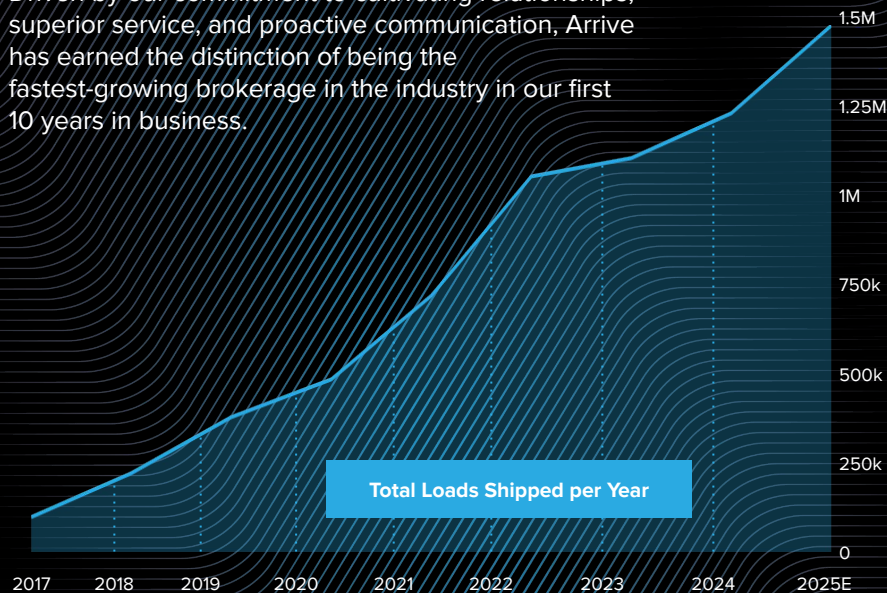


Canada Freight Market Dynamics

Q1 2025

Sustainable Organic Growth

Driven by our commitment to cultivating relationships, superior service, and proactive communication, Arrive has earned the distinction of being the fastest-growing brokerage in the industry in our first 10 years in business.

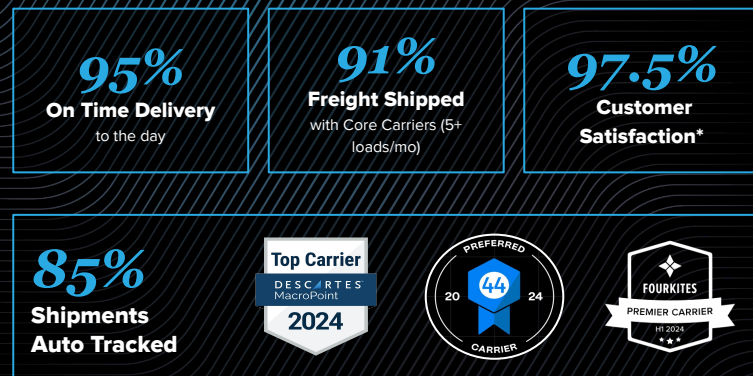


Top 6 *truckload brokerage in North America*

2

Carrier Strategy

We prioritize private fleets and mid-sized carriers within our network. This deliberate strategy allows us to deliver industry-leading service and scalable capacity that outperforms those limited to small fleets.



*Customer & Carrier satisfaction data is collected from bi-annual surveys.

We Deliver, So You Can

*Delivering a leading freight experience
across modes and borders.*

85%

Core Customers (≥1 LPD)
ship more than one mode

95%

**Aggregate Multimodal
On-Time Delivery**

Certified Modal Experts

Every rep completes a comprehensive mode specific certification program before managing your freight, ensuring that each shipment is handled by a qualified expert.



Dry Van



Temp Controlled



Drop Trailer



Flatbed



LTL



Partial



Cross-Border



Drayage

Our Offices:

Toronto, ON
Canada HQ

Minneapolis, MN

Phoenix, AZ

Chicago, IL

Austin (HQ) &
San Antonio, TX

Columbus, OH

Tampa, FL

Guadalajara, JAL
Mexico HQ



The Philippines

Colombia



At a Glance

01 | State of Cross Border Trade

04 | Truckload Rate Outlook

02 | Truckload Supply &
Demand

05 | Q&A

03 | Economic Indicators



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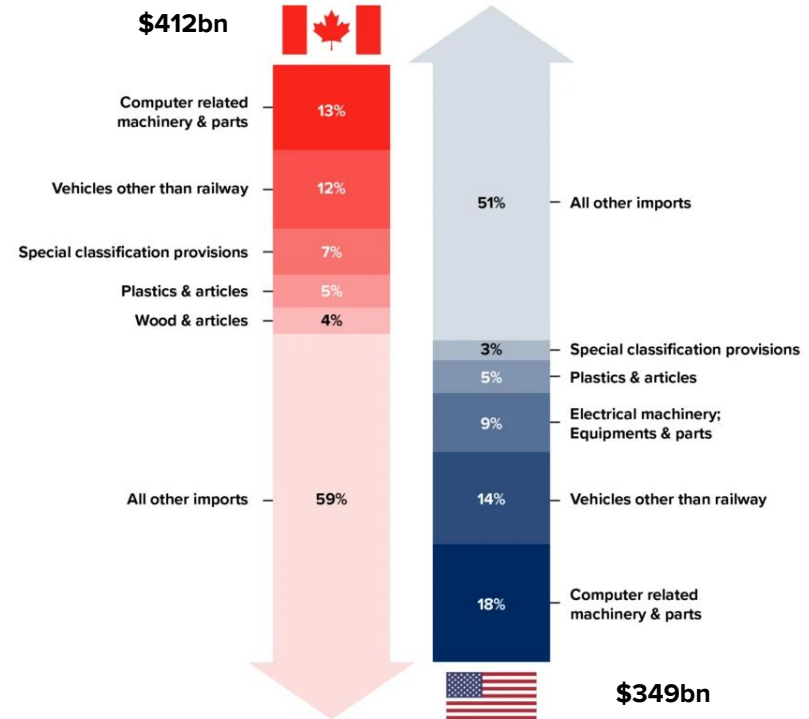
01 | State of Cross Border Trade



State of Cross Border Trade - Highlights

Trade Partnership Highlights:

- \$762bn in total trade in 2024 with more than 55% via trucks (\$422bn)
 - Canada Exports to the U.S. totaled \$412bn
 - U.S. Exports to Canada totaled \$349bn
- Canada is the top customer for U.S. goods and services exports and a critical supplier of goods and services integral to the U.S. economy, with Canada buying more U.S. goods than China, Japan, France and the United Kingdom combined.
- Canada is the largest export market for 36 states and is among the top three for 46 states, with 43 states exporting over US\$1 billion to Canada every year.



State of Cross Border Trade - Tariffs

U.S. Tariffs on Canadian Goods:

- On Tuesday March 4, tariffs were issued by the U.S. government on Canadian goods.
 - 25% tariffs on goods that do not satisfy U.S.-Mexico-Canada Agreement (USMCA) rules of origin.
 - A lower 10% tariff on those energy products imported from Canada that fall outside the USMCA preference.
 - A lower 10% tariff on any potash imported from Canada and Mexico that falls outside the USMCA preference.
 - No tariffs on those goods from Canada and Mexico that claim and qualify for USMCA preference.

Retaliatory Canadian Tariffs on U.S. Goods:

- Multi-phase countermeasures of 25 per cent tariffs on C\$155bn of U.S. products
 - Effective March 4, C\$30bn in goods imported from the U.S., including food and beverages, appliances, apparel, cosmetics and other commodities
 - Effective March 13, C\$29.8bn in goods imported from the U.S. intended to primarily target steel & aluminum
 - Tariffs on additional goods to take effect as of April 2 would total C\$95bn



02 | Truckload Supply & Demand



February LoadLink Report (Spot Demand)

February Load Volume Changes

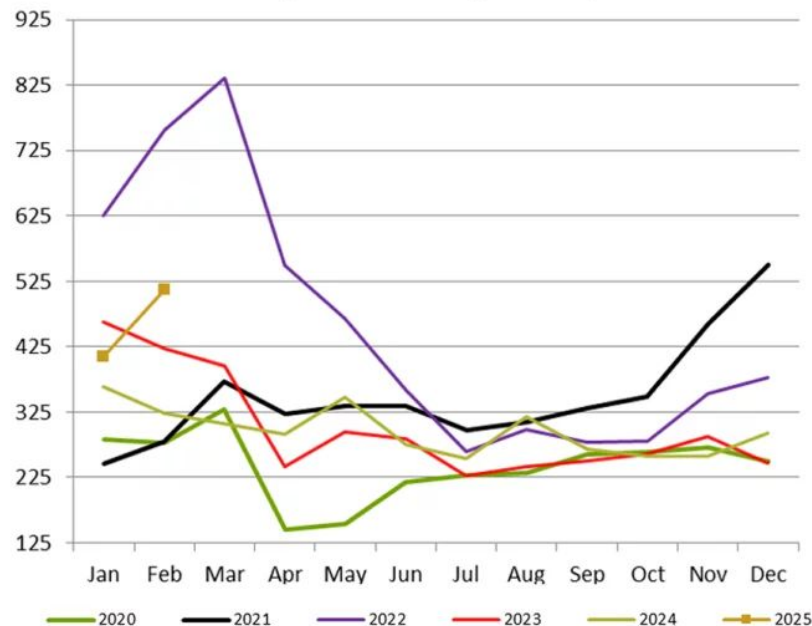
Month-over-Month: **25%**

Year-over-Year: **58%**

Truckload spot activity surged as shippers rushed to beat tariffs in February 2025.

- Spot opportunities on Loadlink platform highest levels since COVID border restrictions in late 2021 / early 2022
- Cross border shipments drove the high reading in February, but intra-Canada volumes saw increases as well.
 - Can. to U.S. volumes increased 79% y/y, 24% m/m
 - U.S. to Can. volumes increased 64% y/y, 25% m/m
 - Intra-Can. volumes increased 37% y/y, 27% m/m

Loadlink Canadian Spot Market Freight Index , 2020 - 2025



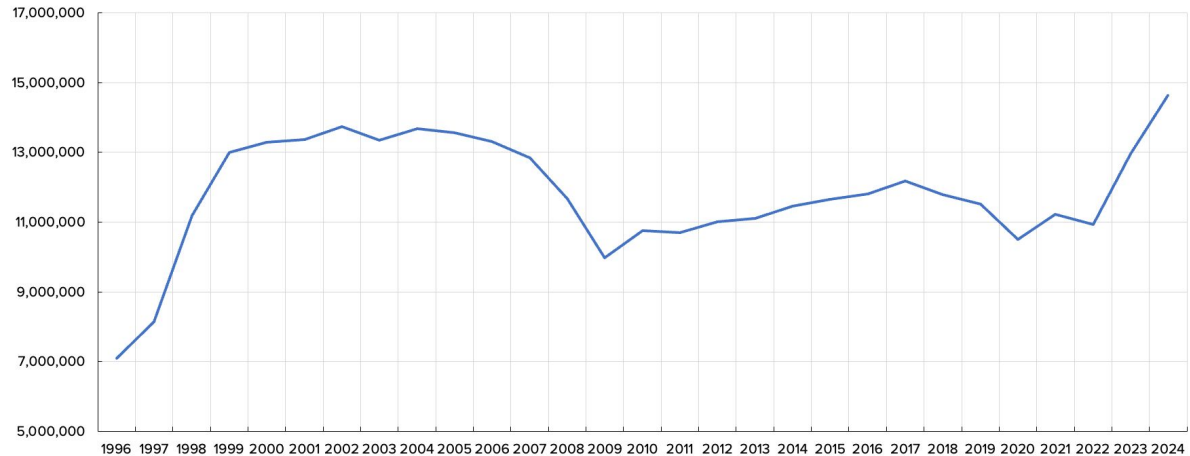
Truck Crossings - Outbound Canada

Inflection Point for Cross Border Trade

Although recent trends have pointed to increased exports to the U.S., tariffs will likely lead to pullbacks in volumes similar to the 2019 trade war.

For the month of January, southbound border crossings were up 2.5% y/y and 33.6% compared to Jan. 2023.

OB Canada Truck Crossing by Year



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February LoadLink Report (Spot Capacity)

February Equipment Posting Changes

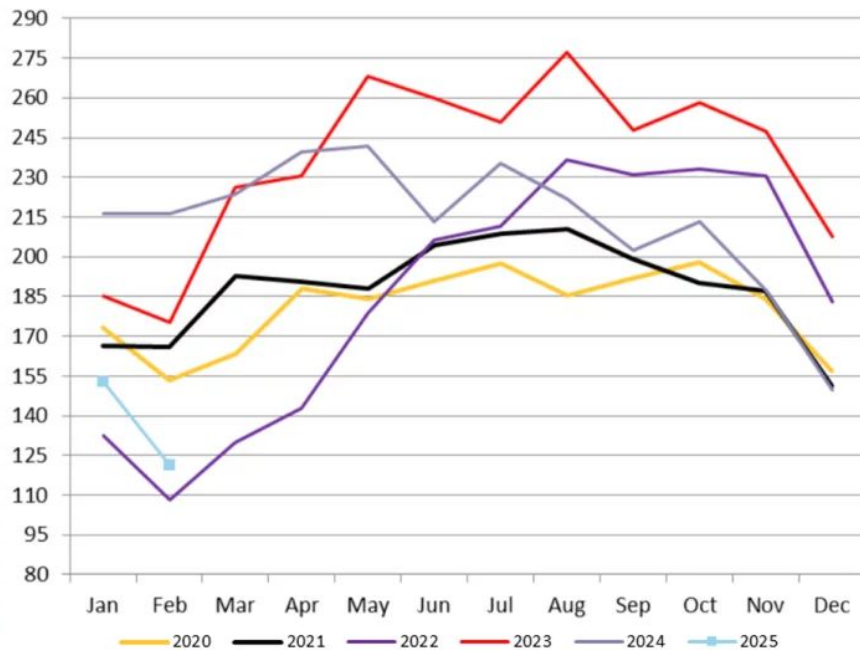
Month-over-Month: **-21%**

Year-over-Year: **-44%**

An active spot market lead to pullbacks in equipment postings in February 2025

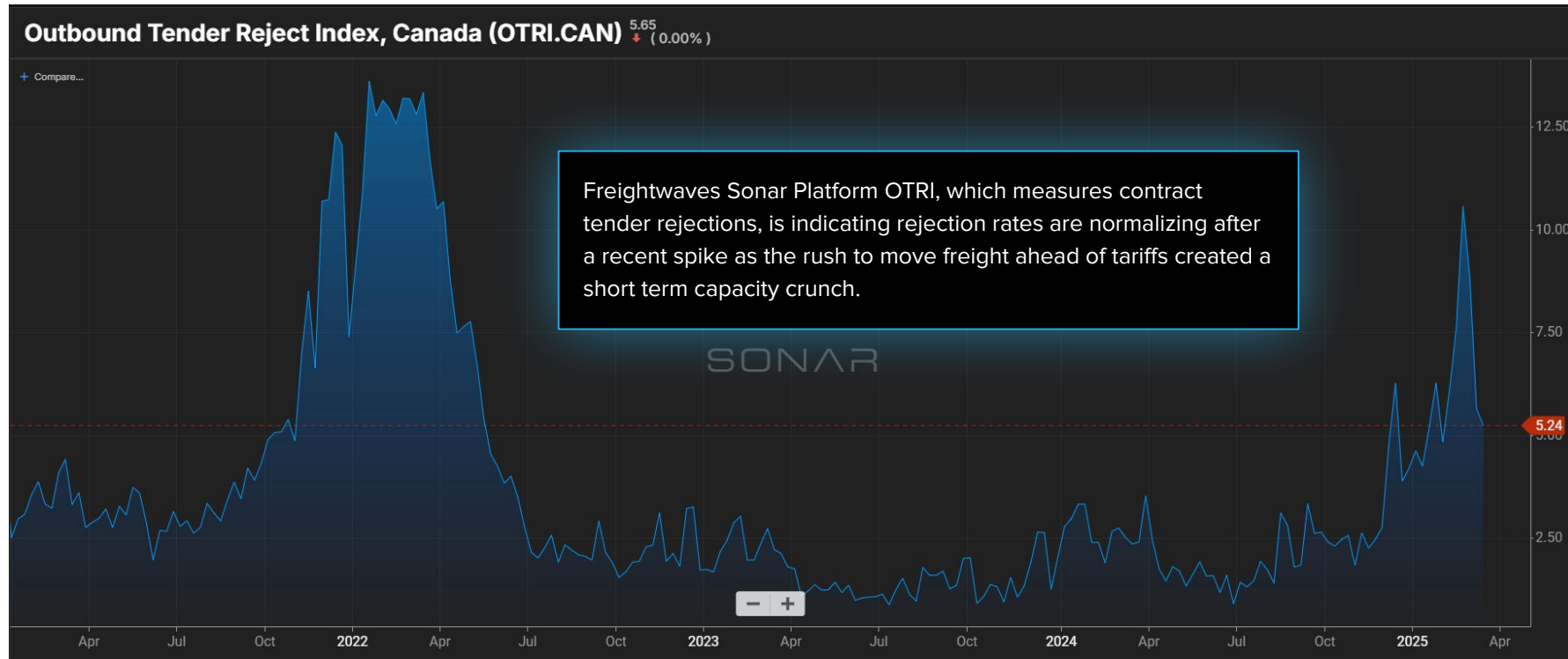
- Equipment postings on Loadlink platform lowest levels since COVID border restrictions in late 2021 / early 2022
- This could be an indicator of more contract freight occupying equipment, leading to lower carrier availability on the spot market.
 - Can. to U.S. postings decreased 47% y/y
 - U.S. to Can. postings decreased 40% y/y
 - Intra-Can. postings decreased 46% y/y

Loadlink Canadian Spot Market Truck Index, 2020 - 2025



Freightwaves SONAR Reports (Contract Compliance)

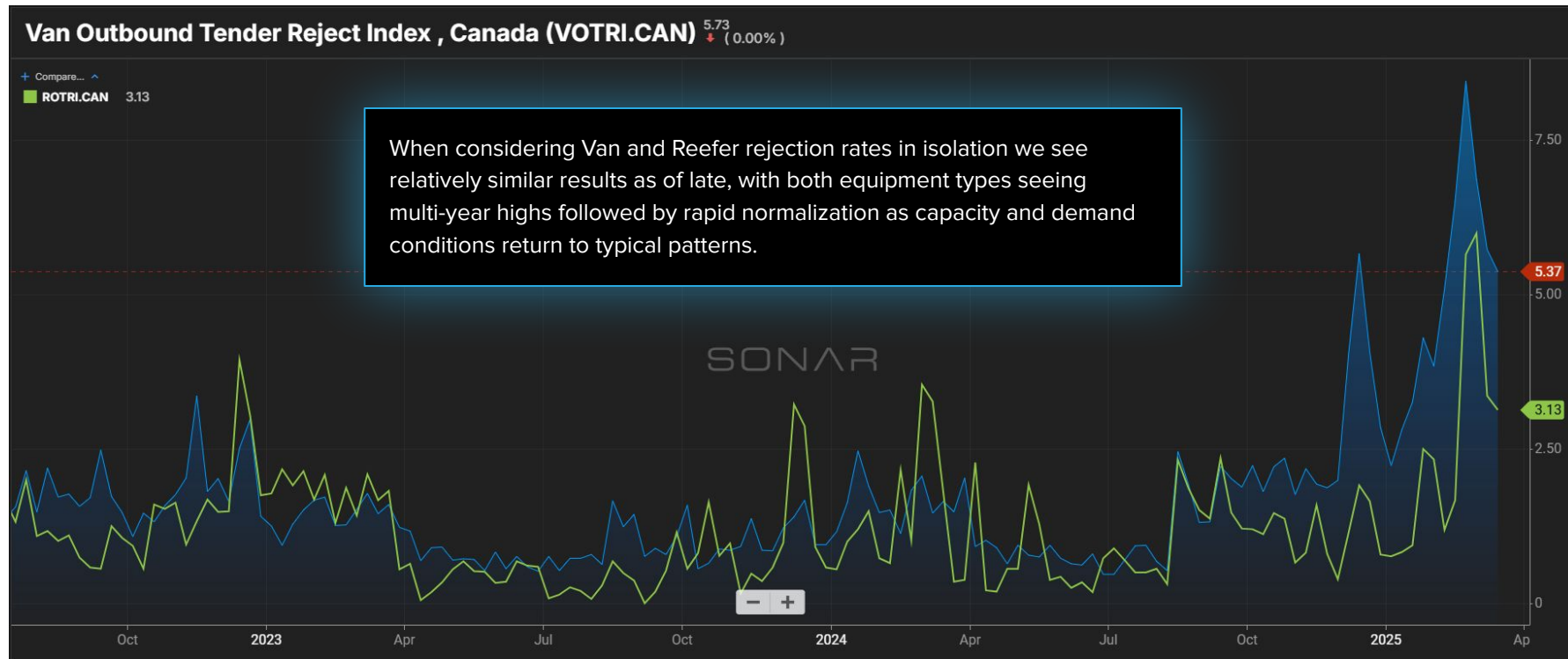
12



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Freightwaves SONAR Reports (Contract Compliance)

13

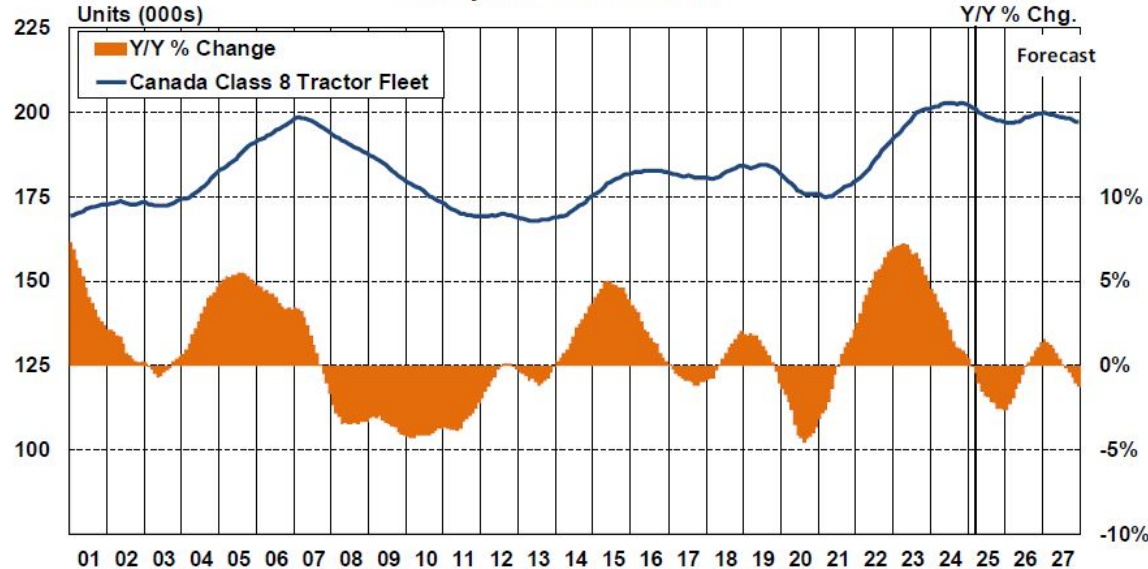


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Class 8 Prime Age Tractor Population Trends

Canada Prime Age Class 8 Tractor Population

January 2001 - December 2027



Source: ACT Research Co. © 2025

The strong U.S. Dollar and worsening outlooks for freight demand is likely to be a meaningful limiter of Class 8 tractor sales in Canada.

The pullback in equipment levels will tighten capacity and could help limit downward pressure on rates from falling demand amidst a trade war with the U.S.

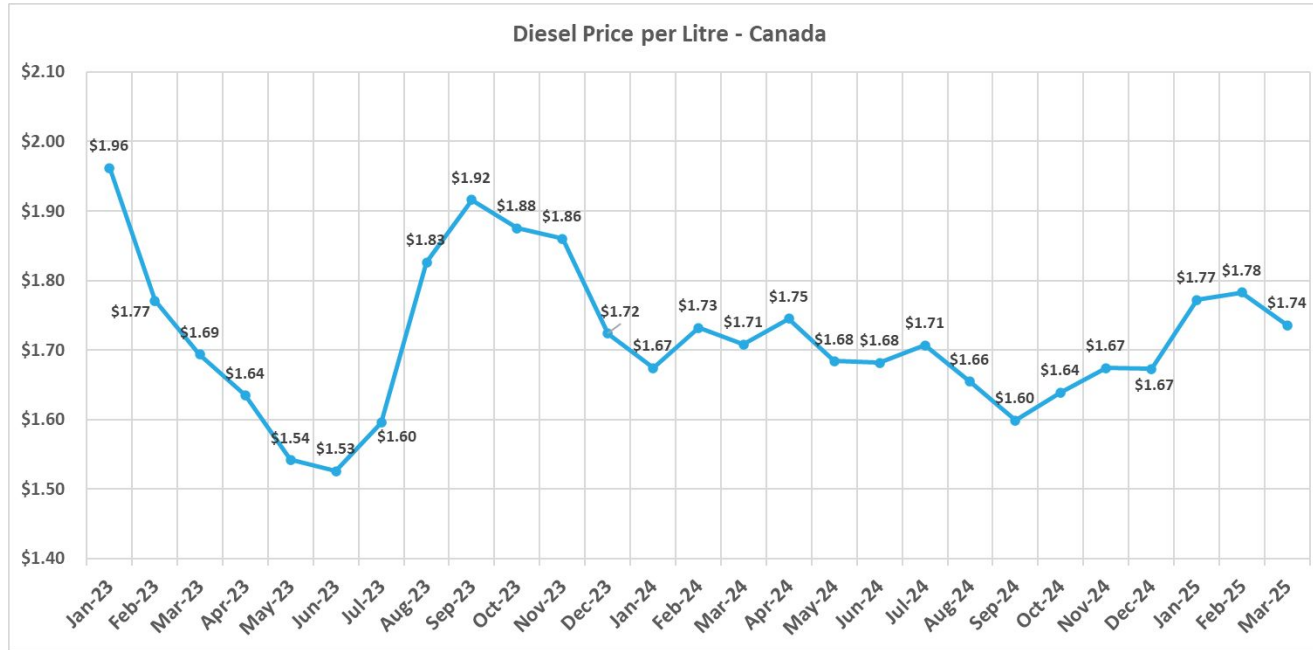


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3 | Economic Indicators



Diesel Prices Impact Carrier Financials



Fuel prices been trending down since mid January, but are still above a 52 week average of C\$1.69/Litre

Elevated fuel prices tend to put added financial pressure on carriers. Recent trends point to some relief from early year highs, but any increase in costs could lead to further carrier exits.



Inflation Pressures Building

Consumer Price Index - Canada



Headline CPI in Canada rose to 2.6% in February

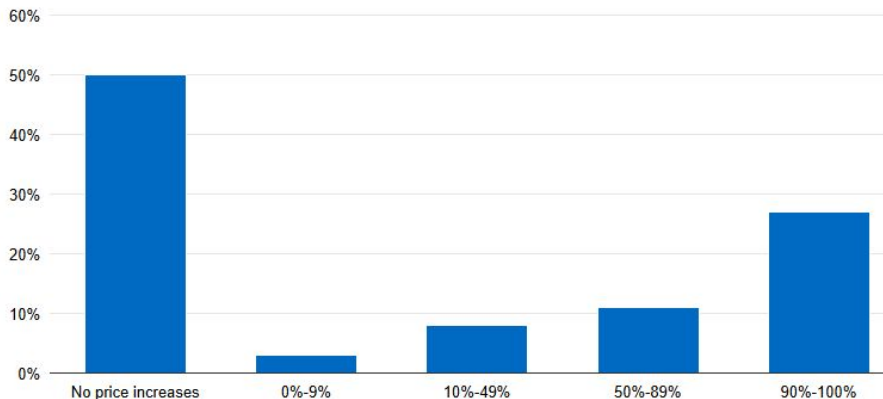
- While at least in part due to the end of the GST tax holiday, the reading is significantly above 1.9% in November (pre tax holiday)
- This is still too early to be tariff driven, indicating that even further price increases are likely.
- Elevated prices will hurt consumer spending and complicate the central bank's decisions on further rate cuts, both of which would negatively impact truckload demand.



Fears of Further Inflation

Half of Canadian firms preparing for price increases if tariffs are imposed

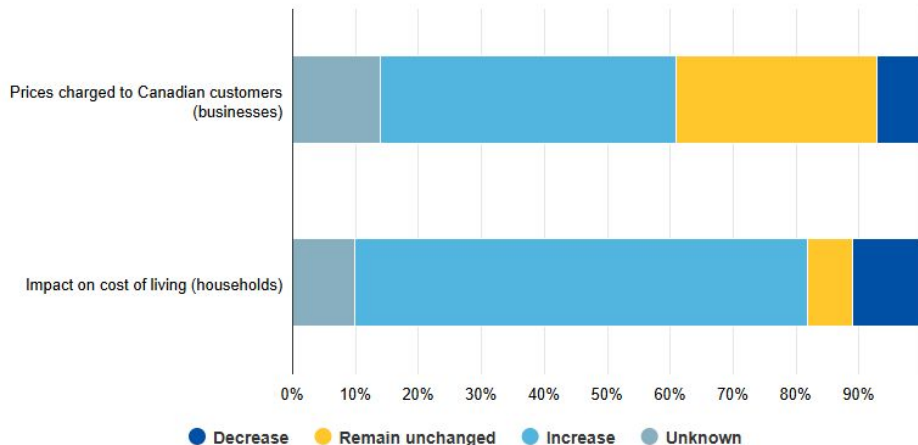
% of respondents, by percent of tariff costs they plan to pass along to consumers



Source: Bank of Canada, RBC Economics

Trade tensions drive widespread expectations of price increases

% of respondents by what changes they expect in their prices



Source: Bank of Canada, RBC Economics

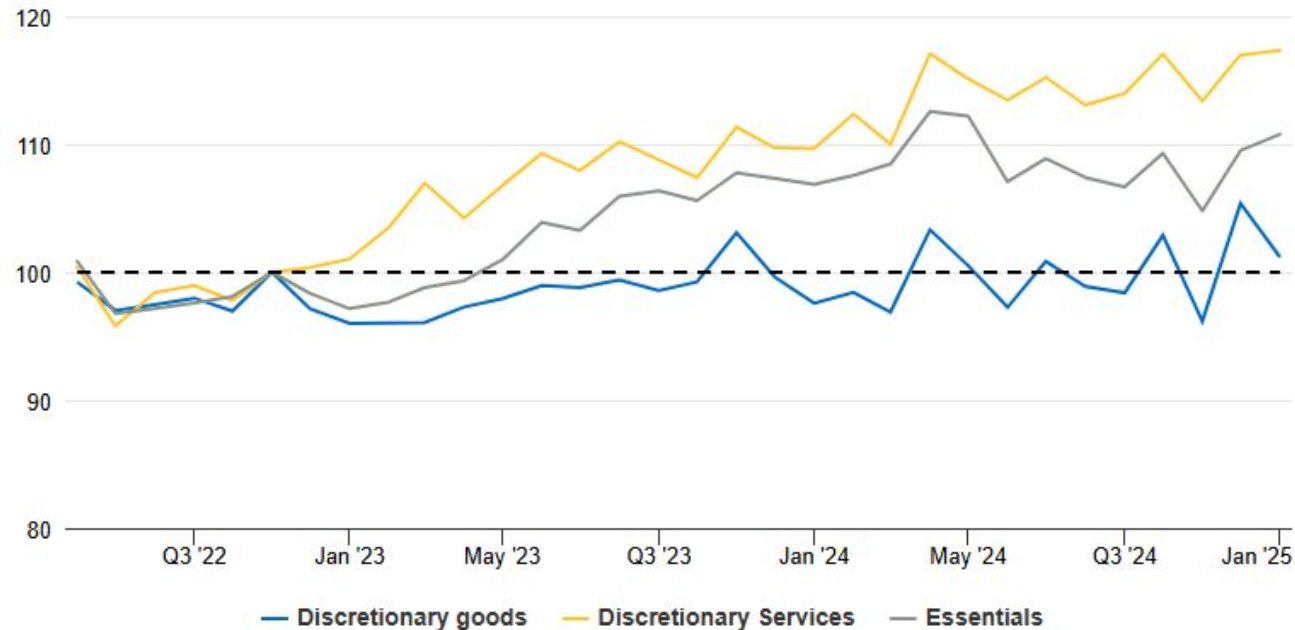
Looking forward to the impact of tariffs, at least 50% of Canadian firms plan to increase consumer prices to offset impact of tariffs. Households seem to agree the added costs will fall on them, with more than 70% of respondents indicating they expect price increases.



Consumer Spending Trends

Consumers bought fewer discretionary goods in January after holiday gifting

Index = 100 in November 2022, seasonally adjusted



Consumers appear to be shifting their spending habits, at least on discretionary goods, in preparation for potential tariff related price hikes.

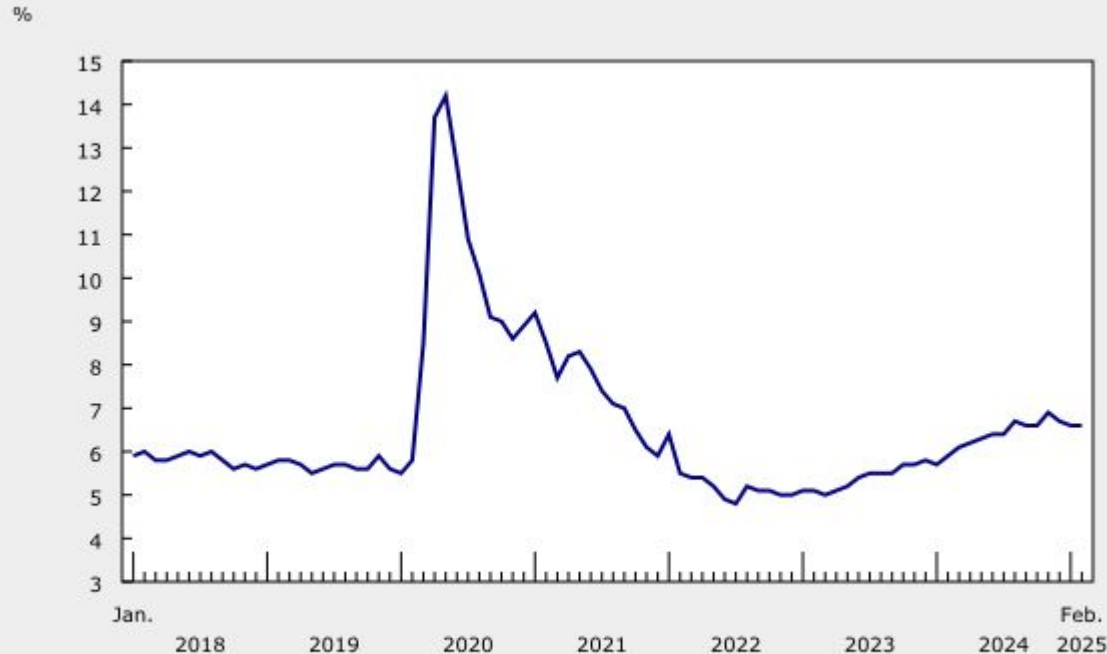
A softer January spending report indicates that consumers are not front-loading goods purchases just yet in the face of widespread uncertainty.

Source: RBC Borealis, RBC Economics



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Unemployment Rate Unchanged in February



Source(s): Labour Force Survey (3701), table [14-10-0287-01](#).

Canadian labour markets held steady in February after surprising to the upside in December and January.

Early signs indicate tariff related uncertainty had an impact on hiring on the more trade-sensitive goods producing side of the economy, with offsetting growth in more domestically focused services jobs.

A stable labour market is essential to maintaining consumer spending at current levels, and recent trends point to downside risks looking forward.



4 | Truckload Rates

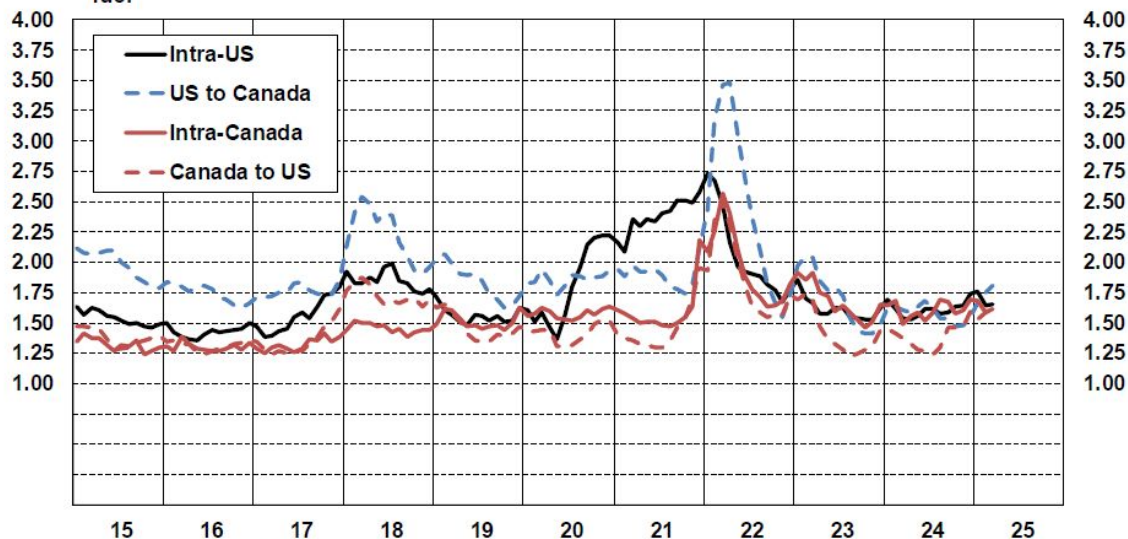


Truckload Rate Environment

US & Canada Dry Van Truckload Spot Rates

US\$ per mile, net
fuel

January 2015 - mid-March 2025



Source: DAT Freight & Analytics, ACT Research Co. © 2025

While all lanes saw an increase from recent pre-tariff pull forward, cross-border lanes saw larger, more sustained increases.

- U.S. to Canada rates returned to their more normal premium levels with less TL freight heading southbound
- On what is typically more of a backhaul lane, Canada to U.S. rates also saw increases.

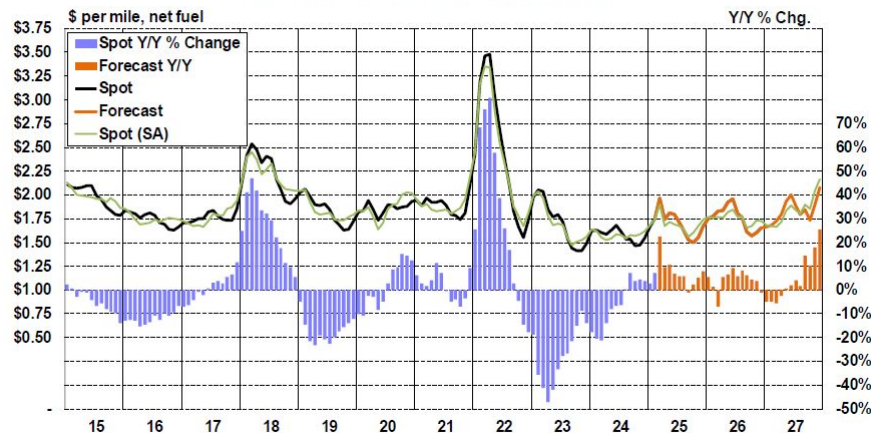


Truckload Rate Forecast

23

DAT US to Canada Dry Van Truckload Spot Rates

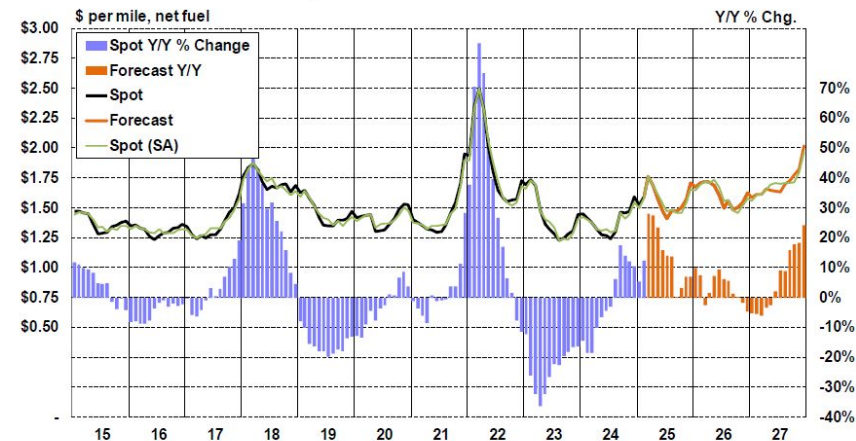
January 2015 - December 2027 Forecast



Source: DAT Freight & Analytics, ACT Research Co. © 2025

DAT Canada to US Dry Van Truckload Spot Rates

January 2015 - December 2027 Forecast



Source: DAT Freight & Analytics, ACT Research Co. © 2025

Both northbound and southbound lanes expected to see rate increases early 2025 as tariff impacts disrupt typical trade flows and capacity networks.

- A weakening demand environment will not be fully offset by what is expected to be a tightening supply market from declining equipment



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5 | Q&A



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