lead to wear, tear and damage to the Company’s equipment, driver dissatisfaction, reduced economic demand, reduced availability of credit, increased prices for fuel or temporary closing of the shipping locations or borders between Canada, the United States and Mexico. Further, the Company may not be able to appropriately adjust its costs and staffing levels to meet changing market demands. In periods of rapid change, it is more difficult to match the Company's staffing level to its business needs.

The Company's operations, with the exception of its brokerage operations, are capital intensive and asset heavy. If anticipated demand differs materially from actual usage, the Company may have too many or too few assets. During periods of decreased customer demand, the Company's asset utilization may suffer, and it may be forced to sell equipment on the open market or turn in equipment under certain equipment leases in order to right size its fleet. This could cause the Company to incur losses on such sales or require payments in connection with equipment the Company turns in, particularly during times of a softer used equipment market, either of which could have a material adverse effect on the Company's profitability.

Although the Company's business volume is not highly concentrated, its customers' financial failures or loss of customer business may materially adversely affect the Company. If the Company were unable to generate sufficient cash from operations, it would need to seek alternative sources of capital, including financing, to meet its capital requirements. In the event that the Company were unable to generate sufficient cash from operations or obtain financing on favorable terms in the future, it may have to limit its fleet size, enter into less favorable financing arrangements or operate its revenue equipment for longer periods, any of which could have a materially adverse effect on its profitability.

Public Health Crises. Any outbreaks of contagious diseases or other adverse public health developments, could have a materially adverse effect on the Company's financial condition, liquidity, results of operations, and cash flows. The outbreak of COVID-19 resulted in governmental authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place orders, increased border and port controls and closures, and shutdowns. Any outbreaks would create considerable uncertainty regarding such measures including vaccine, testing and masks mandates, all of which could limit the Company's ability to meet customer demand, as well as reduce customer demand. Furthermore, government vaccine, testing, and mask mandates may increase the Company's turnover and make recruiting more difficult, particularly among the Company's driver personnel.

Certain of the Company's office personnel may be required to work remotely, which could disrupt to a certain extent the Company's management, business, finance, and financial reporting teams. The Company may experience an increase in absences or terminations among its driver and non-driver personnel due to public health crises, which could have a materially adverse effect on the Company's operating results.

Risks related to a slowdown or recession are described in the Company's risk factor titled "General Economic, Credit and Business Conditions".

Short-term and long-term developments related to public health crises are unpredictable and the extent to which further developments could impact the Company's operations, financial condition, access to credit, liquidity, results of operations, and cash flows is highly uncertain. Such developments may include the geographic spread and duration of the virus, the distribution and availability of vaccines, vaccine hesitancy, the severity of the disease and the actions that may be taken by various governmental authorities and other third parties in response to the public health crises.

The effect of any border requirements, in addition to any other vaccine, testing, or mask mandates that go into effect may, amongst other things, (i) cause the Company's employees to go to smaller employers, especially if any future mandates are only subject to larger employers, or leave the trucking industry altogether, (ii) result in logistical issues, increased expenses, and operational issues resulting from ensuring compliance with such mandates, such as the costs of arranging for testing for the Company's unvaccinated employees, especially for the Company's unvaccinated drivers, (iii) result in increased costs relating to recruiting and training of drivers, and (iv) result in decreased revenue and other operational issues if we are unable to recruit and retain drivers. Any such vaccine, testing, or mask mandate that is interpreted as to apply to commercial drivers would significantly reduce the pool of drivers available to us and the industry as a whole, exacerbating the current driver shortage even further. Accordingly, any vaccine, testing, or mask mandate, to the extent that it goes into effect, may have a material adverse effect on the Company's business, the Company's operations, and the Company's financial condition and position.

Interest Rate Fluctuations. Future cash flows related to variable-rate financial liabilities could be impacted by changes in benchmark rates such as Bankers' Acceptance or secured overnight financing rate published by the Federal Reserve Bank of New York ("SOFR"). In addition, the Company is exposed to gains and losses arising from changes in interest rates through its derivative financial instruments carried at fair value.

Currency Fluctuations. The Company's financial results are reported in U.S. dollars and a large portion of the Company's revenue and operating costs are realized in currencies other than the U.S. dollar, primarily the Canadian dollar. The exchange rates between these currencies and the U.S. dollar have fluctuated in recent years and will likely continue to do so in the future. It is not possible to mitigate all exposure to fluctuations in foreign currency exchange rates. The results of operations are therefore affected by movements of these currencies against the U.S. dollar.

Price and Availability of Fuel. Fuel is one of the Company's largest operating expenses. Diesel fuel prices fluctuate greatly due to factors beyond the Company's control, such as political events, commodity futures trading, currency fluctuations, natural and man-made disasters, terrorist activities and armed conflicts, any of which may lead to an increase in the cost of fuel. Fuel prices are also affected by the rising demand for fuel in developing countries and could be materially adversely affected by the use of crude oil and oil reserves for purposes other than fuel production and by diminished drilling activity. Such events may lead not only to increases in fuel prices, but also to fuel shortages and disruptions in the fuel supply chain. Because the Company's operations are dependent upon diesel fuel, significant diesel fuel cost increases, shortages or supply disruptions could have a material adverse effect on the Company's business, financial condition and results of operations.

While the Company has fuel surcharge programs in place with a majority of the Company's customers, which historically have helped the Company offset the majority of the negative impact of rising fuel prices, the Company also incurs fuel costs that cannot be recovered even with respect to customers with which the Company maintains fuel surcharge programs, such as those associated with non-revenue generating miles or time when the Company's engines are idling. Moreover, the terms of each customer's fuel surcharge program vary from one division to another, and the recoverability for fuel price increases varies as well. In addition, because the Company's fuel surcharge recovery lags behind changes in fuel prices, the Company's fuel surcharge recovery may not capture the increased costs the Company pays for fuel, especially when prices are rising. This could lead to fluctuations in the Company's levels of reimbursement, such as has occurred in the past. There can be no assurance that such fuel surcharges can be maintained indefinitely or that they will be fully effective.

Insurance. The Company's operations are subject to risks inherent in the transportation sector, including personal injury, property damage, workers' compensation and employment and other issues. The Company's future insurance and claims expenses may exceed historical levels, which could reduce the Company's earnings. The Company subscribes for insurance in amounts it considers appropriate in the circumstances and having regard to industry norms. Like many in the industry, the Company self-insures a significant portion of the claims exposure related to cargo loss, bodily injury, workers' compensation and property damages. Due to the Company's significant self-insured amounts, the Company has exposure to fluctuations in the number or severity of claims and the risk of being required to accrue or pay additional amounts if the Company's estimates are revised or claims ultimately prove to be in excess of the amounts originally assessed. Further, the Company's self-insured retention levels could change and result in more volatility than in recent years.

The Company holds a fully-fronted policy of CAD $10 million limit per occurrence for automobile bodily injury, property damage and commercial general liability for its Canadian Insurance Program, subject to certain exceptions. The Company holds fully fronted policies of US $10 million limit per occurrence and various risk transfer programs with self insured retentions from US $1 million to US $5 million for certain US subsidiaries for automobile liability. The Company holds fully fronted policies of US $10 million limit per occurrence and various risk transfer programs with self insured retentions from US $1 million to US $3 million for certain US subsidiaries for commercial general liability. The Company retains deductibles of US $1 million and US $5 million per occurrence for workers' compensation claims for a limited number of U.S. subsidiaries. The Company's liability coverage has a total limit of US $90 million per occurrence for both its Canadian and U.S. divisions, where the Company retains a US $20 million self insured retention in the US $80 million excess of US $10 million, subject to certain exceptions.

Although the Company believes its aggregate insurance limits should be sufficient to cover reasonably expected claims, it is possible that the amount of one or more claims could exceed the Company's aggregate coverage limits or that the Company will choose not to obtain insurance in respect of such claims. If any claim were to exceed the Company's coverage, the Company would bear the excess, in addition to the Company’s other self-insured amounts. The Company’s results of operations and financial condition could be materially and adversely affected if (i) cost per claim or the number of claims significantly exceeds the Company’s coverage limits or retention amounts; (ii) the Company experiences a claim in excess of its coverage limits; (iii) the Company’s insurance carriers fail to pay on the Company’s insurance claims; (iv) the Company experiences a significant increase in premiums; or (v) the Company experiences a claim for which coverage is not provided, either because the Company chose not to obtain insurance as a result of high premiums or because the claim is not covered by insurance which the Company has in place.

The Company accrues the costs of the uninsured portion of pending claims based on estimates derived from the Company’s evaluation of the nature and severity of individual claims and an estimate of future claims development based upon historical claims development trends. Actual settlement of the Company’s retained claim liabilities could differ from its estimates due to a number of uncertainties, including evaluation of severity, legal costs and claims that have been incurred but not reported. Due to the Company’s high retained amounts, it has significant exposure to fluctuations in the number and severity of claims. If the Company were required to accrue or pay additional amounts because its estimates are revised or the claims ultimately prove to be more severe than originally assessed, its financial condition and results of operations may be materially adversely affected.

Employee Relations. With the acquisition of UPS Freight and prior Canadian acquisitions, the Company has a substantial number of unionized employees in the U.S. and Canada. Although the Company believes that its relations with its employees are satisfactory, no assurance can be given that the Company will be able to successfully extend or renegotiate the Company’s current collective agreements as they expire from time to time or that additional employees will not attempt to unionize.

The unionization of the Company’s employees in additional business units, adverse changes in terms under collective bargaining agreements, or actual or threatened strikes, work stoppages or slow downs, could have a material adverse effect on the Company’s business, customer retention, results of operations, financial condition and liquidity, and could cause significant disruption of, or inefficiencies in, its operations, because:

- restrictive work rules could hamper the Company’s ability to improve or sustain operating efficiency or could impair the Company’s service reputation and limit its ability to provide certain services;
- a strike or work stoppage could negatively impact the Company’s profitability and could damage customer and employee relationships;
- shippers may limit their use of unionized trucking companies because of the threat of strikes and other work stoppages;
- the Company could fail to extend or renegotiate its collective agreements or experience material increases in wages or benefits;
- disputes with the Company’s unions could arise; and
- an election and bargaining process could divert management’s time and attention from the Company’s overall objectives and impose significant expenses.

The Company’s collective agreements have a variety of expiration dates, to the last of which is in December 2029. In a small number of cases, the expiration date of the collective agreement has passed; in such cases, the Corporation is generally in the process of renegotiating the agreement. The Company cannot predict the effect which any new collective agreements or the failure to enter into such agreements upon the expiry of the current agreements may have on its operations.

The Company has experience managing its heavily unionized workforce in Canada, having fostered good labor relations with the various unions representing its workforce through several mature collective agreements. For the U.S., union relationships are less mature, but have proven to be harmonious thus far. On July 13, 2023, the Company reached an agreement with the US International Brotherhood of Teamster Union for the renewal of its most populous collective agreement, and in 2024 reached a 5-year agreement with the International Association of Machinists. The Company's unionized operations have not appeared to impact its non-unionized operations, but this remains a risk.

Drivers. Increases in driver compensation or difficulties attracting and retaining qualified drivers could have a material adverse effect on the Company’s profitability and the ability to maintain or grow the Company’s fleet.

Like many in the transportation sector, the Company experiences substantial difficulty in attracting and retaining sufficient numbers of qualified drivers. The trucking industry periodically experiences a shortage of qualified drivers. The Company believes the shortage of qualified drivers and intense competition for drivers from other transportation companies will create difficulties in maintaining or increasing the number of drivers and may negatively impact the Company’s ability to engage a sufficient number of drivers, and the Company’s inability to do so may negatively impact its operations. Further, the compensation the Company offers its drivers and independent contractor expenses are subject to market conditions, and the Company may find it necessary to increase driver and independent contractor compensation in future periods.

Driver shortages are exacerbated during periods of economic expansion, in which alternative employment opportunities, including in the construction and manufacturing industries, which may offer better compensation and/or more time at home, are more plentiful and freight demand increases, or during periods of economic downturns, in which unemployment benefits might be extended and financing is limited for independent contractors who seek to purchase equipment, or the scarcity or growth of loans for students who seek financial aid for driving school. In addition, enrollment at driving schools may be further limited by social distancing requirements, vaccine, testing, and mask mandates, and other regulatory requirements that reduces the number of eligible drivers. The lack of adequate truck parking along some U.S. highways and congestion caused by inadequate highway funding may make it more difficult for drivers to comply with hours of service regulations and cause added stress for drivers, further reducing the pool of eligible drivers. The Company’s use of team-driven trucks for expedited shipments requires two drivers per truck, which further increases the number of drivers the Company must recruit and retain in comparison to operations that require one driver per truck. The Company also employs driver hiring standards, which could further reduce the pool of available drivers from which the Company would hire. If the Company is unable to continue to attract and retain a sufficient number of drivers, the Company could be forced to, among other things, adjust the Company’s compensation packages, increase the number of the Company’s trucks without drivers or operate with fewer trucks and face difficulty meeting shipper demands, any of which could adversely affect the Company’s growth and profitability.

Independent Contractors. The Company’s contracts with U.S. independent contractors are governed by U.S. federal leasing regulations, which impose specific requirements on the Company and the independent contractors. If more stringent state or U.S. federal leasing regulations are adopted, U.S. independent contractors could be deterred from becoming independent contractor drivers, which could materially adversely affect the Company’s goal of maintaining its current fleet levels of independent contractors.

The Company provides financing to certain qualified Canadian independent contractors and financial guarantees to a small number of U.S. independent contractors. If the Company were unable to provide such financing or guarantees in the future, due to liquidity constraints or other restrictions, it may experience a decrease in the number of independent contractors it is able to engage. Further, if independent contractors the Company engages default under or otherwise terminate the financing arrangements and the Company is unable to find replacement independent contractors or seat the trucks with its drivers, the Company may incur losses on amounts owed to it with respect to such trucks.

Pursuant to the Company’s fuel surcharge program with independent contractors, the Company pays independent contractors with which it contracts a fuel surcharge that increases with the increase in fuel prices. A significant increase or rapid fluctuation in fuel prices could cause the Company’s costs under this program to be higher than the revenue the Company receives under its customer fuel surcharge programs.

U.S. tax and other regulatory authorities, as well as U.S. independent contractors themselves, have increasingly asserted that U.S. independent contractor drivers in the trucking industry are employees rather than independent contractors, and the Company’s classification of independent contractors has been the subject of audits by such authorities from time to time. U.S. federal and state legislation has been introduced in the past that would make it easier for tax and other authorities to reclassify independent contractors as employees, including legislation to increase the recordkeeping requirements for those that engage independent contractor drivers and to increase the penalties for companies who misclassify their employees and are found to have violated employees’ overtime and/or wage requirements. The most recent example being the Protecting the Rights to Organize (“PRO”) Act, which was passed by the U.S. House of Representatives and received by the U.S. Senate in March 2021 and remains with the U.S. Senate’s Committee on Health, Education, Labor, and Pensions. The PRO Act proposes to apply the “ABC Test” (described below) for classifying workers under Federal Fair Labor Standards Act claims. It is unknown whether any of the proposed legislation will become law or whether any industry-based exemptions from any resulting law will be granted. Additionally, U.S. federal legislators have sought to abolish the current safe harbor allowing taxpayers meeting certain criteria to treat individuals as independent contractors if they are following a long-standing, recognized practice, to extend the U.S. Fair Labor Standards Act to independent contractors and to impose notice requirements based on employment or independent contractor status and fines for failure to comply. Some U.S. states have put initiatives in place to increase their revenue from items such as unemployment, workers' compensation and income taxes, and a reclassification of independent contractors as employees would help states with this initiative. Further, courts in certain U.S. states have issued decisions that could result in a greater likelihood that independent contractors would be judicially classified as employees in such states.

In September 2019, California enacted a new law, A.B. 5 ("AB5"), that made it more difficult for workers to be classified as independent contractors (as opposed to employees). AB5 provides that the three-pronged "ABC Test" must be used to determine worker classifications in wage order claims. Under the ABC Test, a worker is presumed to be an employee and the burden to demonstrate their independent contractor status is on the hiring company through satisfying all three of the following criteria: (a) the worker is free from control and direction in the performance of services; (b) the worker is performing work outside the usual course of the business of the hiring company; and (c) the worker is customarily engaged in an independently established trade, occupation, or business. How AB5 will be enforced is still to be determined. In January 2021, however, the California Supreme Court ruled that the ABC Test could apply retroactively to all cases not yet final as of the date the original decision was rendered, April 2018. While it was set to enter into effect in January 2020, a U.S. federal judge in California issued a preliminary injunction barring the enforcement of AB5 on the trucking industry while the California Trucking Association ("CTA") moves forward with its suit seeking to invalidate AB5. The Ninth Circuit rejected the reasoning behind the injunction in April 2021, ruling that AB5 is not pre-empted by U.S. federal law, but granted a stay of the AB5 mandate in June 2021 (preventing its application and temporarily continuing the injunction) while the CTA petitioned the United States Supreme Court (the "Supreme Court") to review the decision. In November 2021, the Supreme Court requested that the U.S. solicitor general weigh in on the case. The injunction will remain in place until the Supreme Court makes a decision on whether to proceed in hearing the case. While the stay of the AB5 mandate provides temporary relief to the enforcement of AB5, it remains unclear how long such relief will last, and whether the CTA will ultimately be successful in invalidating the law. It is also possible AB5 will spur similar legislation in states other than California, which could adversely affect the Company's results of operations and profitability.

U.S. class action lawsuits and other lawsuits have been filed against certain members of the Company's industry seeking to reclassify independent contractors as employees for a variety of purposes, including workers' compensation and health care coverage. In addition, companies that use lease purchase independent contractor programs, such as the Company, have been more susceptible to reclassification lawsuits, and several recent decisions have been made in favor of those seeking to classify independent contractor truck drivers as employees. U.S. taxing and other regulatory authorities and courts apply a variety of standards in their determination of independent contractor status. If the independent contractors with whom the Company contracts are determined to be employees, the Company would incur additional exposure under U.S. federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, including for prior periods, as well as potential liability for employee benefits and tax withholdings, and the Company's business, financial condition and results of operations could be materially adversely affected. The Company has settled certain class action cases in Massachusetts and California in the past with independent contractors who alleged they were misclassified.

Acquisitions and Integration Risks. Historically, acquisitions have been a part of the Company's growth strategy. The Company may not be able to successfully integrate acquisitions into the Company's business, or may incur significant unexpected costs in doing so. Further, the process of integrating acquired businesses may be disruptive to the Company's existing business and may cause an interruption or reduction of the Company's business as a result of the following factors, among others:

- loss of drivers, key employees, customers or contracts;
- possible inconsistencies in or conflicts between standards, controls, procedures and policies among the combined companies and the need to implement company-wide financial, accounting, information technology and other systems;
- failure to maintain or improve the safety or quality of services that have historically been provided;
- inability to retain, integrate, hire or recruit qualified employees;
- unanticipated environmental or other liabilities;
- risks of entering new markets or business offerings in which we have had no or only limited prior experience;

- failure to coordinate geographically dispersed organizations; and
- the diversion of management's attention from the Company's day-to-day business as a result of the need to manage any disruptions and difficulties and the need to add management resources to do so.

Anticipated cost savings, synergies, revenue enhancements or other benefits from any acquisitions that the Company undertakes may not materialize in the expected timeframe or at all. The Company's estimated cost savings, synergies, revenue enhancements and other benefits from acquisitions are subject to a number of assumptions about the timing, execution and costs associated with realizing such synergies. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competition risks. There can be no assurance that such assumptions will turn out to be correct and, as a result, the amount of cost savings, synergies, revenue enhancements and other benefits the Company actually realizes and/or the timing of such realization may differ significantly (and may be significantly lower) from the ones the Company estimated, and the Company may incur significant costs in reaching the estimated cost savings, synergies, revenue enhancements or other benefits. Further, management of acquired operations through a decentralized approach may create inefficiencies or inconsistencies.

Many of the Company's recent acquisitions have involved the purchase of stock of existing companies. These acquisitions, as well as acquisitions of substantially all of the assets of a company, may expose the Company to liability for actions taken by an acquired business and its management before the Company's acquisition. The due diligence the Company conducts in connection with an acquisition and any contractual guarantees or indemnities that the Company receives from the sellers of acquired companies may not be sufficient to protect the Company from, or compensate the Company for, actual liabilities. The representations made by the sellers expire at varying periods after the closing. A material liability associated with an acquisition, especially where there is no right to indemnification, could adversely affect the Company's results of operations, financial condition and liquidity.

The Company continues to review acquisition and investment opportunities in order to acquire companies and assets that meet the Company's investment criteria, some of which may be significant. Depending on the number of acquisitions and investments and funding requirements, the Company may need to raise substantial additional capital and increase the Company's indebtedness. Instability or disruptions in the capital markets, including credit markets, or the deterioration of the Company's financial condition due to internal or external factors, could restrict or prohibit access to the capital markets and could also increase the Company's cost of capital. To the extent the Company raises additional capital through the sale of equity, equity-linked or convertible debt securities, the issuance of such securities could result in dilution to the Company's existing shareholders. If the Company raises additional funds through the issuance of debt securities, the terms of such debt could impose additional restrictions and costs on the Company's operations. Additional capital, if required, may not be available on acceptable terms or at all. If the Company is unable to obtain additional capital at a reasonable cost, the Company may be required to forego potential acquisitions, which could impair the execution of the Company's growth strategy.

The Company routinely evaluates its operations and considers opportunities to divest certain of its assets. In addition, the Company faces competition for acquisition opportunities. This external competition may hinder the Company's ability to identify and/or consummate future acquisitions successfully. There is also a risk of impairment of acquired goodwill and intangible assets. This risk of impairment to goodwill and intangible assets exists because the assumptions used in the initial valuation, such as interest rates or forecasted cash flows, may change when testing for impairment is required.

There is no assurance that the Company will be successful in identifying, negotiating, consummating or integrating any future acquisitions. If the Company does not make any future acquisitions, or divests certain of its operations, the Company's growth rate could be materially and adversely affected. Any future acquisitions the Company does undertake could involve the dilutive issuance of equity securities or the incurring of additional indebtedness.

Growth. There is no assurance that in the future, the Company's business will grow substantially or without volatility, nor is there any assurance that the Company will be able to effectively adapt its management, administrative and operational systems to respond to any future growth. Furthermore, there is no assurance that the Company's operating margins will not be adversely affected by future changes in and expansion of its business or by changes in economic conditions or that it will be able to sustain or improve its profitability in the future.

Environmental Matters. The Company uses storage tanks at certain of its Canadian and U.S. transportation terminals. Canadian and U.S. laws and regulations generally impose potential liability on the present and former owners or occupants or custodians of properties on which contamination has occurred, as well as on parties who arranged for the disposal of waste at such properties. Although the Company is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on it, certain of the Company's current or former facilities have been in operation for many years and over such time, the Company or the prior owners, operators or custodians of the properties may have generated and disposed of wastes which are or may be considered hazardous. Liability under certain of these laws and regulations may be imposed on a joint and several basis and without regard to whether the Company knew of, or was responsible for, the presence or disposal of these materials or whether the activities giving rise to the contamination was legal when it occurred. In addition, the presence of those substances, or the failure to properly dispose of or remove those substances, may adversely affect the Company's ability to sell or rent that property. If the Company incurs liability under these laws and regulations and if it cannot identify other parties which it can compel to contribute to its expenses and who are financially able to do so, it could have a material adverse effect on the Company's financial condition and results of operations. There can be no assurance that the Company will not be required at some future date to incur significant costs or liabilities pursuant to environmental laws, or that the Company's operations, business or assets will not be materially affected by current or future environmental laws.

The Company's transportation operations and its properties are subject to extensive and frequently-changing federal, provincial, state, municipal and local environmental laws, regulations and requirements in Canada, the United States and Mexico relating to, among other things, air emissions, the management of contaminants, including hazardous substances and other materials (including the generation, handling, storage, transportation and disposal thereof), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including ground water). A risk of environmental liabilities is inherent in transportation operations, historic activities associated with such operations and the ownership, management and control of real estate.

Environmental laws may authorize, among other things, federal, provincial, state and local environmental regulatory agencies to issue orders, bring administrative or judicial actions for violations of environmental laws and regulations or to revoke or deny the renewal of a permit. Potential penalties for such violations may include, among other things, civil and criminal monetary penalties, imprisonment, permit suspension or revocation and injunctive relief. These agencies may also, among other things, revoke or deny renewal of the Company's operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations and impose environmental assessment, removal of contamination, follow up or control procedures.

Environmental Contamination. The Company 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. If the Company is involved in a spill or other accident involving hazardous substances, if there are releases of hazardous substances the Company transports, if soil or groundwater contamination is found at the Company's current or former facilities or results from the Company's operations, or if the Company is found to be in violation of applicable laws or regulations, the Company 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 the Company's business and operating results.

Key Personnel. The future success of the Company will be based in large part on the quality of the Company's management and key personnel. The Company's management and key personnel possess valuable knowledge about the transportation and logistics industry and their knowledge of and relationships with the Company's key customers and vendors would be difficult to replace. The loss of key personnel could have a negative effect on the Company. There can be no assurance that the Company will be able to retain its current key personnel or, in the event of their departure, to develop or attract new personnel of equal quality.

Dependence on Third Parties. Certain portions of the Company's business are dependent upon the services of third-party capacity providers, including other transportation companies. For that portion of the Company's business, the Company does not own or control the transportation assets that deliver the customers' freight, and the Company does 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 trucking capacity. The Company's inability to secure the services of these third parties could significantly limit the Company's ability to serve its customers on competitive terms. Additionally, if the Company is unable to secure sufficient equipment or other transportation services to meet the Company's commitments to its customers or provide the Company's services on competitive terms, the Company's operating results could be materially and adversely affected. The Company's ability to secure sufficient equipment or other transportation services is affected by many risks beyond the Company's control, including equipment shortages in the transportation industry, particularly among contracted carriers, interruptions in service due to labor disputes, changes in regulations impacting transportation and changes in transportation rates.

Loan Default. The agreements governing the Company's indebtedness, including the Credit Facility and the Term Loan, contain certain restrictions and other covenants relating to, among other things, funded debt, distributions, liens, investments, acquisitions and dispositions outside the ordinary course of business and affiliate transactions. If the Company fails to comply with any of its financing arrangement covenants, restrictions and requirements, the Company could be in default under the relevant agreement, which could cause cross-defaults under other financing arrangements. In the event of any such default, if the Company failed to obtain replacement financing or amendments to or waivers under the applicable financing arrangement, the Company may be unable to pay dividends to its shareholders, and its lenders could cease making further advances, declare the Company's debt to be immediately due and payable, fail to renew letters of credit, impose significant restrictions and requirements on the Company's operations, institute foreclosure procedures against their collateral, or impose significant fees and transaction costs. If debt acceleration occurs, economic conditions may make it difficult or expensive to refinance the accelerated debt or the Company may have to issue equity securities, which would dilute share ownership. Even if new financing is made available to the Company, credit may not be available to the Company on acceptable terms. A default under the Company's financing arrangements could result in a materially adverse effect on its liquidity, financial condition and results of operations. As at the date hereof, the Company is in compliance with all of its debt covenants and obligations.

Credit Facilities. The Company has significant ongoing capital requirements that could affect the Company's profitability if the Company is unable to generate sufficient cash from operations and/or obtain financing on favorable terms. The trucking industry and the Company's trucking operations are capital intensive, and require significant capital expenditures annually. The amount and timing of such capital expenditures depend on various factors, including anticipated freight demand and the price and availability of assets. If anticipated demand differs materially from actual usage, the Company's trucking operations may have too many or too few assets. Moreover, resource requirements vary based on customer demand, which may be subject to seasonal or general economic conditions. During periods of decreased customer demand, the Company's asset utilization may suffer, and it may be forced to sell equipment on the open market or turn in equipment under certain equipment leases in order to right size its fleet. This could cause the Company to incur losses on such sales or require payments in connection with such turn ins, particularly during times of a softer used equipment market, either of which could have a materially adverse effect on the Company's profitability.

The Company's indebtedness may increase from time to time in the future for various reasons, including fluctuations in results of operations, capital expenditures and potential acquisitions. The agreements governing the Company's indebtedness, including the Credit Facility and the Term Loan, mature on various dates, ranging from 2026 to 2043. There can be no assurance that such agreements governing the Company's indebtedness will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favorable terms to the Company. The Company's ability to pay dividends to shareholders and ability to purchase new revenue equipment may be adversely affected if the Company is not able to renew the Credit Facility or the Term Loan or arrange refinancing of any indebtedness, or if such renewal or refinancing, as the case may be, occurs on terms materially less favorable to the Company than at present. If the Company is unable to generate sufficient cash flow from operations and obtain financing on terms favorable to the Company in the future, the Company may have to limit the Company's fleet size, enter into less favorable financing arrangements or operate the Company's revenue equipment for longer periods, any of which may have a material adverse effect on the Company's operations.

The Company is subject to risk with respect to higher prices for new equipment for its trucking operations. The Company has experienced an increase in prices for new trucks in recent years, and the resale value of the trucks has not increased to the same extent. Prices have increased and may continue to increase, due to, among other reasons, (i) increases in commodity prices; (ii) U.S. government regulations applicable to newly-manufactured trucks, trailers and diesel engines; (iii) the pricing discretion of equipment manufacturers; and (iv) component and supply chain issues that limit availability of new equipment and increase prices. Increased regulation has increased the cost of the Company's new trucks and could impair equipment productivity, in some cases, resulting in lower fuel mileage, and increasing the Company's operating expenses. Further regulations with stricter emissions and efficiency requirements have been proposed that would further increase the Company's costs and impair equipment productivity. These adverse effects, combined with the uncertainty as to the reliability of the vehicles equipped with the newly designed diesel engines and the residual values realized from the disposition of these vehicles could increase the Company's costs or otherwise adversely affect the Company's business or operations as the regulations become effective. Over the past several years, some manufacturers have significantly increased new equipment prices, in part to meet new engine design and operations requirements. Furthermore, future use of autonomous trucks could increase the price of new trucks and decrease the value of used non-autonomous trucks. The Company’s business could be harmed if it is unable to continue to obtain an adequate supply of new trucks and trailers for these or other reasons. As a result, the Company expects to continue to pay increased prices for equipment and incur additional expenses for the foreseeable future.

Truck and trailer vendors may reduce their manufacturing output in response to lower demand for their products in economic downturns or shortages of component parts. This could have a material adverse effect on the Company’s business, financial condition, and results of operations, particularly the Company’s maintenance expense and driver retention.

The Company has certain revenue equipment leases and financing arrangements with balloon payments at the end of the lease term equal to the residual value the Company is contracted to receive from certain equipment manufacturers upon sale or trade back to the manufacturers. If the Company does not purchase new equipment that triggers the trade-back obligation, or the equipment manufacturers do not pay the contracted value at the end of the lease term, the Company could be exposed to losses equal to the excess of the balloon payment owed to the lease or finance company over the proceeds from selling the equipment on the open market.

The Company has trade-in and repurchase commitments that specify, among other things, what its primary equipment vendors will pay it for disposal of a certain portion of the Company’s revenue equipment. The prices the Company expects to receive under these arrangements may be higher than the prices it would receive in the open market. The Company may suffer a financial loss upon disposition of its equipment if these vendors refuse or are unable to meet their financial obligations under these agreements, it does not enter into definitive agreements that reflect favorable equipment replacement or trade-in terms, it fails to or is unable to enter into similar arrangements in the future, or it does not purchase the number of new replacement units from the vendors required for such trade-ins.

Used equipment prices are subject to substantial fluctuations based on freight demand, supply of used trucks, availability of financing, presence of buyers for export and commodity prices for scrap metal. These and any impacts of a depressed market for used equipment could require the Company to dispose of its revenue equipment below the carrying value. This leads to losses on disposal or impairments of revenue equipment, when not otherwise protected by residual value arrangements. Deteriorations of resale prices or trades at depressed values could cause losses on disposal or impairment charges in future periods.

Difficulty in obtaining goods and services from the Company’s vendors and suppliers could adversely affect its business.

The Company is dependent upon its vendors and suppliers for certain products and materials. The Company believes that it has positive vendor and supplier relationships and it is generally able to obtain acceptable pricing and other terms from such parties. If the Company fails to maintain positive relationships with its vendors and suppliers, or if its vendors and suppliers are unable to provide the products and materials it needs or undergo financial hardship, the Company could experience difficulty in obtaining needed goods and services because of production interruptions, limited material availability or other reasons. As a consequence, the Company’s business and operations could be adversely affected.

Customer and Credit Risks. The Company provides services to clients primarily in Canada, the United States and Mexico. The concentration of credit risk to which the Company is exposed is limited due to the significant number of customers that make up its client base and their distribution across different geographic areas. Furthermore, no client accounted for more than 5% of the Company’s total accounts receivable for the year ended December 31, 2024. Generally, the Company does not have long-term contracts with its major customers. Accordingly, in response to economic conditions, supply and demand factors in the industry, the Company’s performance, the Company’s customers’ internal initiatives or other factors, the Company’s customers may reduce or eliminate their use of the Company’s services, or may threaten to do so in order to gain pricing and other concessions from the Company.

Economic conditions and capital markets may adversely affect the Company’s customers and their ability to remain solvent. The customers’ financial difficulties can negatively impact the Company’s results of operations and financial condition, especially if those customers were to delay or default in payment to the Company. For certain customers, the Company has entered into multi-year contracts, and the rates the Company charges may not remain advantageous.

Availability of Capital. If the economic and/or the credit markets weaken, or the Company is unable to enter into acceptable financing arrangements to acquire revenue equipment, make investments and fund working capital on terms favorable to it, the Company’s business, financial results and results of operations could be materially and adversely affected. The Company may need to incur additional indebtedness, reduce dividends or sell additional shares in order to accommodate these items. A decline in the credit or equity markets and any increase in volatility could make it more difficult for the Company to obtain financing and may lead to an adverse impact on the Company’s profitability and operations.

Information Systems. The Company depends heavily on the proper functioning, availability and security of the Company’s information and communication systems, including financial reporting and operating systems, in operating the Company’s business. The Company’s operating systems are critical to understanding customer demands, accepting and planning loads, dispatching equipment and drivers and billing and collecting for the Company’s services. The Company’s financial reporting system is critical to producing accurate and timely financial statements and analyzing business information to help the Company manage its business effectively. The Company receives and transmits confidential data with and among its customers, drivers, vendors, employees and service providers in the normal course of business.

The Company’s operations and those of its technology and communications service providers are vulnerable to interruption by natural disasters, such as fires, storms, and floods, which may increase in frequency and severity due to climate change, as well as other events beyond the Company’s control, including cybersecurity breaches and threats, such as hackers, malware and viruses, power loss, telecommunications failure, terrorist attacks and Internet failures. The Company’s systems are also vulnerable to unauthorized access and viewing, misappropriation, altering or deleting of information, including customer, driver, vendor, employee and service provider information and its proprietary business information. If any of the Company’s critical information systems fail, are breached or become otherwise unavailable, the Company’s ability to manage its fleet efficiently, to respond to customers’ requests effectively, to maintain billing and other records reliably, to maintain the confidentiality of the Company’s data and to bill for services and prepare financial statements accurately or in a timely manner would be challenged. Any significant system failure, upgrade complication, cybersecurity breach or other system disruption could interrupt or delay the Company’s operations, damage its reputation, cause the Company to lose customers, cause the Company to incur costs to repair its systems, pay fines or in respect of litigation or impact the Company’s ability to manage its operations and report its financial performance, any of which could have a material adverse effect on the Company’s business.

Litigation. The Company’s business is subject to the risk of litigation by employees, customers, vendors, government agencies, shareholders and other parties. The outcome of litigation is difficult to assess or quantify, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend litigation may also be significant. Not all claims are covered by the Company’s insurance, and there can be no assurance that the Company’s coverage limits will be adequate to cover all amounts in dispute. In the United States, where the Company has growing operations, many trucking companies have been subject to class-action lawsuits alleging violations of various federal and state wage laws regarding, among other things, employee classification, employee meal breaks, rest periods, overtime eligibility, and failure to pay for all hours worked. A number of these lawsuits have resulted in the payment of substantial settlements or damages by the defendants. The Company may at some future date be subject to such a class-action lawsuit. In addition, the Company may be subject, and has been subject in the past, to litigation resulting from trucking accidents. The number and severity of litigation claims may be worsened by distracted driving by both truck drivers and other motorists. To the extent the Company experiences claims that are uninsured, exceed the Company’s coverage limits, involve significant aggregate use of the Company’s self-insured retention amounts or cause increases in future funded premiums, the resulting expenses could have a material adverse effect on the Company’s business, results of operations, financial condition and cash flows.

Between March 14, 2025, and May 21, 2025, the following lawsuits seeking class action status were filed against the Company and certain of its officers: (1) Brownbridge v. TFI International Inc., Alain Bédard and David Saperstein, Case No. 1:25-cv-02159, in the Southern District of New York; (2) Denis Courcy v. TFI International Inc., Alain Bédard and David Saperstein, Case No. 500-06-001376-256, in the Quebec Superior Court; and (3) Abigail Yashayaeva v. TFI International Inc., Alain Bédard, David Saperstein, André Bérard, Robert McGonigal, Keith Hall and Rosemary Turner, Case No. CV-25-00743629-00CP, in the Ontario Superior Court of Justice. The lawsuits seek to represent classes of persons who purchased the Company’s securities between April 26, 2024 and February 19, 2025 for the US and Quebec lawsuits, and between February 16, 2024 and February 20, 2025 for the Ontario lawsuit, alleging violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 and 20(a) thereunder (with respect to the U.S. lawsuit); violations of the Ontario Securities Act, analogous provisions under other Canadian securities legislation, related principles of Canadian common law (with respect to the Ontario Lawsuit); and violations of the Quebec Securities Act (with respect to the Quebec lawsuit). The complaints allege that the Company, through its officers, made false and/or misleading statements and/or failed to disclose material information about the Company’s business, operations, and prospects, specifically including its customers, revenue, costs, and profitability. To date, the US court has not certified a class or designated lead plaintiff, and the Quebec and Ontario proceedings are still at a preliminary stage, with a judge yet to be assigned for case management purposes. The Company believes the allegations in the complaints have no merit and intends to vigorously defend against the claims asserted.

Cyber Security. Cyber security risks encompass threats to the confidentiality, integrity, and availability of the Corporation’s information, data, and information systems. These risks may arise from a range of sources and methods, including unauthorized access, data breaches, and disruptions to information systems. If the Corporation encounters a cyber security event, the consequences could extend beyond the immediate impact on information and data. Such an event may adversely affect organizational operations, profitability, and assets. In addition, individuals and other organizations associated with the Corporation could be impacted, reflecting the broad reach of cyber security incidents.

Artificial Intelligence. The integration of AI into the Corporation’s technologies and services exposes it to certain risks due to the complexity and rapid evolution of this technology. Its adoption can be costly, without any guarantee of improvements to operations or products. Errors in algorithms or the data used can result in legal liabilities and impact its business activities. AI may also generate risks related to intellectual property, data privacy, and security.

Remote Work. The Company has, and will continue to have, a portion of its employees that work from home full-time or under flexible work arrangements, which exposes the Company to additional cybersecurity risks. Employees working remotely may expose the Company to cybersecurity risks through: (i) unauthorized access to sensitive information as a result of increased remote access, including employees' use of Company-owned and personal devices and videoconferencing functions and applications to remotely handle, access, discuss or transmit confidential information, (ii) increased exposure to phishing and other scams as cybercriminals may, among other things, install malicious software on the Company's systems and equipment and access sensitive information, and (iii) violation of international, federal, or state-specific privacy laws. The Company believes that the increased number of employees working remotely has incrementally increased the cyber risk profile of the Company, but the Company is unable to predict the extent or impacts of those risks at this time. A significant disruption of our information technology systems, unauthorized access or a loss of confidential information, or legal claims resulting from a privacy law could have a material adverse effect on the Company.

Internal Control. Beginning with the year ended December 31, 2021, the Company is required, pursuant to Section 404 of the U.S. Sarbanes-Oxley Act, to furnish a report by management on the effectiveness of its internal control over financial reporting. In addition, the Company’s independent registered public accounting firm must report on its evaluation of the Company’s internal control over financial reporting. The Company reported material weaknesses as of December 31, 2021 which were remediated in 2022 such that the 2022 evaluation of internal controls over financial reporting were effective. If the Company fails to comply with Section 404 of the Sarbanes-Oxley Act and does not maintain effective internal controls in the future, it could result in a material misstatement of the Company’s financial statements, which could cause investors to lose confidence in the Company’s financial statements and cause the trading price of the Common Shares to decline.

Material Transactions. The Company has acquired numerous companies pursuant to its acquisition strategy and, in addition, has sold business units. The Company buys and sells business units in the normal course of its business. Accordingly, at any given time, the Company may consider, or be in the process of negotiating, a number of potential acquisitions and dispositions, some of which may be material in size. In connection with such potential transactions, the Company regularly enters into non-disclosure or confidentiality agreements, indicative term sheets, non-binding letters of intent and other similar agreements with potential sellers and buyers, and conducts extensive due diligence as applicable. These potential transactions may relate to some or all of the Company’s three reportable segments, that is, LTL, TL, and Logistics. The Company’s active acquisition and disposition strategy requires a significant amount of management time and resources. Although the Company complies with its disclosure obligations under applicable securities laws, the announcement of any material transaction by the Company (or rumors thereof, even if unfounded) could result in volatility in the market price and trading volume of the Common Shares. Further, the Company cannot predict the reaction of the market, or of the Company’s stakeholders, customers or competitors, to the announcement of any such material transaction or to rumors thereof.

Dividends and Share Repurchases. The payment of future dividends and the amount thereof is uncertain and is at the sole discretion of the Board of Directors of the Company and is considered each quarter. The payment of dividends is dependent upon, among other things, operating cash flow generated by the Company, its financial requirements for operations, the execution of its growth strategy and the satisfaction of solvency tests imposed by the Canada Business Corporations Act for the declaration and payment of dividends. Similarly, any future repurchase of shares by the Company is at the sole discretion of the Board of Directors and is dependent on the factors described above. Any future repurchase of shares by the Company is uncertain.

Attention on Environmental, Social and Governance (ESG) Matters. Companies face some level of attention from stakeholders relating to ESG matters, including environmental stewardship, social responsibility, and diversity and inclusion. Organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to negative sentiment toward the Company, which could have a negative impact on the Company's stock price.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include establishing the fair value of intangible assets related to business combinations, determining estimates and assumptions related to impairment tests for goodwill, determining estimates and assumptions related to the accrued benefit obligation, and determining estimates and assumptions related to the evaluation of provisions for self-insurance and litigations. These estimates and assumptions are based on management’s best estimates and judgments. Key drivers in critical estimates are as follows:

Fair value of intangible assets and land and building related to business combinations

- Projected future cash flows
- Acquisition specific discount rate
- Attrition rate established from historical trends
- Market capitalization rates

Accrued benefit obligation

- Discount rates
- Salary growth
- Mortality tables

Self-Insurance and litigations

- Historical claim experience, severity factors affecting the amounts ultimately paid, and current and expected levels of cost per claims

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

No new standards have been adopted in the current year.

To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2025, and have not been applied in preparing the audited consolidated financial statements:

Presentation and Disclosure in Financial Statements (IFRS 18)

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Further information can be found in note 3 of the December 31, 2025, audited consolidated financial statements.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' National Instrument 52-109 and the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company has filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company; and
- the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed disclosure controls and procedures (as defined in National Instrument 52-109 and Rule 13a-15(e) and 15d-15(e) under the Exchange Act), or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others; and
- information required to be disclosed by the Company in its filings, under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

As at December 31, 2025, an evaluation was carried out under the supervision of the CEO and CFO, of the design and operating effectiveness of the Company's disclosure controls and procedures. Based on this evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were appropriately designed and were operating effectively as at December 31, 2025.

Management's Annual Report on Internal Controls over Financial Reporting

The CEO and CFO have also designed internal control over financial reporting (as defined in National Instrument 52-109 and Rules 13a-15(f) and 15d-15(f) under the Exchange Act), or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2025, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the Company's internal control over financial reporting. Based on this evaluation, the CEO and the CFO concluded that the Company's internal control over financial reporting were appropriately designed and operating effectively as at December 31, 2025. The control framework used to design the Company's internal controls over financial reporting is based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

The Company's internal controls over financial reporting as of December 31, 2025 has been audited by KPMG LLP, the Company's registered public accounting firm that audited the consolidated financial statements and is included with the Company's consolidated financial statements. KPMG LLP has issued an unqualified audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025.

Limitation on scope of design

As permitted under the relevant securities rules, the Company has limited the scope of its evaluation of disclosure controls and procedures

and internal control over financial reporting as of December 31, 2025, and to exclude controls, policies and procedures of Hearn as it was not acquired more than 365 days before the end of the financial period to which the CEO and CFO certificates relate. For the year ended December 31, 2025, Hearn constituted 4.6% of current assets, 4.4% of long term assets, 0.8% of current liabilities, 2.0% of long term liabilities, 0.1% of revenue, and 0.7% of net income included in the consolidated financial statements of the Company as of and for the year ended December 31, 2025.

The Company is required to and will include Hearn in its disclosure controls and procedures and internal controls over financial reporting beginning in the fourth quarter of 2026.

Changes in internal controls over financial reporting

No changes were made to the Company's internal controls over financial reporting during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of TFI International Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of TFI International Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the financial performance and its cash flows for each of the years then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 17, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the self-insurance provision

As discussed in Note 16 to the consolidated financial statements, the Company has $212 million of self-insurance provisions as of December 31, 2025. As discussed in Note 3(k), self-insurance provisions represent the uninsured portion of outstanding claims at year-end. The provision represents an accrual for estimated future disbursements associated with the self-insured portion for claims filed at year-end and incurred but not reported related to cargo loss, bodily injury, worker's compensation and property damages. The estimates are based on the Company's historical experience including settlement patterns and payment trends.

We identified the assessment of the self-insurance provisions as a critical audit matter. Significant auditor judgment was required to evaluate the amounts that will ultimately be paid to settle these claims. Significant assumptions that affected the estimated provisions included the consideration of historical claim experience, severity factors affecting the amounts ultimately paid which are used to determine the loss development patterns, and current and expected levels of cost per claims which are used to determine expected loss ratios. Additionally, the provisions included estimates for claims that have been incurred but have not been reported, and specialized skills and knowledge were needed to evaluate the actuarial methods and assumptions used to assess these estimates.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the reconciliation and monitoring of its self-insurance provision.

For claims for which the estimate is determined using actuarial methods, which included claims incurred but not reported, we involved actuarial professionals with specialized skills and knowledge, who assisted in:

- Comparing the Company's actuarial reserving methods with generally accepted actuarial standards.
- Evaluating assumptions used in determining the provisions, including the loss development pattern and the expected loss ratios.
- Developing and expected range of the provisions, including for claims incurred but not reported, by applying actuarial methods and assumptions to the Company's data and comparing to the Company's estimated provisions.

For a selection of claims, we confirmed with the Company's external counsel regarding the Company's evaluation of claims and any excluded claims.

KPMG LLP

We have served as the Company's auditor since 2003.

Montreal, Canada

February 17, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of TFI International Inc.

Opinion on Internal Control Over Financial Reporting

We have audited TFI International Inc.'s (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated February 17, 2026 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Hearn Industrial Services ("Hearn") during 2025, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, Hearn's internal control over financial reporting associated with 4.6% of current assets, 4.4% of long term assets, 0.8% of current liabilities, 2.0% of long term liabilities, 0.1% of total revenues and 0.7% of net income included in the consolidated financial statements of the Company as of and for the year ended December 31, 2025. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Hearn.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Management's Annual Report on Internal Controls over Financial Reporting section in the Company's Management's Discussion and Analysis. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting 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 generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG LLP

Montreal, Canada

February 17, 2026

TFI International Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

(in thousands of U.S. dollars)	Note	As at December 31, 2025	As at December 31, 2024*
Assets			
Cash and cash equivalents		**210,186**	-
Trade and other receivables	6	**881,432**	927,654
Inventoried supplies		**19,529**	17,962
Current taxes recoverable		**26,074**	11,996
Prepaid expenses		**60,035**	65,810
Assets held for sale		**11,906**	13,627
Current assets		**1,209,162**	1,037,049
Property and equipment	8	**2,779,326**	2,891,087
Right-of-use assets	9	**590,216**	536,748
Intangible assets	10	**2,864,436**	2,642,933
Investments	11	**24,954**	22,097
Other assets		**30,729**	22,188
Deferred tax assets	17	**10,412**	13,724
Non-current assets		**6,300,073**	6,128,777
Total assets		**7,509,235**	7,165,826
Liabilities			
Bank indebtedness		**8,256**	6,777
Trade and other payables	12	**667,246**	639,190
Current taxes payable		**7,609**	11,995
Provisions	16	**86,864**	99,540
Other financial liabilities		**12,713**	15,220
Long-term debt	13	**222,498**	93,453
Lease liabilities	14	**165,291**	152,449
Current liabilities		**1,170,477**	1,018,624
Long-term debt	13	**2,355,477**	2,309,428
Lease liabilities	14	**472,473**	421,213
Employee benefits	15	**46,405**	70,456
Provisions	16	**142,159**	159,936
Other financial liabilities		**97,866**	4,466
Deferred tax liabilities	17	**546,751**	508,428
Non-current liabilities		**3,661,131**	3,473,927
Total liabilities		**4,831,608**	4,492,551
Equity			
Share capital	18	**1,125,109**	1,135,500
Contributed surplus	18, 20	**32,331**	30,971
Accumulated other comprehensive loss		**(257,796)**	(331,903)
Retained earnings		**1,777,983**	1,838,707
Total equity		**2,677,627**	2,673,275
Contingencies, letters of credit and other commitments	26		
Subsequent events	28		
Total liabilities and equity		**7,509,235**	7,165,826

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

The notes on pages 58 to 96 are an integral part of these consolidated financial statements.

On behalf of the Board:

Director
Alain Bédard

Director
André Bérard

TFI International Inc.

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(In thousands of U.S. dollars, except per share amounts)	Note	**2025**	2024
Revenue		**6,913,039**	7,304,626
Fuel surcharge		**971,632**	1,092,204
Total revenue		**7,884,671**	8,396,830
Materials and services expenses	21	**3,897,297**	4,171,135
Personnel expenses	22	**2,413,504**	2,496,315
Other operating expenses		**416,642**	435,486
Depreciation of property and equipment	8	**350,902**	332,580
Depreciation of right-of-use assets	9	**172,762**	169,505
Amortization of intangible assets	10	**86,840**	79,984
Gain on sale of rolling stock and equipment		**(12,851)**	(7,434)
(Gain) loss on derecognition of right-of-use assets		**(451)**	105
Loss on sale of land and buildings		**92**	-
(Gain) loss, net of impairment, on sale of assets held for sale		**(5,382)**	192
Total operating expenses		**7,319,355**	7,677,868
Operating income		**565,316**	718,962
Finance (income) costs			
Finance income	23	**(2,312)**	(13,760)
Finance costs	23	**162,268**	171,999
Net finance costs		**159,956**	158,239
Income before income tax		**405,360**	560,723
Income tax expense	24	**94,807**	138,239
Net income		**310,553**	422,484
Earnings per share			
Basic earnings per share	19	**3.74**	5.00
Diluted earnings per share	19	**3.72**	4.96

The notes on pages 58 to 96 are an integral part of these consolidated financial statements.

TFI International Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(In thousands of U.S. dollars)	**2025**	2024
Net income	**310,553**	422,484
Other comprehensive income (loss)		
Items that may be reclassified to income or loss in future years:		
Foreign currency translation differences	**(8,218)**	5,675
Net investment hedge, net of tax	**84,773**	(136,089)
Items that may never be reclassified to income:		
Defined benefit plan remeasurement, net of tax	**(3,206)**	16,809
Items directly reclassified to retained earnings:		
Unrealized loss on investments in equity securities measured at fair value through OCI, net of tax	**(2,448)**	(8,108)
Other comprehensive income (loss), net of tax	**70,901**	(121,713)
Total comprehensive income	**381,454**	300,771

The notes on pages 58 to 96 are an integral part of these consolidated financial statements.

(In thousands of U.S. dollars)

	Note	Share capital	Contributed surplus	Accumulated foreign currency translation differences & net investment hedge	Accumulated unrealized gain (loss) on investments in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2024		**1,135,500**	**30,971**	**(330,710)**	**(1,193)**	**1,838,707**	**2,673,275**
Net income		**-**	**-**	**-**	**-**	**310,553**	**310,553**
Other comprehensive income (loss), net of tax		**-**	**-**	**76,555**	**(2,448)**	**(3,206)**	**70,901**
Total comprehensive income (loss)		**-**	**-**	**76,555**	**(2,448)**	**307,347**	**381,454**
Share-based payment transactions, net of tax	20	**-**	**14,513**	**-**	**-**	**-**	**14,513**
Stock options exercised, net of tax	18, 20	**7,745**	**(1,274)**	**-**	**-**	**-**	**6,471**
Dividends to owners of the Company	18	**-**	**-**	**-**	**-**	**(150,788)**	**(150,788)**
Repurchase of own shares	18	**(27,485)**	**-**	**-**	**-**	**(202,921)**	**(230,406)**
Net settlement of restricted share units and performance share units, net of tax	18, 20	**9,349**	**(11,879)**	**-**	**-**	**(14,362)**	**(16,892)**
Total transactions with owners, recorded directly in equity		**(10,391)**	**1,360**	**-**	**-**	**(368,071)**	**(377,102)**
Balance as at December 31, 2025		**1,125,109**	**32,331**	**(254,155)**	**(3,641)**	**1,777,983**	**2,677,627**
Balance as at December 31, 2023		1,107,290	37,684	(200,296)	(243)	1,646,975	2,591,410
Net income		-	-	-	-	422,484	422,484
Other comprehensive loss, net of tax		-	-	(130,414)	(8,108)	16,809	(121,713)
Realized gain (loss) on equity securities, net of tax		-	-	-	7,158	(7,158)	-
Total comprehensive (loss) income		-	-	(130,414)	(950)	432,135	300,771
Share-based payment transactions, net of tax	20	-	13,235	-	-	-	13,235
Stock options exercised, net of tax	18, 20	16,508	(2,985)	-	-	-	13,523
Dividends to owners of the Company	18	-	-	-	-	(139,494)	(139,494)
Repurchase of own shares	18	(5,929)	-	-	-	(70,687)	(76,616)
Net settlement of restricted share units and performance share units, net of tax	18, 20	17,631	(16,963)	-	-	(30,222)	(29,554)
Total transactions with owners, recorded directly in equity		28,210	(6,713)	-	-	(240,403)	(218,906)
Balance as at December 31, 2024		1,135,500	30,971	(330,710)	(1,193)	1,838,707	2,673,275

The notes on pages 58 to 96 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(In thousands of U.S. dollars)	Note	2025	2024
Cash flows from operating activities			
Net income		**310,553**	422,484
Adjustments for:			
Depreciation of property and equipment	8	**350,902**	332,580
Depreciation of right-of-use assets	9	**172,762**	169,505
Amortization of intangible assets	10	**86,840**	79,984
Share-based payment transactions	20	**15,148**	11,074
Net finance costs	23	**159,956**	158,239
Income tax expense	24	**94,807**	138,239
Gain on sale of property and equipment		**(12,759)**	(7,434)
(Gain) loss on derecognition of right-of-use assets		**(451)**	105
(Gain) loss, net of impairment, on sale of assets held for sale		**(5,382)**	192
Employee benefits		**(31,729)**	38,088
Provisions, net of payments		**(33,325)**	15,637
Net change in non-cash operating working capital	7	**142,457**	11,566
Interest paid		**(153,599)**	(157,062)
Income tax paid		**(118,392)**	(150,546)
Net cash from operating activities		**977,788**	1,062,651
Cash flows used in investing activities			
Purchases of property and equipment	8	**(273,220)**	(392,819)
Proceeds from sale of property and equipment		**58,778**	65,389
Proceeds from sale of assets held for sale		**68,942**	33,404
Purchases of intangible assets	10	**(9,703)**	(6,274)
Business combinations, net of cash acquired	5	**(201,258)**	(957,963)
Purchases of investments		**(4,755)**	-
Proceeds from sale of investments		**-**	19,068
Others		**(661)**	(5,420)
Net cash used in investing activities		**(361,877)**	(1,244,615)
Cash flows (used in) from financing activities			
Net increase in bank indebtedness		**1,479**	6,777
Proceeds from long-term debt	13	**219,378**	500,000
Repayment of long-term debt	13	**(320,002)**	(536,700)
Net increase in revolving facilities	13	**254,594**	261,783
Repayment of lease liabilities	14	**(163,250)**	(165,350)
Decrease of other financial liabilities		**(7,376)**	(4,374)
Dividends paid		**(151,091)**	(133,928)
Repurchase of own shares	18	**(225,815)**	(76,616)
Proceeds from exercise of stock options	18	**6,471**	13,523
Share repurchase for settlement of restricted share units and performance share units		**(16,892)**	(29,554)
Net cash (used in) from financing activities		**(402,504)**	(164,439)
Net change in cash and cash equivalents		**213,407**	(346,403)
Cash and cash equivalents, beginning of year		**-**	335,556
Effect of movements in exchange rates on cash and cash equivalents		**(3,221)**	10,847
Cash and cash equivalents, end of year		**210,186**	-

The notes on pages 58 to 96 are an integral part of these consolidated financial statements.

1. Reporting entity

TFI International Inc. (the “Company”) is incorporated under the *Canada Business Corporations Act*, and is a company domiciled in Canada. The address of the Company’s registered office is 8801 Trans-Canada Highway, Suite 500, Montreal, Quebec, H4S 1Z6.

The consolidated financial statements of the Company as at and for the years ended December 31, 2025 and 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The Group is involved in the provision of transportation and logistics services across the United States, Canada and Mexico.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on February 17, 2026.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- investment in equity securities and contingent considerations are measured at fair value;
- the defined benefit pension plan liability is recognized as the net total of the present value of the defined benefit obligation less the fair value of the plan assets; and
- assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

c) Functional and presentation currency

The Company’s consolidated financial statements are presented in U.S. dollars (“U.S. dollars” or “USD”). All information in these consolidated financial statements is presented in USD unless otherwise specified.

The Company’s functional currency is the Canadian dollar (“CAD” or “CDN$”). Translation gains and losses from the application of the U.S. dollar as the presentation currency while the Canadian dollar is the functional currency are included as part of the accumulated foreign currency translation differences and net investment hedge.

All financial information presented in U.S. dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of the accompanying financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of goodwill and intangible assets, the measurement of identified assets and liabilities acquired in business combinations, contingent consideration, income tax provisions, defined benefit obligation and the self-insurance and other provisions and contingencies. These estimates and assumptions are based on management’s best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

Note 5 – Establishing the fair value of intangible assets and land and buildings related to material business combinations;

Note 15 – Determining estimates and assumptions related to the evaluation of the defined benefit obligation; and

Note 16 – Determining estimates and assumptions related to the evaluation of provisions for self-insurance and litigations.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

The Group measures goodwill as the fair value of the consideration transferred including the fair value of liabilities resulting from contingent consideration arrangements, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at fair value as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss. Any goodwill that arises is tested annually for impairment.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency translation

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in effect at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the rate in effect on the transaction date. Income and expense items denominated in foreign currency are translated at the date of the transactions. Gains and losses are included in income or loss.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on business combinations, are translated to Canadian dollars at exchange rates in effect at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the average exchange rate in effect during the reporting period.

Foreign currency differences are recognized in other comprehensive income ("OCI") in the accumulated foreign currency translation differences account.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation differences is transferred to income or loss as part of the income or loss on disposal. On the partial disposal of a subsidiary while retaining control, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to income or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

Translation gains and losses from the application of U.S dollars as the presentation currency while the Canadian dollar is the functional currency are included as part of the cumulative foreign currency translation adjustment.

c) Financial instruments

i) Non-derivative financial assets

The Group initially recognizes financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value, except for trade receivables which are initially measured at their transaction price when the trade receivables do not contain a significant financing component. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Group classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets and depending on the purpose for which the financial assets were acquired.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

The Group currently classifies its cash equivalents, trade and other receivables and long-term non-trade receivables included in other non-current assets as financial assets measured at amortized cost.

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. The Group has a portfolio of trade receivables at the reporting date. The Group uses a provision matrix to determine the lifetime expected credit losses for the portfolio.

The Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income or loss and reflected in an allowance account against trade and other receivables.

Financial assets measured at fair value

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in income or loss. However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss, and no impairment is recognized in profit or loss. Dividends earned from such investments are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment.

Financial assets measured at fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

ii) Non-derivative financial liabilities

The Group initially recognizes debt issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are classified into financial liabilities measured at amortized cost and financial liabilities measured at fair value.

Financial liabilities measured at amortized cost

A financial liability is subsequently measured at amortized cost, using the effective interest method. The Group currently classifies bank indebtedness, trade and other payables and long-term debt as financial liabilities measured at amortized cost.

Financial liabilities measured at fair value

Financial liabilities at fair value are initially recognized at fair value and are re-measured at each reporting date with any changes therein recognized in net earnings. The Group currently classifies its contingent consideration liability in connection with a business acquisition as a financial liability measured at fair value.

iii) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction to share capital, net of any tax effects.

When share capital recognized as equity is repurchased, share capital is reduced by the amount equal to weighted average historical cost of repurchased equity. The excess amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from retained earnings.

d) Hedge accounting

Management’s risk strategy is focused on reducing the variability in profit or losses and cash flows associated with exposure to market risks. Hedge accounting is used to reduce this variability to an acceptable level. The hedges employed by the Group reduce the currency fluctuation exposures.

On the initial designation of a hedging relationship, the Group formally documents the relationship between the hedging instrument and the hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be effective in offsetting the changes in the fair value or cash flows of the respective hedged items throughout the period for which the hedge is designated.

Net investment hedge

The Group designates a portion of its U.S. dollar denominated debt as a hedging item in a net investment hedge. The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company’s functional currency (CAD), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective and are presented in the currency translation differences account within equity. To the extent that the hedge is ineffective, such differences are recognized in income or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to income or loss as part of the gain or loss on disposal.

e) Property and equipment

Property and equipment are accounted for at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and borrowing costs on qualifying assets.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in net income or loss.

Depreciation is based on the cost of an asset less its residual value and is recognized in income or loss over the estimated useful life of each component of an item of property and equipment.

The depreciation method and useful lives are as follows:

Categories	Basis	Useful lives
Buildings	Straight-line	15 – 40 years
Rolling stock	Primarily straight-line	3 – 20 years
Equipment	Primarily straight-line	5 – 12 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment in accordance with IAS 36 *Impairment of Assets* when there are indicators that the carrying value may not be recoverable.

f) Intangible assets

i) Goodwill

Goodwill that arises upon business combinations is included in intangible assets.

Goodwill is not amortized and is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Intangible assets consist of customer relationships, trademarks, non-compete agreements and information technology.

The Group determines the fair value of the customer relationship intangible assets using the excess earnings model and internally developed significant assumptions including:

1. Forecasted revenue attributable to existing customer contracts and relationships;
2. Estimated annual attrition rate;
3. Forecasted operating margins; and
4. Discount rates

The internally developed assumptions are based on limited observable market information which cause measurement uncertainty, and the fair value of the customer related intangible assets are sensitive to changes to these assumptions.

Intangible assets that are acquired by the Group and have finite lives are measured at cost less accumulated amortization and accumulated impairment losses. The Group also has indefinite lived trademark intangible assets which are not amortized.

Intangible assets with finite lives are amortized on a straight-line basis over the following estimated useful lives:

Categories	Useful lives
Customer relationships	5 – 20 years
Trademarks	5 – 20 years
Non-compete agreements	3 – 10 years
Information technology	5 – 7 years

Useful lives are reviewed at each financial year-end and adjusted prospectively, if appropriate.

g) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is a function of the Group’s incremental borrowing rate, the nature of the underlying asset, the location of the asset and the length of the lease. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or leases and leases of low-value assets. The Group recognises these lease payments as an expense on a straight-line basis over the lease term.

h) Impairment

Non-financial assets

The carrying amounts of the Group’s non-financial assets other than inventoried supplies and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For goodwill and indefinite useful life assets, the recoverable amount is estimated on December 31 of each year.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs (usually a Group’s operating segment), that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The Company performs goodwill impairment testing annually, or more frequently if events or circumstances indicate the carrying value of a CGU, which is a Group’s operating segment, may exceed the recoverable amount of the CGU. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets. The fair value less cost to sell is based on market comparable multiples applied to forecasted earnings before financial expenses, income taxes, depreciation and amortization ("adjusted EBITDA") for the next year, which takes into account financial forecasts approved by senior management.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a prorata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses and impairment reversals are recognized in income or loss.

i) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in income or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortized or depreciated.

j) Employee benefits

i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on AAA, AA or A credit-rated fixed income securities that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or income-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv) Share-based payment transactions

The grant date fair value of equity share-based payment awards granted to employees is recognized as a personnel expense, with a corresponding increase in contributed surplus, net of tax, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be fully settled within 12 months of the end of the reporting period, then they are discounted.

k) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as finance cost.

Self-Insurance

Self-insurance provisions represent the uninsured portion of outstanding claims at year-end. The provision represents an accrual for estimated future disbursements associated with the self-insured portion for claims filed at year-end and incurred but not reported, related to cargo loss, bodily injury, worker’s compensation and property damages. The estimates are based on the Group’s historical experience including settlement patterns and payment trends. The most significant assumptions in the estimation process include the consideration of historical claim experience, severity factors affecting the amounts ultimately paid, and current and expected levels of cost per claims. Changes in assumptions and experience could cause these estimates to change significantly in the near term.

l) Revenue recognition

The Group’s normal business operations consist of the provision of transportation and logistics services. All revenue relating to normal business operations is recognized over time in the statement of income. The stage of completion of the service is determined using the proportion of days completed to date compared to the estimated total days of the service. Revenue is presented net of trade discounts and volume rebates. Revenue is recognized as services are rendered, when the control of promised services is transferred to customers in an amount that reflects the consideration the Group expects to be entitled to receive in exchange for those services measured based on the consideration specified in a contract with the customers. The Group considers the contract with customers to include the general transportation service agreement and the individual bill of ladings with customers.

Based on the evaluation of the control model, certain businesses, mainly in the Less-Than-Truckload segment, act as the principal within their revenue arrangements. The affected businesses report transportation revenue gross of associated purchase transportation costs rather than net of such amounts within the consolidated statements of income.

m) Other operating expenses

Other operating expenses consist primarily of third-party commissions, information technology support and software expenses, building expenses (including repairs and maintenance, electricity, janitorial & security services and property taxes).

n) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and interest. Interest income is recognized as it accrues in income or loss, using the effective interest method.

Finance costs comprise interest expense on bank indebtedness and long-term debt, unwinding of the discount on provisions and impairment losses recognized on financial assets (other than trade receivables).

Fair value gains or losses on derivative financial instruments and on contingent considerations, and foreign currency gains and losses are reported on a net basis as either finance income or cost.

o) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

p) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants, restricted share units and performance share units and stock options granted to employees.

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s chief executive officer (“CEO”) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group’s headquarters), head office expenses, income tax assets, liabilities and expenses, as well as long-term debt and interest expense thereon.

Sales between the Group’s segments are measured at the exchange amount. Transactions, other than sales, are measured at carrying value. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

r) New standards and interpretations adopted during the year

No new standards, and amendments to standards and interpretations, were effective for the first time for periods beginning on or after January 1, 2025.

The following new standards, and amendments to standards and interpretations, were effective for the first time for periods beginning on or after January 1, 2024 and were applied in preparing the consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements (the 2020 amendments), to clarify the classification of liabilities as current or non-current. On October 31, 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) (the 2022 amendments), to improve the information a company provides about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively “the Amendments”) are effective for annual periods beginning on or after January 1, 2024. A company that applies the 2020 amendments early is required to also apply the 2022 amendments. For the purposes of non-current classification, the Amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period and have substance. The Amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which a company must comply after the reporting date do not affect a liability’s classification at that date. The Amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The Amendments state that: the settlement of a liability includes transferring a company’s own equity instruments to the counterparty; and when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity.

The adoption of the amendments did not have a material impact on the Group’s consolidated financial statements.

Lease Liability in a Sale and Leaseback

On September 22, 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendments are effective for annual periods beginning on or after January 1, 2024. The amendment introduces a new accounting model which impacts how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments clarify that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction and after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments need to be applied retrospectively, which require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019.

The adoption of the amendments did not have a material impact on the Group’s consolidated financial statements.

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) and Legislation

In May 2023, the International Accounting Standards Board issued International Tax Reform – Pillar Two Model Rules to amend IAS 12. The amendments provide a temporary mandatory exception from the accounting for deferred tax that arises from legislation implementing the GloBE model rules. Entities are effectively prohibited from recognizing or disclosing information about deferred tax assets and liabilities related to top-up tax. The Company has applied the mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

During fiscal 2024, Pillar Two legislation was enacted or substantially enacted in certain jurisdictions in which the Company operates. The Company performed an assessment of its potential exposure to Pillar Two income taxes based on recent information available and determined that Pillar Two effective tax rates in most of the jurisdictions in which the Company operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply, and the Pillar Two effective tax rate is below 15%.

The Company did not experience a material impact in fiscal 2024.

s) New standards and interpretations not yet adopted

The following new standards are not yet effective for the year ended December 31, 2025, and have not been applied in preparing these consolidated financial statements:

Presentation and Disclosure in Financial Statements – IFRS 18

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

The new Accounting Standard introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management's own performance measures (commonly referred to as non-GAAP measures) and less aggregation of items into large, single numbers. The main impacts of the new Accounting Standard include:

- introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities (i.e. operating, investing and financing);
- requiring disclosure about management performance measures (MPMs); and
- adding new principles for aggregation and disaggregation of information

The extent of the impact of adoption of the amendments has not yet been determined.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment introduces an accounting policy choice for the derecognition of financial liabilities settled via electronic payment systems. Under the amendment, an entity may elect to derecognize a financial liability before the cash is delivered, provided that:

- No practical ability to withdraw, stop or cancel the payment instruction;
- No practical ability to access the cash to be used for settlement as a result of the payment instruction;
- The settlement risk associated with the electronic payment system is insignificant.

The extent of the impact of adoption of the amendments has not yet been determined.

4. Segment reporting

The Group operates within the transportation and logistics industry in the United States, Canada and Mexico in different reportable segments, as described below. The reportable segments are managed independently as they require different technology and capital resources. For each of the operating segments, the Group's CEO reviews internal management reports.

In the second quarter of fiscal 2024, it was determined that Package and Courier operating segment should be aggregated with the Canadian Less-Than-Truckload and U.S. Less-Than-Truckload operating segments, forming the Less-Than-Truckload reportable segment.

The following summary describes the operations in each of the Group's reportable segments:

Less-Than-Truckload [(a)]:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload [(b)]:	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customers' specific needs. Includes expedited transportation, flatbed, tank, container and dedicated services.
Logistics:	Asset-light logistics services, including brokerage, freight forwarding and transportation management, as well as small package parcel delivery.

(a) The Less-Than-Truckload reporting segment represents the aggregation of the Canadian Less-Than-Truckload, U.S. Less-Than-Truckload and Package and Courier operating segments. The aggregation of the segment was analyzed using management's judgment in accordance with IFRS 8. The operating segments were determined to be similar, amongst others, with respect to the nature of services offered and the methods used to distribute their services. Additionally, they have similar economic characteristics with respect to long-term expected gross margin, levels of capital invested and market place trends.

(b) The Truckload reporting segment represented the aggregation of the Canadian Conventional Truckload and Specialized Truckload operating segments. The aggregation of the segment was analyzed using management's judgment in accordance with IFRS 8. The operating segments were determined to be similar, amongst others, with respect to the nature of services offered and the methods used to distribute their services. Additionally, they have similar economic characteristics with respect to long-term expected gross margin, levels of capital invested and market place trends.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating income or loss. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income" in the consolidated statements of income. Segment's operating income or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

	Less-Than-Truckload	Truckload	Logistics	Corporate	Eliminations	Total
2025						
Revenue[1]	**2,730,208**	**2,733,421**	**1,503,929**	**-**	**(54,519)**	**6,913,039**
Fuel surcharge[1]	**540,306**	**363,810**	**78,057**	**-**	**(10,541)**	**971,632**
Total revenue[1]	**3,270,514**	**3,097,231**	**1,581,986**	**-**	**(65,060)**	**7,884,671**
Operating income (loss)	**259,953**	**220,145**	**131,279**	**(46,061)**	**-**	**565,316**
Selected items:						
Materials and services expenses	**1,340,048**	**1,610,728**	**1,049,527**	**(37,946)**	**(65,060)**	**3,897,297**
Personnel expenses	**1,272,225**	**830,124**	**242,246**	**68,909**	**-**	**2,413,504**
Other operating expenses	**193,664**	**112,620**	**96,538**	**13,820**	**-**	**416,642**
Depreciation and amortization	**200,461**	**346,025**	**62,740**	**1,278**	**-**	**610,504**
Loss on sale of land and buildings	**87**	**-**	**5**	**-**	**-**	**92**
(Loss) gain, net of impairment, on sale of assets held for sale	**(4,139)**	**9,521**	**-**	**-**	**-**	**5,382**
Intangible assets	**407,692**	**1,521,006**	**933,876**	**1,862**	**-**	**2,864,436**
Total assets	**2,491,628**	**3,374,439**	**1,379,429**	**263,739**	**-**	**7,509,235**
Total liabilities	**759,886**	**792,208**	**428,414**	**2,851,224**	**(124)**	**4,831,608**
Additions to property and equipment	**98,201**	**165,111**	**9,151**	**275**	**-**	**272,738**
2024						
Revenue[1]	3,085,727	2,551,540	1,720,976	-	(53,617)	7,304,626
Fuel surcharge[1]	617,208	385,765	100,735	-	(11,504)	1,092,204
Total revenue[1]	3,702,935	2,937,305	1,821,711	-	(65,121)	8,396,830
Operating income (loss)	361,235	252,434	182,364	(77,071)	-	718,962
Selected items:						
Materials and services expenses	1,541,476	1,511,418	1,216,026	(32,665)	(65,120)	4,171,135
Personnel expenses	1,360,982	783,894	267,569	83,870	-	2,496,315
Other operating expenses	222,619	94,835	95,438	22,594	-	435,486
Depreciation and amortization	213,524	307,244	60,419	882	-	582,069
(Loss) gain, net of impairment, on sale of assets held for sale	(2,549)	2,321	36	-	-	(192)
Intangible assets[2]	396,533	1,511,355	734,736	309	-	2,642,933
Total assets[2]	2,618,714	3,393,992	1,098,617	54,503	-	7,165,826
Total liabilities[2]	802,778	833,332	390,525	2,466,034	(118)	4,492,551
Additions to property and equipment	188,055	196,596	7,920	730	-	393,301

[1] Includes intersegment revenue and intersegment fuel surcharge, which are eliminated in the consolidated results and are not disclosed by reportable segment due to the non-material amounts.
[2] Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c)).

Geographical information

Revenue is attributed to geographical locations based on the origin of service's location.

	Less-Than-Truckload	Truckload	Logistics	Eliminations	Total
2025					
Canada	**1,081,445**	**1,121,629**	**246,593**	**(29,934)**	**2,419,733**
United States	**2,189,069**	**1,975,602**	**1,335,393**	**(35,126)**	**5,464,938**
Total	**3,270,514**	**3,097,231**	**1,581,986**	**(65,060)**	**7,884,671**
2024					
Canada	1,162,733	1,159,562	258,489	(37,224)	2,543,560
United States	2,540,202	1,777,743	1,563,222	(27,897)	5,853,270
Total	3,702,935	2,937,305	1,821,711	(65,121)	8,396,830

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

Segment assets are based on the geographical location of the assets.

	As at December 31, 2025	As at December 31, 2024*
Property and equipment, right-of-use assets and intangible assets		
Canada	**2,333,857**	2,213,562
United States	**3,900,121**	3,857,206
	6,233,978	6,070,768

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c)).*

5. Business combinations

a) Business combinations

In line with the Group's growth strategy, the Group acquired four businesses during 2025, of which Hearn Industrial Services ("Hearn") was considered material. All other acquisitions were not considered to be material. These transactions were concluded in order to add density in the Group's current network and further expand value-added services.

On December 15, 2025, the Group completed the acquisition of Hearn. Hearn is reported in the Logistics segment. The purchase price for the business acquisition totaled $304.3 million, which includes $95.5 million of contingent consideration measured at fair value at acquisition date. The remaining balance of $208.8 million was drawn from the unsecured revolving facilities. During the year ended December 31, 2025, the business contributed revenue and net income of $6.5 million and $1.3 million, respectively since the acquisition.

Had the Group acquired Hearn on January 1, 2025, as per management's best estimates, the revenue and net income for this entity would have been $161.8 million and $32.3 million, respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisition occurred on January 1, 2025 and adjusted for interest, based on the purchase price and average borrowing rate of the Group, and income tax expense based on the effective tax rate of the entity.

During the year ended December 31, 2025, the non-material businesses, in aggregate, contributed revenue and net loss of $20.2 million and $0.2 million, respectively since the acquisitions.

Had the Group acquired these non-material businesses on January 1, 2025, as per management's best estimates, the revenue and net income for these entities would have been $35.0 million and $0.6 million, respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisitions occurred on January 1, 2025 and adjusted for interest expense, based on the purchase price and average borrowing rate of the Group, and income tax expense based on the effective tax rate of the entities.

During the year ended December 31, 2025, transaction costs of $0.4 million have been expensed in other operating expenses in the consolidated statements of income in relation to the above-mentioned business acquisitions.

Of the goodwill and intangible assets acquired through business combinations in 2025, nil million was deductible for tax purposes.

As of the reporting date, the Group had not completed the determination of the fair value of assets acquired and liabilities assumed of the 2025 acquisitions. Information to confirm the fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocation will be completed.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The table below presents the determination of the fair value of assets acquired and liabilities assumed at the respective dates of acquisition based on the best information available to the Group to date :

Identifiable assets acquired and liabilities assumed	Note	Hearn	Others	Total
Cash and cash equivalents		**43,775**	**339**	**44,114**
Trade and other receivables		**61,081**	**3,418**	**64,499**
Inventoried supplies and prepaid expenses		**3,377**	**848**	**4,225**
Property and equipment	8	**12,425**	**17,535**	**29,960**
Right-of-use assets	9	**37,619**	**156**	**37,775**
Intangible assets	10	**133,086**	**7,025**	**140,111**
Other assets		**7,586**	**10**	**7,596**
Trade and other payables		**(9,121)**	**(1,883)**	**(11,004)**
Income tax payable		**-**	**(1,601)**	**(1,601)**
Lease liabilities	14	**(37,619)**	**(156)**	**(37,775)**
Deferred tax liabilities	17	**(36,179)**	**408**	**(35,771)**
Total identifiable net assets		**216,030**	**26,099**	**242,129**
Total consideration transferred		**304,295**	**39,576**	**343,871**
Goodwill	10	**88,265**	**13,477**	**101,742**
Cash		**208,790**	**36,583**	**245,373**
Contingent consideration		**95,505**	**2,993**	**98,498**
Total consideration transferred		**304,295**	**39,576**	**343,871**

The valuation techniques used for measuring the fair value of customer relationships ($119.5 million) acquired regarding Hearn were as follows:

Assets acquired	**Valuation technique**	**Key inputs**
Customer relationships	*Excess earnings method:* The valuation model considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.	- Forecasted revenue attributable to existing customers and relationships - Annual attrition rate - Forecasted operating margin - Discount rate

The fair values measured on the amounts regarding Hearn are on a provisional basis, mainly regarding tangible and intangible assets and current and deferred tax liabilities. This is mainly due to the proximity of the acquisition to the year-end and pending completion and review of independent valuations. If new information obtained within one year of the date of acquisition, when the fair value measurements are provisional, about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

The trade receivables comprise gross amounts due of $66.0 million, of which $1.5 million was expected to be uncollectible at the acquisition date.

In line with the Group's growth strategy, the Group acquired eleven businesses during 2024, of which Daseke Inc. ("Daseke") was considered material. All other acquisitions were not considered to be material. These transactions were concluded in order to add density in the Group's current network and further expand value-added services.

On April 1, 2024, the Group completed the acquisition of Daseke, Inc. Daseke is reported in the Truckload segment. The purchase price for the business acquisition totaled $817.0 million, which was funded by a $500.0 million term loan obtained and the remaining balance was drawn from cash on hand, and the Group absorbed $314.7 million of equipment financing debt in the acquisition. During the year ended December 31, 2024, the business contributed revenue and net loss of $1,052.0 million and $20.7 million, including severances and other restructuring costs from the business acquisition of $19.7 million recorded in the corporate segment, respectively since the acquisition.

Had the Group acquired Daseke on January 1, 2024, as per management's best estimates, the revenue and net loss for this entity would have been $1,408.8 million and $19.2 million, including severances and other restructuring costs from the business acquisition of $19.7 million, respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisitions occurred on January 1, 2024 and adjusted for interest, based on the purchase price and average borrowing rate of the Group, and income tax expense based on the effective tax rate of the entity.

During the year ended December 31, 2024, the non-material businesses, in aggregate, contributed revenue and net loss of $148.4 million and $1.1 million, respectively, since the acquisitions.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

Had the Group acquired these non-material businesses on January 1, 2024, as per management's best estimates, the revenue and net income for these entities would have been $236.9 million and $7.4 million, respectively. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisitions occurred on January 1, 2024 and adjusted for interest, based on the purchase price and average borrowing rate of the Group, and income tax expenses based on the effective tax rate of the entities.

During the year ended December 31, 2024, transaction costs of $0.5 million have been expensed in other operating expenses in the consolidated statements of income in relation to the above-mentioned business acquisitions.

Of the goodwill and intangible assets acquired through business combinations in 2024, $1.0 million was deductible for tax purposes.

The table below presents the determination of the fair value of assets acquired and liabilities assumed of the acquisitions as at December 31, 2024:

Identifiable assets acquired and liabilities assumed	Note	Daseke (reassessed - see note 5c))	Others	Total
Cash and cash equivalents		46,242	33,222	79,464
Trade and other receivables		173,389	32,563	205,952
Inventoried supplies and prepaid expenses		20,997	4,844	25,841
Property and equipment	8	523,892	66,191	590,083
Right-of-use assets	9	107,676	9,161	116,837
Intangible assets	10	202,290	52,104	254,394
Other assets		3,093	-	3,093
Trade and other payables		(102,133)	(24,872)	(127,005)
Income tax receivable (payable)		5,663	(824)	4,839
Employee benefits		(194)	-	(194)
Provisions	16	(87,716)	-	(87,716)
Other non-current liabilities		(213)	-	(213)
Long-term debt	13	(314,670)	-	(314,670)
Lease liabilities	14	(107,676)	(9,161)	(116,837)
Deferred tax liabilities	17	(112,979)	(14,611)	(127,590)
Total identifiable net assets		357,661	148,617	506,278
Total consideration transferred		816,958	224,022	1,040,980
Goodwill	10	459,297	75,405	534,702
Cash		816,958	220,469	1,037,427
Contingent consideration		-	3,553	3,553
Total consideration transferred		816,958	224,022	1,040,980

The valuation techniques used for measuring the fair value of land and buildings ($54.0 million), customer relationships ($109.1 million) and trademarks ($92.8 million) acquired regarding Daseke were as follows:

Assets acquired	**Valuation technique**	**Key inputs**
Land and buildings	*Market comparison technique and cost technique*: The valuation model considers market prices for comparable sites, when available, and considers depreciated replacement cost, which reflects adjustments for physical deterioration, when appropriate.	- Market prices for comparable sites - Average rebuild cost
Customer relationships	*Excess earnings method:* The valuation model considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.	- Forecasted revenue attributable to existing customers and relationships - Annual attrition rate - Forecasted operating margin - Discount rate
Trademarks	*Relief from royalty method:* The valuation model considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned.	- Forecasted revenue associated with the trademarks - Royalty rate - Discount rate

The trade receivables comprise gross amounts due of $208.8 million, of which $2.8 million was expected to be uncollectible at the acquisition date.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

b) Goodwill

The goodwill is attributable mainly to the premium of an established business operation with a good reputation in the transportation industry, and the synergies expected to be achieved from integrating the acquired entity into the Group's existing business.

The goodwill arising in the business combinations that occurred in 2025 and 2024 has been allocated to operating segments as indicated in the table below, which represents the lowest level at which goodwill is monitored internally.

Operating segment	Reportable segment	**December 31, 2025**	December 31, 2024*
Canadian Less-Than-Truckload	Less-Than-Truckload	**-**	115
U.S. Less-Than-Truckload	Less-Than-Truckload	**-**	31,058
Canadian Truckload	Truckload	**1,133**	12,980
Specialized Truckload	Truckload	**9,420**	488,600
Logistics	Logistics	**91,189**	1,949
		101,742	534,702

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

c) Adjustment to the provisional amounts of the prior year Daseke business combination

The 2024 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration and net assets of Daseke. This acquisition was accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in the first quarter ended March 31, 2025, when the purchase price allocation was completed, in light of information which existed at the acquisition date and was obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired, and liabilities assumed of Daseke have been adjusted retrospective to the date of acquisition as follows:

	Dec. 31 2024 Provisional fair value	**Q1-2025 Measurement period adjustments**	**Reassessed fair value**
Cash and cash equivalents	46,242	-	46,242
Trade and other receivables	173,389	-	173,389
Inventoried supplies and prepaid expenses	20,997	-	20,997
Property and equipment	523,892	-	523,892
Right-of-use assets	107,676	-	107,676
Intangible assets	202,290	-	202,290
Other assets	3,093	-	3,093
Trade and other payables	(102,133)	-	(102,133)
Income tax receivable	8,669	(3,006)	5,663
Employee benefits	(194)	-	(194)
Provisions	(57,923)	(29,793)	(87,716)
Other non-current liabilities	(213)	-	(213)
Long-term debt	(314,670)	-	(314,670)
Lease liabilities	(107,676)	-	(107,676)
Deferred tax liabilities	(125,796)	12,817	(112,979)
Total identifiable net assets	377,643	(19,982)	357,661
Total consideration transferred	816,958	-	816,958
Goodwill	439,315	19,982	459,297
Cash	816,958	-	816,958
Total consideration transferred	816,958	-	816,958

d) Contingent consideration

The contingent consideration for the year ended December 31, 2025 relates to the business acquisitions and is recorded in the original purchase price allocation. The fair value recognized at acquisition date is $98.5 million. This consideration is contingent on achieving specified earning levels in future periods. The maximum amount payable is $1.7 million in less than one year and $126.3 million in more than one year and is currently presented in other financial liabilities on the consolidated statements of financial position (2024 - $4.5 million in less than one year and $2.9 million in more than one year).

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The contingent consideration balance at December 31, 2025 is $99.6 million (December 31, 2024 - $7.8 million) and is presented in other financial liabilities on the consolidated statements of financial position.

e) Adjustment to the provisional amounts of prior year's non-material business combinations

The 2024 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration paid and net assets acquired of various non-material acquisitions. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information which existed at the acquisition date and was obtained during the measurement period following the acquisitions. Consequently, the fair value of certain assets acquired, and liabilities assumed of the non-material acquisitions in fiscal 2024 have been adjusted and finalized in 2025. No material adjustments were required to the provisional fair values for these prior year's business combinations.

6. Trade and other receivables

	December 31, 2025	December 31, 2024
Trade receivables, net of expected credit loss	**859,017**	893,659
Other receivables	**22,415**	33,995
	881,432	927,654

The Group's exposure to credit and currency risks related to trade and other receivables is disclosed in note 25 a) and d).

Trade receivables as at December 31, 2025 include $28.6 million of in-transit revenue balances (December 31, 2024 – $31.5 million). Due to the short-term nature of the transportation and logistics services provided by the Group, these services are expected to be completed within the week following the year-end.

7. Additional cash flow information

Net change in non-cash operating working capital

	2025	2024
Trade and other receivables	**129,284**	145,432
Inventoried supplies	**(305)**	8,101
Prepaid expenses	**9,827**	12,125
Trade and other payables	**3,651**	(154,092)
	142,457	11,566

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

8. Property and equipment

	Note	Land and buildings	Rolling stock	Equipment	Total
Cost					
Balance at December 31, 2023		1,383,977	1,758,200	192,371	3,334,548
Additions through business combinations	5	115,405	465,400	9,278	590,083
Other additions		68,580	295,452	29,269	393,301
Disposals		(6,008)	(162,983)	(19,426)	(188,417)
Reclassification to assets held for sale		(30,974)	(44,961)	-	(75,935)
Effect of movements in exchange rates		(38,902)	(67,244)	(14,984)	(121,130)
Balance at December 31, 2024		1,492,078	2,243,864	196,508	**3,932,450**
Additions through business combinations	5	4,295	22,062	3,603	**29,960**
Other additions		49,436	201,466	21,836	**272,738**
Disposals		(3,727)	(103,541)	(11,764)	**(119,032)**
Reclassification to assets held for sale		(55,064)	(26,147)	(13)	**(81,224)**
Reclassification between categories*		-	(17,215)	17,215	**-**
Effect of movements in exchange rates		24,743	43,067	8,834	**76,644**
Balance at December 31, 2025		**1,511,761**	**2,363,556**	**236,219**	**4,111,536**
Accumulated Depreciation					
Balance at December 31, 2023		105,401	690,232	123,443	919,076
Depreciation		25,222	286,817	20,541	332,580
Disposals		(5,829)	(107,464)	(17,169)	(130,462)
Reclassification to assets held for sale		(2,237)	(28,226)	-	(30,463)
Effect of movements in exchange rates		(5,795)	(34,270)	(9,303)	(49,368)
Balance at December 31, 2024		116,762	807,089	117,512	**1,041,363**
Depreciation		26,613	306,545	17,744	**350,902**
Disposals		(3,584)	(58,019)	(11,410)	**(73,013)**
Reclassification to assets held for sale		(6,134)	(13,294)	(13)	**(19,441)**
Reclassification between categories*		-	(7,985)	7,985	**-**
Effect of movements in exchange rates		3,716	22,776	5,907	**32,399**
Balance at December 31, 2025		**137,373**	**1,057,112**	**137,725**	**1,332,210**
Net carrying amounts					
At December 31, 2024		1,375,316	1,436,775	78,996	2,891,087
At December 31, 2025		**1,374,388**	**1,306,444**	**98,494**	**2,779,326**

* Reclassification between categories had no impact on the depreciation of the reclassified property and equipment

As at December 31, 2025, nil is included in trade and other payables for the purchases of property and equipment (December 31, 2024 – $0.5 million).

Security

As at December 31, 2025, certain rolling stock are pledged as security for conditional sales contracts, with a carrying amount of $166.5 million, including additions through business combinations (December 31, 2024 - $246.1 million) (see note 13c)).

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

9. Right-of-use assets

	Note	Land and buildings	Rolling stock	Equipment	Total
Cost					
Balance at December 31, 2023		588,359	290,358	3,814	882,531
Other additions		116,440	90,876	712	208,028
Additions through business combinations	5	75,086	40,297	1,454	116,837
Derecognition*		(41,580)	(66,563)	(417)	(108,560)
Effect of movements in exchange rates		(37,320)	(23,076)	(94)	(60,490)
Balance at December 31, 2024		700,985	331,892	5,469	**1,038,346**
Other additions		126,536	62,376	451	**189,363**
Additions through business combinations	5	32,543	5,232	-	**37,775**
Derecognition*		(42,790)	(74,502)	(2,488)	**(119,780)**
Effect of movements in exchange rates		23,946	12,634	69	**36,649**
Balance at December 31, 2025		**841,220**	**337,632**	**3,501**	**1,182,353**
Depreciation					
Balance at December 31, 2023		330,515	124,677	1,709	456,901
Depreciation		82,112	85,897	1,496	169,505
Derecognition*		(29,960)	(62,520)	(350)	(92,830)
Effect of movements in exchange rates		(21,506)	(10,387)	(85)	(31,978)
Balance at December 31, 2024		361,161	137,667	2,770	**501,598**
Depreciation		92,915	79,389	458	**172,762**
Derecognition*		(37,473)	(63,267)	(1,159)	**(101,899)**
Effect of movements in exchange rates		14,348	5,282	46	**19,676**
Balance at December 31, 2025		**430,951**	**159,071**	**2,115**	**592,137**
Net carrying amounts					
At December 31, 2024		339,824	194,225	2,699	536,748
At December 31, 2025		**410,269**	**178,561**	**1,386**	**590,216**

* Derecognized right-of-use assets include negotiated asset purchases and extinguishments resulting from accidents as well as fully amortized or end of term right-of-use assets.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

10. Intangible assets

	Note	Goodwill	Other intangible assets: Customer relationships	Trademarks and other	Non-compete agreements	Information technology	**Total**
Cost							
Balance at December 31, 2023		1,562,129	757,195	62,672	23,319	39,305	2,444,620
Additions through business combinations*	5	534,702	153,576	96,510	3,674	634	789,096
Other additions		-	-	-	-	6,274	6,274
Extinguishments		-	-	(4,432)	(1,515)	(3,340)	(9,287)
Effect of movements in exchange rates		(80,040)	(25,215)	(2,364)	(1,223)	(1,334)	(110,176)
Balance at December 31, 2024*		2,016,791	885,556	152,386	24,255	41,539	**3,120,527**
Additions through business combinations	5	101,742	125,124	8,567	6,308	112	**241,853**
Other additions		-	-	-	2,173	7,530	**9,703**
Extinguishments		-	(20,152)	(1,911)	(683)	(7,710)	**(30,456)**
Effect of movements in exchange rates		49,905	15,942	1,467	881	643	**68,838**
Balance at December 31, 2025		**2,168,438**	**1,006,470**	**160,509**	**32,934**	**42,114**	**3,410,465**
Amortization and impairment losses							
Balance at December 31, 2023		79,052	286,828	25,119	11,873	22,447	425,319
Amortization		-	61,406	8,408	3,869	6,301	79,984
Extinguishments		-	-	(4,432)	(1,515)	(3,340)	(9,287)
Effect of movements in exchange rates		(3,851)	(12,100)	(931)	(579)	(961)	(18,422)
Balance at December 31, 2024		75,201	336,134	28,164	13,648	24,447	**477,594**
Amortization		-	63,050	9,529	4,501	9,760	**86,840**
Extinguishments		-	(20,152)	(1,911)	(683)	(7,710)	**(30,456)**
Effect of movements in exchange rates		2,244	8,210	571	453	573	**12,051**
Balance at December 31, 2025		**77,445**	**387,242**	**36,353**	**17,919**	**27,070**	**546,029**
Net carrying amounts							
At December 31, 2024*		1,941,590	549,422	124,222	10,607	17,092	2,642,933
At December 31, 2025		**2,090,993**	**619,228**	**124,156**	**15,015**	**15,044**	**2,864,436**

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

At December 31, 2025, the Group performed its annual impairment testing for indefinite life trademarks. The Group estimated the value in use to be $48.2 million compared to its carrying value of $47.8 million, resulting in no impairment charge. Management used the relief-from-royalty method and discount rates between 9.9% and 12.1% in its analysis.

In 2024, the Group assessed the useful lives of three trademarks from the Daseke business combination as indefinite in the aggregate amount of $45.7 million. Brand recognition as well as management's intent to keep the brands indefinitely were decisive factors leading to this conclusion.

At December 31, 2025 and 2024, the Group performed its annual goodwill impairment tests for operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Reportable segment / operating segment	**December 31, 2025**	December 31, 2024
Less-Than-Truckload		
Package and Courier	**176,317**	167,264
Canadian Less-Than-Truckload	**134,946**	125,484
U.S. Less-Than-Truckload	**34,707**	34,802
Truckload		
Canadian Truckload	**105,813**	101,727
Specialized Truckload	**1,107,667**	1,075,512
Logistics	**531,543**	436,801
	2,090,993	1,941,590

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.) YEARS ENDED DECEMBER 31, 2025 AND 2024

The results as at December 31, 2025 and 2024 determined that the recoverable amounts of the Group's operating segments exceeded their respective carrying amounts.

The recoverable amounts of the Group's operating segments were determined using the value in use approach. The value in use methodology is based on discounted future cash flows. Management believes that the discounted future cash flows method is appropriate as it allows more precise valuation of specific future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates as follows:

Reportable segment / operating segment	**2025**	2024
Less-Than-Truckload		
Package and Courier	**11.8%**	11.8%
Canadian Less-Than-Truckload	**11.8%**	11.8%
U.S. Less-Than-Truckload	**11.2%**	11.2%
Truckload		
Canadian Truckload	**14.2%**	14.2%
Specialized Truckload	**13.0%**	13.0%
Logistics	**11.2%**	11.2%

The discount rates were estimated based on past experience, and industry average weighted average cost of capital, which were based on a possible range of debt leveraging of 40.0% (2024 – 40.0%) at a market interest rate of 8.8% (2024 – 9.4%) and a risk-free rate of 3.7% (2024 – 3.4%).

First year cash flows were projected based on forecasted cash flows which are based on previous operating results adjusted to reflect current economic conditions. For a further 4-year period, cash flows were extrapolated using an average growth rate of 2.5% (2024 – 2.5%) in revenues and margins were adjusted where deemed appropriate. The terminal value growth rate was 2.0% (2024 – 2.0%). The values assigned to the key assumptions represent management's assessment of future trends in the transportation industry and were based on both external and internal sources (historical data).

11. Investments

	As at December 31, 2025	As at December 31, 2024
Level 1 investments	**7,350**	4,669
Level 2 investments	**3,740**	4,276
Level 3 investments	**13,864**	13,152
	24,954	22,097

The Group elected to designate all of its investments at fair value through OCI.

During the year ended December 31, 2024, the Group sold Level 1 investments for proceeds of $19.1 million resulting in a realized loss, net of tax, of $7.2 million on equity securities transferred from OCI to retained earnings.

12. Trade and other payables

	As at December 31, 2025	As at December 31, 2024
Trade payables and accrued expenses	**460,991**	430,585
Personnel accrued expenses	**167,644**	170,621
Dividend payable	**38,611**	37,984
	667,246	639,190

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

13. Long-term debt

This note provides information about the contractual terms of the Group's interest-bearing long-term debt, which is measured at amortized cost. For more information about the Group's exposure to interest rate, foreign exchange currency and liquidity, see note 25.

	As at December 31, 2025	As at December 31, 2024
Non-current liabilities		
Unsecured senior notes	**1,722,452**	1,652,742
Unsecured revolving facilities	**546,713**	275,054
Conditional sales contracts	**82,717**	178,052
Other long-term debt	**3,595**	3,971
Unsecured term loan	**-**	199,609
	2,355,477	2,309,428
Current liabilities		
Current portion of unsecured senior notes	**150,000**	-
Current portion of conditional sales contracts	**72,121**	93,087
Current portion of other long-term debt	**377**	366
	222,498	93,453

Terms and conditions of outstanding long-term debt are as follows:

					2025		2024	
		Currency	Nominal interest rate	Year of maturity	**Face value***	**Carrying amount**	Face value*	Carrying amount
Unsecured revolving facility	a	CAD	CORRA + 1.50%	2028	**750,100**	**546,713**	370,000	255,812
Unsecured revolving facility	a	USD	SOFR + 1.50%	2028	**-**	**-**	19,310	19,242
Unsecured term loan	a	USD	6.07%	2027	**-**	**-**	200,000	199,609
Unsecured senior notes	b	USD	2.89% - 5.64%	2026- 2038	**255,000**	**254,728**	255,000	254,631
Unsecured senior notes	b	USD	3.15% - 3.50%	2029- 2036	**500,000**	**499,470**	500,000	499,273
Unsecured senior notes	b	USD	2.87% - 3.55%	2029- 2034	**200,000**	**199,731**	200,000	199,719
Unsecured senior notes	b	USD	3.50% - 3.80%	2032- 2037	**200,000**	**199,862**	200,000	199,846
Unsecured senior notes	b	USD	6.27% - 7.11%	2028- 2043	**500,000**	**499,468**	500,000	499,273
Unsecured senior notes	b	CAD	4.52%	2030	**150,000**	**109,597**	-	-
Unsecured senior notes	b	CAD	4.94%	2032	**75,000**	**54,798**	-	-
Unsecured senior notes	b	CAD	5.33%	2034	**75,000**	**54,798**	-	-
Conditional sales contracts[1]	c	Mainly USD	1.45% - 7.40%	2026-2031	**164,340**	**154,838**	287,524	271,139
Other long-term debt		USD	3.04%	2027	**3,972**	**3,972**	4,337	4,337
						2,577,975		2,402,881

** The face value is presented in the currency of the long-term debt instrument.*
[1] Comparative face value was corrected for immaterial error.

The table below summarizes changes to the long-term debt:

	Note	**2025**	2024
Balance at beginning of year		**2,402,881**	1,884,182
Proceeds from long-term debt		**219,378**	500,000
Business combinations	5	**-**	314,670
Repayment of long-term debt		**(320,002)**	(536,700)
Net increase in revolving facilities		**254,594**	261,783
Amortization of deferred financing fees		**1,701**	2,170
Effect of movements in exchange rates		**104,187**	(159,433)
Effect of movements in exchange rates - debt designated as net investment hedge		**(84,764)**	136,209
Balance at end of year		**2,577,975**	2,402,881

a) Unsecured revolving credit facility and unsecured term loan

On May 30, 2025 the Group extended its revolving credit facility until May 30, 2028. Under the new extension, while the total availability remained unchanged, the CAD availability is reduced to CAD $1.135 billion and USD availability increased to $125.0 million. Deferred financing fees of $0.7 million were recognized on the extension.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.) YEARS ENDED DECEMBER 31, 2025 AND 2024

On March 22, 2024, the Group amended its revolving credit facility, including the addition of a $500.0 million term loan and an extension. Under the new amendment, the revolving credit facility was extended to March 22, 2027. The new agreement also provides the Company with a non-revolving term loan for $500.0 million maturing in 1 to 3 years, $100.0 million each in year one and year two and $300.0 million in year three. Based on certain ratios, the interest rate on the term loan is the sum of SOFR, plus an applicable margin, which can vary between 128 basis points and 190 basis points. The applicable margin on the credit facility was 1.65% at December 31, 2024. Deferred financing fees of $1.3 million were recognized on the increase. The amendment also included the adoption of the Canadian Interest Rate Benchmark Reform, resulting in the replacement of the banker's acceptance rate in Canada with the Canadian Overnight Repo Rate Average (CORRA), a measure of the cost of overnight general collateral funding in Canadian Dollars using Government of Canada treasury bills and bonds as collateral for repurchase transactions. The change did not have a material impact on the Group's financial statements.

During the year ended December 31, 2024, the Group repaid, without penalty, $300 million of its term loan.

The revolving credit facility is unsecured and can be extended annually. The Group's revolving facilities have a total size of $955.2 million (December 31, 2024 - $904.9 million). The agreement provides an additional $184.2 million of credit availability (CAD $245 million and USD $5 million) (December 31, 2024 - $175.0 million). The additional credit is available under certain conditions under the Group's syndicated revolving credit agreement. As of December 31, 2025, the credit facility's interest rate on CAD denominated debt was 4.06% (2024 – 5.10%) and on USD denominated debt was 5.33% (2024 – 6.83%).

The debt issuances described above are subject to certain covenants regarding the maintenance of financial ratios. The Group was in compliance with these financial covenants at year-end (see note 25(f)).

b) Unsecured senior notes

This loan takes the form of senior notes each carrying an interest rate and maturity date as detailed in the table above. These notes may be prepaid at any time prior to maturity date, in part or in total, at 100% of the principal amount and the make-whole amount determined at the prepayment date with respect to such principal amount.

On June 27, 2025, the Company received CAD $300 million in proceeds from the issuance of new debts taking the form of unsecured senior notes consisting of three tranches, with terms from 5 to 9 years and bearing fixed interest rates between 4.52% and 5.33%. Deferred financing fees of $0.8 million were recognized as a result of the transaction. The proceeds raised from the debt issuance were used to pay off the unsecured term loan which was due in March 2027 without any penalty.

The debt issuances described above are subject to certain covenants regarding the maintenance of financial ratios. The Group was in compliance with these covenants at year-end (see note 25(f)).

c) Conditional sales contracts

Conditional sales contracts are secured by certain rolling stock having a carrying value of $166.5 million (December 31, 2024 - $246.1 million,) (see note 8).

d) Principal installments of long-term debt payable during the subsequent years are as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Unsecured revolving facilities	-	548,640	-	548,640
Unsecured senior notes	150,000	474,713	1,249,713	1,874,427
Conditional sales contracts	72,121	82,360	357	154,838
Other long-term debt	377	3,594	-	3,971
	222,498	**1,109,307**	**1,250,070**	**2,581,876**

14. Lease liabilities

	As at December 31, 2025	As at December 31, 2024
Current portion of lease liabilities	**165,291**	152,449
Long-term portion of lease liabilities	**472,473**	421,213
	637,764	573,662

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The table below summarizes changes to the lease liabilities:

	Note	2025	2024
Balance at beginning of year		**573,662**	460,158
Business combinations	5	**37,775**	116,837
Additions		**189,363**	208,028
Derecognition*		**(18,332)**	(15,625)
Repayment		**(163,250)**	(165,350)
Effect of movements in exchange rates		**18,546**	(30,386)
Balance at end of year		**637,764**	573,662

* Derecognized lease liabilities include negotiated asset purchases and extinguishments resulting from accidents.

The incremental borrowing rate used on average for 2025 is 4.50% (2024 – 5.17%).

Extension options

Some real estate leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there are significant events or significant changes in circumstances within its control.

The lease liabilities include future lease payments of $8.3 million (2024 – $7.3 million) related to extension options that the Group is reasonably certain to exercise.

The Group has estimated that the potential future lease payments, should it exercise the remaining extension options, would result in an increase in lease liabilities of $577.2 million (2024 - $441.2 million).

The Group does not have a significant exposure to termination options and penalties.

Variable lease payments

Some leases contain variable lease payments which are not included in the measurement of the lease liability. These payments include, amongst others, common area maintenance fees, municipal taxes and vehicle maintenance fees. The expense related to variable lease payments for the year ended December 31, 2025 was $28.1 million (2024 - $26.2 million).

Sub-leases

The Group sub-leases some of its properties. Income from sub-leasing right-of-use assets for the year ended December 31, 2025 was $18.4 million (2024 - $21.1 million), presented in “Other operating expenses”.

Contractual cash flows

The total contractual cash flow maturities of the Group’s lease liabilities are as follows:

	As at December 31, 2025
Less than 1 year	**192,844**
Between 1 and 5 years	**379,182**
More than 5 years	**170,717**
	742,743

For the year ended December 31, 2025, lease expenses of $39.4 million (2024 – $41.3 million) were recognized in the consolidated statement of income for leases that either did not meet the definition of a lease under IFRS 16, or were excluded based on practical expedients applied.

15. Employee benefits

TFI International pension plans

The Group sponsors defined benefit pension plans for 1 of its employees (2024 – 1).

The plan is within Canada and includes one unregistered plan. The defined benefit plans are no longer offered to employees. Therefore, the future obligation will only vary by actuarial re-measurements.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The Group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2024 and the next required valuation will be as of December 31, 2025.

TForce Freight pension plans

The pension plans have ongoing benefit accruals and new employees that are eligible to participate in the plans once they satisfy the participation requirements. The pension plans include 6,124 active participants (2024 - 6,124).

The plans do not have recurring contributions for employees. These plans are still required to fund past service costs and are fully funded by the Group. The Group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2024 and the next required valuation will be as of December 31, 2025.

Information in the tables that follow pertains to all of the Group's defined benefit pension plans.

	December 31, 2025			December 31, 2024		
	TFI International pension plans	**TForce Freight pension plans**	**Total**	TFI International pension plans	TForce Freight pension plans	Total
Defined benefit obligation	**15,282**	**329,465**	**344,747**	14,938	252,863	267,801
Fair value of plan assets	**(1,641)**	**(296,701)**	**(298,342)**	(366)	(196,979)	(197,345)
Net defined benefit liability	**13,641**	**32,764**	**46,405**	14,572	55,884	70,456

Plan assets comprise:

	December 31, 2025	December 31, 2024
TFI International pension plans		
Other	**100%**	100%
TForce Freight pension plans		
Equity securities	**87%**	95%
Debt securities	**13%**	5%

All equity and debt securities have quoted prices in active markets. Debt securities are held through mutual funds and primarily hold investments with ratings of AAA, AA or A, based on Moody's ratings.

Movement in the present value of the accrued benefit obligation for defined benefit plans:

	December 31, 2025			December 31, 2024		
	TFI International pension plans	**TForce Freight pension plans**	**Total**	TFI International pension plans	TForce Freight pension plans	Total
Defined benefit obligation, beginning of year	**14,938**	**252,863**	**267,801**	13,999	212,373	226,372
Current service cost	**-**	**46,793**	**46,793**	474	55,749	56,223
Interest cost	**697**	**15,362**	**16,059**	638	11,007	11,645
Benefits paid	**(1,123)**	**(4,112)**	**(5,235)**	-	(2,749)	(2,749)
Remeasurement loss (gain) arising from:						
- Demographic	**-**	**(38)**	**(38)**	-	3,143	3,143
- Financial assumptions	**(215)**	**(1,033)**	**(1,248)**	141	(29,522)	(29,381)
- Experience	**187**	**19,630**	**19,817**	839	2,865	3,704
Effect of movements in exchange rates	**798**	**-**	**798**	(1,153)	(3)	(1,156)
Defined benefit obligation, end of year	**15,282**	**329,465**	**344,747**	14,938	252,863	267,801

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

Movement in the fair value of plan assets for defined benefit plans:

	December 31, 2025			December 31, 2024		
	TFI International pension plans	**TForce Freight pension plans**	**Total**	TFI International pension plans	TForce Freight pension plans	Total
Fair value of plan assets, beginning of year	**366**	**196,979**	**197,345**	200	172,941	173,141
Interest income	**47**	**13,306**	**13,353**	8	9,035	9,043
Employer contributions	**2,402**	**78,070**	**80,472**	(16)	20,000	19,984
Benefits paid	**(1,123)**	**(4,112)**	**(5,235)**	-	(2,749)	(2,749)
Fair value remeasurement	**(99)**	**14,357**	**14,258**	193	(232)	(39)
Plan administration expenses	**-**	**(1,906)**	**(1,906)**	-	(1,981)	(1,981)
Effect of movements in exchange rates	**48**	**7**	**55**	(19)	(35)	(54)
Fair value of plan assets, end of year	**1,641**	**296,701**	**298,342**	366	196,979	197,345

Expense recognized in income or loss:

	December 31, 2025			December 31, 2024		
	TFI International pension plans	**TForce Freight pension plans**	**Total**	TFI International pension plans	TForce Freight pension plans	Total
Current service cost	**-**	**46,793**	**46,793**	474	55,749	56,223
Net interest cost	**650**	**2,056**	**2,706**	630	1,972	2,602
Plan administration expenses	**-**	**1,906**	**1,906**	-	1,981	1,981
Pension expense	**650**	**50,755**	**51,405**	1,104	59,702	60,806
Actual return on plan assets	**(52)**	**27,663**	**27,611**	201	8,803	9,004

Actuarial losses recognized in other comprehensive income:

	December 31, 2025			December 31, 2024		
	TFI International pension plans	**TForce Freight pension plans**	**Total**	TFI International pension plans	TForce Freight pension plans	Total
Amount accumulated in retained earnings, beginning of year	**12,238**	**(103,776)**	**(91,538)**	11,451	(80,494)	(69,043)
Recognized during the year	**71**	**4,202**	**4,273**	787	(23,282)	(22,495)
Amount accumulated in retained earnings, end of year	**12,309**	**(99,574)**	**(87,265)**	12,238	(103,776)	(91,538)
Recognized during the year, net of tax	**52**	**3,154**	**3,206**	580	(17,389)	(16,809)

The significant actuarial assumptions used (expressed as weighted average):

	December 31, 2025		December 31, 2024	
	TFI International pension plans	**TForce Freight pension plans**	TFI International pension plans	TForce Freight pension plans
Defined benefit obligation:				
Discount rate at	**4.9%**	**5.7%**	4.7%	5.7%
Future salary increases	**N/A**	**2.0%**	N/A	2.0%
Employee benefit expense:				
Discount rate at	**4.7%**	**5.7%**	5.0%	5.7%
Rate of return on plan assets at	**4.7%**	**5.7%**	5.0%	5.7%
Future salary increases	**N/A**	**2.0%**	N/A	2.0%

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the value of the liabilities in the defined benefit plans are as follows:

	December 31, 2025		December 31, 2024	
	TFI International pension plans	**TForce Freight pension plans**	TFI International pension plans	TForce Freight pension plans
Longevity at age 65 for current pensioners				
Males	**22.4**	**20.0**	22.4	19.9
Females	**25.1**	**21.9**	25.0	21.9
Longevity at age 65 for current members aged 45				
Males	**23.9**	**21.6**	23.8	21.5
Females	**26.4**	**23.4**	26.4	23.4

At December 31, 2025 the weighted average duration of the defined benefit obligation was:

TFI International pension plans	9.5
TForce Freight pension plans	15.7

The following table presents the impact of changes of major assumptions on the defined benefit obligation for the years ended:

	2025		2024	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**56,768**	**(44,575)**	(38,006)	48,004

Historical information:

	2025	2024	2023	2022	2021
Defined benefit obligation	**344,747**	267,801	226,372	164,299	160,780
Fair value of plan assets	**(298,342)**	(197,345)	(173,141)	(168,658)	(93,903)
Deficit (surplus) in the plans	**46,405**	70,456	53,231	(4,359)	66,877
Experience adjustments arising on plan obligations	**18,531**	(22,534)	8,975	(112,739)	5,823
Experience adjustments arising on plan assets	**14,258**	(39)	11,651	(27,473)	310

The Group expects contributions of $61.8 million to be paid to its defined benefit plans in 2026.

The pension plan is funded in line with the statutory funding requirements of the Employee Retirement Income Security Act. In 2024, contributions were reduced to align with the statutory minimum funding requirements.

Contributions to multi-employer plans

Pursuant to the terms of the purchase agreement for JHT, the Group participates in, under collective bargaining agreements, three multi-employer benefit plans named :

- Central States, Southeast and Soutwest Areas Pension Plan
- IAM National Pension Fund
- Western Congerence of Teamsters Pension Plan

The Groups contribution under the plans were expensed as incurred and totaled $10.0 million in 2025 (2024 - $10.0 million).

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

16. Provisions

		Self-insurance	Other	**Total**
Balance at December 31, 2023		123,645	36,255	159,900
Additions through business combinations*	5	81,606	6,110	87,716
Provisions made during the year		141,645	32,704	174,349
Provisions used during the year		(104,716)	(40,188)	(144,904)
Provisions reversed during the year		(14,553)	(1,370)	(15,923)
Unwind of discount on long-term provisions		(550)	-	(550)
Effect of movements in exchange rates		(938)	(174)	(1,112)
Balance at December 31, 2024*		226,139	33,337	**259,476**
Provisions made during the year		155,637	23,364	**179,001**
Provisions used during the year		(143,469)	(34,689)	**(178,158)**
Provisions reversed during the year		(27,398)	(5,039)	**(32,437)**
Unwind of discount on long-term provisions		289	-	**289**
Effect of movements in exchange rates		675	177	**852**
Balance at December 31, 2025		**211,873**	**17,150**	**229,023**
As at December 31, 2025				
Current provisions		76,277	10,587	**86,864**
Non-current provisions		135,596	6,563	**142,159**
		211,873	**17,150**	**229,023**
As at December 31, 2024*				
Current provisions		83,862	15,678	99,540
Non-current provisions		142,277	17,659	159,936
		226,139	33,337	259,476

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

Self-insurance provisions represent the uninsured portion of outstanding claims at year-end. The current portion reflects the amount expected to be paid in the following year. Due to the long-term nature of the liability, the provision has been calculated using a discount rate of 3.73% (2024 – 4.38%). Other provisions include mainly litigation provisions of $6.7 million (2024 - $17.7 million) and environmental remediation liabilities of $0.9 million (2024 - $3.5 million). Litigation provisions contain various pending claims for which management used judgment and assumptions about future events. The outcomes will depend on future claim developments.

17. Deferred tax assets and liabilities

	December 31, 2025	December 31, 2024*
Property and equipment	**(449,586)**	(467,144)
Intangible assets	**(189,514)**	(163,616)
Right-of-use assets	**12,272**	9,414
Employee benefits	**17,193**	26,324
Provisions	**61,776**	87,212
Tax losses	**10,380**	11,799
Other	**1,140**	1,307
Net deferred tax liabilities	**(536,339)**	(494,704)
Presented as:		
Deferred tax assets	**10,412**	13,724
Deferred tax liabilities	**(546,751)**	(508,428)

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

Movement in temporary differences during the year:

	Balance December 31, 2024*	Recognized in income or loss	Recognized directly in equity	Acquired in business combinations	Balance December 31, 2025
Property and equipment	(467,144)	17,152	494	(88)	**(449,586)**
Intangible assets	(163,616)	8,708	(194)	(34,412)	**(189,514)**
Long-term debt	9,414	1,416	1,066	376	**12,272**
Employee benefits	26,324	(5,998)	(3,133)	-	**17,193**
Provisions	87,212	(20,917)	(2,872)	(1,647)	**61,776**
Tax losses	11,799	1,245	(2,664)	-	**10,380**
Other	1,307	(504)	337	-	**1,140**
Net deferred tax liabilities	**(494,704)**	**1,102**	**(6,966)**	**(35,771)**	**(536,339)**

	Balance December 31, 2023	Recognized in income or loss	Recognized directly in equity	Acquired in business combinations*	Balance December 31, 2024*
Property and equipment	(382,208)	26,249	7,383	(118,568)	(467,144)
Intangible assets	(127,547)	10,318	1,476	(47,863)	(163,616)
Long-term debt	8,600	1,190	(415)	39	9,414
Employee benefits	26,510	8,591	(8,777)	-	26,324
Provisions	51,458	(957)	1,983	34,728	87,212
Tax losses	10,054	(1,624)	(705)	4,074	11,799
Other	506	(866)	1,667	-	1,307
Net deferred tax liabilities	(412,627)	42,901	2,612	(127,590)	(494,704)

** Recast for adjustments to provisional amounts of Daseke prior year's business combination (see note 5c))*

As at December 31, 2025, the Company had $69.3 million (2024 - $148.0 million) in capital losses for which no deferred tax assets has been recognized. These capital losses can be carried forward indefinitely but can only be used against future taxable capital gains. Additionally, as at December 31, 2025 and December 31, 2024, no deferred tax liability was recognized for temporary differences arising from investments in subsidiaries because the Company controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

18. Share capital and other components of equity

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. Both common and preferred shares are without par value. All issued shares are fully paid.

The common shares entitle the holders thereof to one vote per share. The holders of the common shares are entitled to receive dividends as declared from time to time. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the common shares are entitled to receive the remaining property of the Company upon its dissolution, liquidation or winding-up.

The following table summarizes the number of common shares issued:

(in number of shares)	Note	2025	2024
Balance, beginning of year		**84,408,437**	84,441,733
Repurchase and cancellation of own shares		**(2,481,295)**	(545,305)
Stock options exercised	20	**223,890**	512,009
Balance, end of year		**82,151,032**	84,408,437

The following table summarizes the share capital issued and fully paid:

	2025	2024
Balance, beginning of year	**1,135,500**	1,107,290
Repurchase and cancellation of own shares	**(27,485)**	(5,929)
Cash consideration of stock options exercised	**6,471**	13,523
Ascribed value credited to share capital on stock options exercised, net of tax	**1,274**	2,985
Issuance of shares on settlement of RSUs and PSUs, net of tax	**9,349**	17,631
Balance, end of year	**1,125,109**	1,135,500

Pursuant to the normal course issuer bid ("NCIB") which began on November 4, 2025 and ends on November 3, 2026, the Company is authorized to repurchase for cancellation up to a maximum of 7,667,696 of its common shares under certain conditions. As at December 31, 2025, and since the inception of this NCIB, the Company has repurchased and cancelled no shares.

During 2025, the Company repurchased 2,481,295 common shares at a weighted average price of $91.00 per share for a total purchase price of $225.8 million relating to the prior NCIB. During 2024, the Company repurchased 545,305 common shares at a weighted average price of $140.50 per share for a total purchase price of $76.6 million relating to previous NCIBs. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of $202.9 million (2024 – $70.7 million) was charged to retained earnings as share repurchase premium.

Dividends

In 2025, the Company declared quarterly dividends amounting to a total of $1.82 per outstanding common share when the dividend was declared (2024 – $1.65) for a total of $150.8 million (2024 - $139.5 million). On February 17, 2026, the Board of Directors approved a quarterly dividend of $0.47 per outstanding common share of the Company's capital, for an expected aggregate payment of $38.6 million to be paid on April 15, 2026 to shareholders of record at the close of business on March 31, 2026.

19. Earnings per share

Basic earnings per share

The basic earnings per share and the weighted average number of common shares outstanding have been calculated as follows:

(in thousands of dollars and number of shares)	**2025**	2024
Net income	**310,553**	422,484
Issued common shares, beginning of year	**84,408,437**	84,441,733
Effect of stock options exercised	**124,267**	285,606
Effect of repurchase of own shares	**(1,465,452)**	(175,763)
Weighted average number of common shares	**83,067,252**	84,551,576
Earnings per share – basic (in dollars)	**3.74**	5.00

Diluted earnings per share

The diluted earnings per share and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares have been calculated as follows:

(in thousands of dollars and number of shares)	**2025**	2024
Net income	**310,553**	422,484
Weighted average number of common shares	**83,067,252**	84,551,576
Dilutive effect:		
Stock options, restricted share units and performance share units	**347,058**	691,532
Weighted average number of diluted common shares	**83,414,310**	85,243,108
Earnings per share - diluted (in dollars)	**3.72**	4.96

As at December 31, 2025, no stock options were excluded from the calculation of diluted earnings per share (2024 – nil) as none were deemed to be anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

20. Share-based payment arrangements

Stock option plan (equity-settled)

The Company offers a stock option plan for the benefit of certain of its employees. The maximum number of shares that can be issued upon the exercise of options granted under the current 2012 stock option plan is 5,979,201. Each stock option entitles its holder to receive one common share upon exercise. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the grant date. The options vest in equal installments over three years and the expense is recognized following the accelerated method as each installment is fair valued separately and recorded over the respective vesting periods. The table below summarizes the changes in the outstanding stock options:

(in thousands of options and in dollars)		**2025**		2024
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of year	**278**	**31.44**	790	29.17
Exercised	**(224)**	**30.80**	(512)	27.93
Balance, end of year	**54**	**34.12**	278	31.44
Options exercisable, end of year	**54**	**34.12**	278	31.44

The following table summarizes information about stock options outstanding and exercisable at December 31, 2025:

(in thousands of options and in dollars)	Options outstanding and exercisable	
Exercise prices	Number of options	Weighted average remaining contractual life (in years)
30.71	35	0.2
40.41	19	1.6
	54	0.7

Of the options outstanding at December 31, 2025, a total of 48,570 (2024 – 252,736) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in 2025 was $90.37 (2024 – $141.69).

No stock options were granted during 2025 and 2024 under the Company's stock option plan. In 2025 and 2024, the Group recognized no compensation expense.

Restricted share unit and performance share unit plans (equity-settled)

The Company offers an equity incentive plan for the benefit of senior employees of the Group. Each participant's annual LTIP allocation is split in awards of performance share units ("PSUs") and of restricted share units (''RSUs''). The PSUs are subject to both performance and time cliff vesting conditions on the third anniversary of the award whereas the RSUs are only subject to a time cliff vesting condition on the third anniversary of the award. The performance conditions attached to the PSUs are equally weighted between absolute earnings before interest and income tax and relative total shareholder return ("TSR"). For purposes of the relative TSR portion, there are two equally weighted comparisons: the first portion is compared against the TSR of a group of transportation industry peers and the second portion is compared against the S&P/TSX60 index.

Restricted share units

The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period.

On February 18, 2025, the Company granted a total of 61,829 RSUs under the Company's equity incentive plan of which 38,566 were granted to key management personnel. The fair value of the RSUs granted was $129.66 per unit.

On April 30, 2025, the Company granted a total of 31,328 RSUs under the Company's equity incentive plan of which 27,917 were granted to key management personnel. The RSUs vest on April 30, 2026. The fair value of the RSUs granted was $81.03 per unit.

On February 8, 2024, the Company granted a total of 45,850 RSUs under the Company's equity incentive plan of which 30,842 were granted to key management personnel. The fair value of the RSUs granted was $135.00 per unit.

The table below summarizes changes to the outstanding RSUs:

(in thousands of RSUs and in dollars)		**2025**		2024
	Number of RSUs	**Weighted average grant date fair value**	Number of RSUs	Weighted average grant date fair value
Balance, beginning of year	**158**	**115.34**	192	93.62
Granted	**93**	**113.45**	51	137.21
Reinvested	**3**	**121.45**	2	104.17
Settled	**(58)**	**99.84**	(82)	77.79
Forfeited	**(3)**	**123.99**	(5)	115.83
Balance, end of year	**193**	**119.05**	158	115.34

The following table summarizes information about RSUs outstanding as at December 31, 2025:

(in thousands of RSUs and in dollars)		RSUs outstanding
Grant date fair value	Number of RSUs	Remaining contractual life (in years)
115.51	54	0.1
81.03	32	0.3
135.00	45	1.1
129.66	62	2.1
	193	1.0

The weighted average share price at the date of settlement of the RSUs vested in 2025 was $131.74 (2024 – $134.64). The excess of the purchase price paid to repurchase shares on the market over the carrying value of awarded RSUs, in the amount of $5.8 million (2024 – $10.4 million), was charged to retained earnings as share repurchase premium.

In 2025, the Group recognized, as a result of RSUs, a compensation expense of $8.5 million (2024 - $6.2 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at December 31, 2025, a total of 133,103 (2024 – 103,872) are held by key management personnel.

Performance share units

The fair value of the PSUs is determined at the grant date using a Monte Carlo simulation model for the TSR portion and using management's estimates for the absolute earnings before interest and income tax portion. The estimates of the number of equity instruments related to the absolute earnings before interest and income tax portion are revised during the vesting period and the cumulative amount recognized at each reporting date is based on the number of equity instruments for which service and non-market performance conditions are expected to be satisfied. The share-based compensation expense is recognized, through contributed surplus, over the vesting period.

On February 18, 2025, the Company granted a total of 58,143 PSUs under the Company's equity incentive plan of which 34,880 were granted to key management personnel. The fair value of the PSUs granted was $134.85 per unit as at grant date.

On February 8, 2024, the Company granted a total of 45,850 PSUs under the Company's equity incentive plan of which 30,842 were granted to key management personnel. The fair value of the PSUs granted was $156.17 per unit as at grant date.

The table below summarizes changes to the outstanding PSUs:

(in thousands of PSUs and in dollars)		**2025**		2024
	Number of PSUs	**Weighted average grant date fair value**	Number of PSUs	Weighted average grant date fair value
Balance, beginning of year	**155**	**127.72**	184	106.17
Granted	**58**	**134.85**	46	156.17
Reinvested	**4**	**137.92**	1	106.72
Settled	**(71)**	**100.52**	(135)	89.87
Added due to performance conditions	**14**	**100.43**	64	89.87
Forfeited	**(3)**	**134.88**	(5)	129.43
Balance, end of year	**157**	**140.35**	155	127.72

The following table summarizes information about PSUs outstanding as at December 31, 2025:

(in thousands of PSUs and in dollars)		PSUs outstanding
Grant date fair value	Number of PSUs	Remaining contractual life (in years)
135.15	54	0.1
156.17	45	1.1
134.85	58	2.1
	157	1.1

The weighted average share price at the date of settlement of the PSUs vested in 2025 was $131.74 (2024 – $133.74). The excess of the purchase price paid to repurchase shares on the market over the carrying value of awarded PSUs, in the amount of $8.6 million, was charged to retained earnings as share repurchase premium (2024 – $19.8 million).

In 2025, the Group recognized, as a result of PSUs, a compensation expense of $6.6 million (2024 - $4.9 million) with a corresponding increase to contributed surplus.

Of the PSUs outstanding at December 31, 2025, a total of 101,635 (2024 – 103,872) are held by key management personnel.

21. Materials and services expenses

The Group's materials and services expenses are primarily costs related to independent contractors and vehicle operation expenses. Vehicle operation expenses consists primarily of fuel costs, repairs and maintenance, insurance, permits and operating supplies.

	2025	2024
Independent contractors	**2,676,799**	2,902,226
Vehicle operation expenses	**1,220,498**	1,268,909
	3,897,297	4,171,135

22. Personnel expenses

	Note	**2025**	2024
Short-term employee benefits		**2,333,308**	2,392,249
Contributions to defined contribution plans		**9,654**	9,011
Current and past service costs related to defined benefit plans	15	**46,793**	56,223
Termination benefits		**8,601**	27,758
Equity-settled share-based payment transactions	20	**15,148**	11,074
		2,413,504	2,496,315

23. Finance income and finance costs

Recognized in income or loss:

Costs (income)	**2025**	2024
Interest expense on long-term debt and amortization of deferred financing fees	**119,345**	127,062
Interest expense on lease liabilities	**26,509**	24,904
Interest income	**(1,795)**	(7,723)
Net change in fair value and accretion expense of contingent considerations	**(517)**	(6,037)
Net foreign exchange loss	**380**	3,786
Other financial expenses	**16,034**	16,247
Net finance costs	**159,956**	158,239
Presented as:		
Finance income	**(2,312)**	(13,760)
Finance costs	**162,268**	171,999

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

24. Income tax expense

Income tax recognized in income or loss:

	2025	2024
Current tax expense		
Current period	**101,035**	179,142
Adjustment for prior periods	**(5,126)**	1,998
	95,909	181,140
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	**(2,593)**	(39,578)
Variation in tax rate	**(520)**	(1,053)
Adjustment for prior periods	**2,011**	(2,270)
	(1,102)	(42,901)
Income tax expense	**94,807**	138,239

Income tax recognized in other comprehensive income:

	2025			2024		
	Before tax	**Tax (benefit) expense**	**Net of tax**	Before Tax	Tax (benefit) expense	Net of tax
Foreign currency translation differences	**(8,218)**	**-**	**(8,218)**	5,675	-	5,675
Defined benefit plan remeasurement (losses) gains	**(4,273)**	**(1,067)**	**(3,206)**	22,495	5,686	16,809
Gain (loss) on net investment hedge	**84,765**	**(8)**	**84,773**	(135,112)	977	(136,089)
Change in fair value of investment in equity securities	**(2,912)**	**(464)**	**(2,448)**	(7,962)	146	(8,108)
	69,362	**(1,539)**	**70,901**	(114,904)	6,809	(121,713)

Reconciliation of effective tax rate:

		2025		2024
Income before income tax		**405,360**		560,723
Income tax using the Company's statutory tax rate	**26.5%**	**107,420**	26.5%	148,592
Increase (decrease) resulting from:				
Rate differential between jurisdictions	**0.4%**	**1,513**	0.0%	200
Variation in tax rate	**-0.1%**	**(520)**	-0.2%	(1,053)
Non deductible expenses	**1.2%**	**4,765**	1.2%	6,839
Tax deductions and tax exempt income	**-4.0%**	**(16,354)**	-3.0%	(17,021)
Adjustment for prior periods	**-0.8%**	**(3,115)**	0.0%	(272)
Multi-jurisdiction tax	**0.3%**	**1,098**	0.2%	954
	23.4%	**94,807**	24.7%	138,239

In July of 2025, the One Big Beautiful Bill Act was signed into law. The legislation includes modifications to the international tax framework and the reimposition of favorable tax treatment including 100% bonus depreciation for qualified property placed in service after January 19, 2025 and business interest expense limitations. The Group recognized the effects of the legislation in 2025 for the provisions currently enacted, which increased the deferred tax liability and reduced the federal income tax liability. The Group anticipates similar impacts in future years with no consequential impact on the annual effective tax rate.

25. Financial instruments and financial risk management

Risks

In the normal course of its operations and through its financial assets and liabilities, the Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives and processes for managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Group's management identifies and analyzes the risks faced by the Group, sets appropriate risk limits and controls, and monitors risks and adherence to limits. Risk management is reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility of the Group's risk management framework. The Board of Directors monitors the Group's risks through its audit committee. The audit committee reports regularly to the Board of Directors on its activities.

The Group's audit committee oversees how management monitors and manages the Group's risks and is assisted in its oversight role by the Group's internal audit. Internal audit undertakes both regular and ad hoc reviews of risk, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's trade receivables. The Group grants credit to its customers in the ordinary course of business. Management believes that the credit risk of trade receivables is limited due to the following reasons:

- There is a broad base of customers with dispersion across different market segments;
- No single customer accounts for more than 5% of the Group's revenue;
- Approximately 95.5% (2024 – 91.4%) of the Group's trade receivables are not past due or 30 days or less past due;
- Bad debt expense has been less than 0.3% of consolidated revenues for the last 2 years.

Exposure to credit risk

The Group's maximum credit exposure corresponds to the carrying amount of the financial assets. The maximum exposure to credit risk at the reporting date was:

	December 31, 2025	December 31, 2024
Trade and other receivables	**881,432**	927,654

Impairment losses

The aging of trade and other receivables at the reporting date was:

	Total 2025	**Allowance for expected credit loss 2025**	Total 2024	Allowance for expected credit loss 2024
Not past due	**643,322**	**1,487**	646,859	2,145
Past due 1 – 30 days	**168,427**	**2,504**	174,343	2,526
Past due 31 – 60 days	**46,880**	**7,512**	52,700	7,578
Past due more than 60 days	**47,843**	**13,537**	79,013	13,012
	906,472	**25,040**	952,915	25,261

The movement in the allowance for expected credit loss in respect of trade and other receivables during the year was as follows:

	2025	2024
Balance, beginning of year	**25,261**	29,506
Business combinations	**1,484**	2,837
Bad debt expenses	**15,013**	14,846
Amount written off, net of recoveries	**(18,017)**	(19,631)
Effect of movements in exchange rates	**1,299**	(2,297)
Balance, end of year	**25,040**	25,261

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash inflows and cash outflows requirements from the Group's entities are monitored closely and separately to ensure the Group optimizes its cash return on investment. Typically, the Group ensures that it has sufficient cash to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The Group monitors its short and medium-term liquidity needs on an ongoing basis using forecasting tools. In addition, the Group maintains revolving facilities, which have $348.1 million availability as at December 31, 2025 (2024 - $549.7 million) and an additional $184.2 million credit available (CAD $245 million and USD $5 million) (2024 - $175 million). The additional credit is available under certain conditions under the Group's syndicated bank agreement.

The following are the contractual maturities of the financial liabilities, including estimated interest payment:

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
2025						
Trade and other payables	**667,246**	**667,246**	**667,246**	**-**	**-**	**-**
Long-term debt	**2,577,975**	**3,315,317**	**337,844**	**969,803**	**457,177**	**1,550,493**
Other financial liability*	**101,010**	**129,475**	**4,081**	**31,644**	**93,750**	**-**
	3,346,231	**4,112,038**	**1,009,171**	**1,001,447**	**550,927**	**1,550,493**
2024						
Trade and other payables	639,190	639,190	639,190	-	-	-
Long-term debt	2,402,881	3,178,019	209,454	973,603	522,404	1,472,558
Other financial liability*	7,779	7,779	7,779	-	-	-
	3,049,850	3,824,988	856,423	973,603	522,404	1,472,558

** Includes the contractual maturities for the contingent considerations presented in other financial liabilities. Other financial liabilities with no contractual cashflows in the amount of $9.6 million (2024 - $11.9 million) are excluded from the table above.*

It is not expected that the contractual cash flows could occur significantly earlier, or at significantly different amounts.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

The Group buys investment in equity securities to hold the investments for the long term for strategic purposes. All investments are designated as fair value through OCI.

d) Currency risk

The Group is exposed to currency risk on financial assets and liabilities, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Primarily the Canadian entities are exposed to U.S. dollars and entities having a functional currency other than the Canadian dollars (foreign operations) are not significantly exposed to currency risk.

To mitigate its financial net liabilities exposure to foreign currency risk related to Canadian entities, the Group designated a portion of its U.S. dollar denominated debt as a hedging item in a net investment hedge.

The Group's financial assets and liabilities exposure to foreign currency risk related to Canadian entities was as follows based on notional amounts:

	2025	2024
Trade and other receivables	**41,021**	53,423
Trade and other payables	**(7,511)**	(8,984)
Long-term debt	**(1,651,596)**	(1,653,291)
Balance sheet exposure	**(1,618,086)**	(1,608,852)
Long-term debt designated as investment hedge	**1,655,000**	1,655,000
Net balance sheet exposure	**36,914**	46,148

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The Group estimates its annual net USD denominated cash flow from operating activities at approximately $430 million (2024 - $500 million). This cash flow is earned evenly throughout the year.

The following exchange rates applied during the year:

	December 31, 2025	December 31, 2024
Average USD for the year ended	**1.3978**	1.3698
Closing USD as at	**1.3724**	1.4384

Sensitivity analysis

A 1-cent increase in the U.S. dollar at the reporting date, assuming all other variables, in particular interest rates, remain constant, would have increased (decreased) equity and income or loss by the amounts shown below. The analysis is performed on the same basis for 2024.

		2025		2024
	1-cent Increase	**1-cent Decrease**	1-cent Increase	1-cent Decrease
Balance sheet exposure	**(11,790)**	**11,790**	(11,185)	11,185
Long-term debt designated as investment hedge	**12,059**	**(12,059)**	11,506	(11,506)
Net balance sheet exposure	**269**	**(269)**	321	(321)

e) Interest rate risk

The Group's intention is to minimize its exposure to changes in interest rates by maintaining a significant portion of fixed-rate interest-bearing long-term debt.

At December 31, 2025 and 2024, the interest rate profile of the Group's carrying amount of interest-bearing financial instruments:

	2025	2024*
Fixed rate instruments	**2,031,262**	2,127,827
Variable rate instruments	**546,713**	275,054
	2,577,975	2,402,881

** Comparative information has been reclassified to separately present variable rate instruments.*

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through income or loss. Therefore a change in interest rates at the reporting date would not affect income or loss.

f) Capital management

For the purposes of capital management, capital consists of share capital and retained earnings of the Group. The Group's objectives when managing capital are:

- To ensure proper capital investment in order to provide stability and competitiveness to its operations;
- To ensure sufficient liquidity to pursue its growth strategy and undertake selective acquisitions;
- To maintain an appropriate debt level so that there are no financial constraints on the use of capital; and
- To maintain investors, creditors and market confidence.

The Group seeks to maintain a balance between the highest returns that might be possible with higher levels of borrowings and the advantages and security of a sound capital position.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

The Group monitors its long-term debt using the ratios below to maintain an appropriate debt level. The Group's debt-to-equity and debt-to-capitalization ratios are as follows:

	2025	2024
Long-term debt	**2,577,975**	2,402,881
Shareholders' equity	**2,677,627**	2,673,275
Debt-to-equity ratio	**0.96**	0.90
Debt-to-capitalization ratio[1]	**0.49**	0.47

[1] Long-term debt divided by the sum of shareholders' equity and long-term debt.

There were no changes in the Group's approach to capital management during the year.

The Group's credit facility and term loan agreement requires monitoring of two ratios on a quarterly basis. The first is a ratio of total debt plus letters of credit and some other long-term liabilities less cash (unrestricted cash for the credit facility and cash up to $100 million for the unsecured senior notes) to net income or loss before finance income and costs, income tax expense (recovery), depreciation, amortization, impairment of intangible assets, bargain purchase gain, and gain or loss on sale of land and buildings, assets held for sale and intangible assets ("Adjusted EBITDA"), including last twelve months adjusted EBITDA from business acquisitions. The second is a ratio of adjusted earnings before interest, income taxes, depreciation and amortization and rent expense ("EBITDAR"), including last twelve months adjusted EBITDAR from acquisitions to interest and net rent expenses. These ratios are measured on a consolidated last twelve-month basis and are calculated as prescribed by the credit agreement which, among other things, requires the exclusion of the impact of IFRS 16 leases. These ratios must be kept below a certain threshold so as not to breach a covenant in the Group's syndicated bank. At December 31, 2025 and 2024, the Group was in compliance with its financial covenants.

Management believes that the Group has sufficient liquidity to continue both its operations as well as its acquisition strategy.

Upon maturity of the Group's long-term debt, the Group's management and its Board of Directors will assess if the long-term debt should be renewed at its original value, increased or decreased based on the then required capital, credit availability and future interest rates.

g) Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	December 31, 2025		December 31, 2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Assets carried at fair value				
Investment in equity securities	**24,954**	**24,954**	22,097	22,097
Assets carried at amortized cost				
Trade and other receivables	**881,432**	**881,432**	927,654	927,654
	906,386	**906,386**	949,751	949,751
Financial liabilities				
Liabilities carried at fair value				
Other financial liability	**110,579**	**110,579**	19,686	19,686
Liabilities carried at amortized cost				
Trade and other payables	**667,246**	**667,246**	639,190	639,190
Long-term debt	**2,577,975**	**2,635,137**	2,402,881	2,339,947
	3,355,800	**3,412,962**	3,061,757	2,998,823

Interest rates used for determining fair value

The carrying amount of the Group's debt does not approximate fair value. The interest rates used to discount estimated cash flows to calculate fair value, when applicable, are based on the current interest rates for debt with similar terms, company rating and remaining maturity.

Fair value hierarchy

The Group's financial assets and liabilities recorded at fair value on a recurring basis are investment in equity securities discussed above. Investment in equity securities include Level 1 investments that are marked to market with the publicly traded information as at December 31, 2025 and Level 2 investments that are marked to market using valuation techniques in which all significant inputs were based on observable market data. The remaining investment in equity securities is measured using level-3 inputs of the fair value hierarchy.

(Tabular amounts in thousands of U.S. dollars, unless otherwise noted.)

26. Contingencies, letters of credit and other commitments

a) Contingencies

There are pending operational and personnel related claims against the Group. In the opinion of management, these claims are adequately provided for in long-term provisions on the consolidated statements of financial position and settlement should not have a significant impact on the Group's financial position or results of operations.

b) Letters of credit

As at December 31, 2025, the Group had $140.9 million of outstanding letters of credit (2024 - $129.8 million).

On October 31, 2025, the Group entered into a guaranteed letter of credit facility agreement, supported by a government-backed guarantee program, for up to $70 million, which is separate from the Group's revolving credit facility. As at December 31, 2025, the Group had $10.3 million outstanding letters of credit from this facility.

c) Other commitments

As at December 31, 2025, the Group had $18.8 million of purchase commitments (2024 – $35.6 million) and $2.5 million of purchase orders for leases that the Group intends to enter into and that are expected to materialize within a year (2024 – $26.7 million).

27. Related parties

Parent and ultimate controlling party

There is no single ultimate controlling party. Although the shares of the Company are widely held, certain institutional investors hold meaningful positions.

Transactions with key management personnel

Board members of the Company, executive officers and top managers of major Group entities are deemed to be key management personnel. There were no other transactions with key management personnel other than their respective compensation.

Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to executive officers.

Executive officers also participate in the Company's stock option and restricted share unit and performance contingent share unit plans, as described in note 20. Costs incurred for key management personnel in relation to these plans are detailed below.

Key management personnel compensation comprised:

	2025	2024
Short-term benefits	**15,247**	**14,360**
Post-employment benefits	**232**	**719**
Equity-settled share-based payment transactions	**11,008**	**8,207**
	26,487	**23,286**

28. Subsequent events

On February 8, 2026, the Group acquired a non-material business for a total purchase price of $48.9 million.

CORPORATE
INFORMATION

EXECUTIVE OFFICE

96 Disco Road
Etobicoke, Ontario M9W 0A3
Telephone: 647 725-4500

HEAD OFFICE

8801 Trans-Canada Highway, Suite 500
Montreal, Quebec H4S 1Z6
Telephone: 514 331-4000
Fax: 514 337-4200

Web site: www.tfiintl.com
E-mail: administration@tfiintl.com

AUDITORS

KPMG LLP

STOCK EXCHANGE LISTING

TFI International Inc. shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol TFII.

FINANCIAL INSTITUTIONS

National Bank of Canada
Royal Bank of Canada
Bank of America, N.A.
JPMorgan Chase Bank, N.A.
The Toronto Dominion Bank
PNC Bank
Bank of Montreal
U.S. Bank, N.A.
Goldman Sachs
Stanley Bank, N.A.
Prudential Financial, Inc.
Guggenheim Investments
MetLife Investment Management, LLC
Barings, LLC
Voya Investment Management, LLC
New York Life Private Capital, LLC

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada
100 University Avenue, 8th floor
Toronto, Ontario M5J 2Y1

Canada and the United States
Telephone: 1 800 564-6253
Fax: 1 888 453-0330

International
Telephone: 514 982-7800
Fax: 416 263-9394

Computershare Trust Company, N.A.
Co-Transfer Agent (U.S.)

ANNUAL MEETING OF SHAREHOLDERS

Monday, April 27, 2026 at 1:30 p.m.
Details to be confirmed at a later date at :
www.tfiintl.com/en/news/

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8801, route Transcanadienne, bureau 500
Montréal (Québec) H4S 1Z6

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