

Canada Cartage Corporation



Consolidated Financial Statements
March 31, 2026
Expressed in Thousands of Dollars CAD

Unaudited



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Canada Cartage Corporation

Management Discussion & Analysis

March 31, 2026

Transportation Market Update

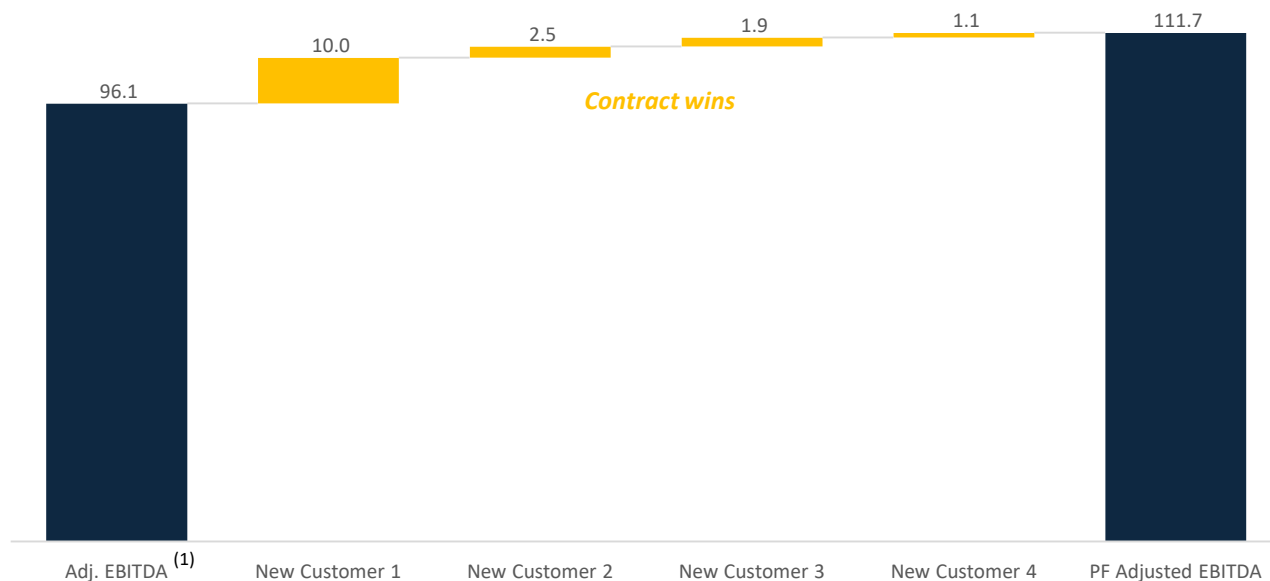
- North American transportation industry is tightening
- Capacity added during the pandemic is continuing to leave the market; in the US, carrier revocations are averaging 5,000 to 6,500 per month
- Spot market rates bottomed out in 2025; Q4 2025 saw inflationary rates and in Q1 2026, carrier spot rates increased by mid-teens percentages above the prior year
- The market in Canada is shifting - we are seeing this trend within our bids. Our dedicated customers are becoming more receptive to rate increases at higher rates as compared to the past few years
- The Company is also seeing our competitors standing firm with customer rate increases

Q1 2026 Highlights

- Q1 2026 operating revenue increased ~16% YoY, with EBITDA increasing ~41%
- Our US brokerage business continues to see margin improvement with increasing spot rates - YoY revenue and margins in the brokerage business is experiencing the same positive trends as the rest of the industry
- We have successfully onboarded two large 2025 wins and revenue and EBITDA are on target
- We have completed the restructuring of our 2024 acquisitions and it is now operating at expected EBITDA margins
- As a result, EBITDA margins are trending higher YoY in Q1 2026
- The Company repaid ~\$12 million in debt and net leverage is now at ~4.9x PF adj. EBITDA

Bridge from adj. EBITDA (LTM Q1 2026) to PF adj. EBITDA (incl. customer wins)

(\$ in millions)



(1) Adjusted for sale of Stalco and removes the impact of CPX

Canada Cartage Corporation

Consolidated Balance Sheet

As at March 31, 2026

Expressed in Thousands of Dollars

	2026 March (Unaudited) \$	2025 December (Unaudited) \$
Assets		
Current		
Cash	17,080	27,706
Accounts receivable	181,786	194,060
Prepaid expenses and sundry assets	19,425	16,163
Total Current Assets	218,291	237,929
Long-term Investments	3,923	4,427
Property, Plant and Equipment	193,995	200,674
Intangible assets	206,229	211,730
Goodwill	255,114	255,114
Total Assets	877,552	909,874
Liabilities		
Current		
Accounts payable and accrued liabilities	174,241	179,235
Income taxes payable	6,734	8,604
Bank indebtedness	96,300	100,440
Current portion of long-term debt	22,744	22,696
Current portion of obligations under capital leases and equipment loans	28,492	28,377
Total Current Liabilities	328,511	339,352
Long-term Debt	371,576	376,373
Obligation Under Capital Leases and equipment loans	50,047	52,822
Derivative financial instrument	1,668	2,446
Total Liabilities	751,802	770,993
Equity		
Unitholders' Equity		
Share Capital	369,201	369,201
Contributed Surplus	4,435	4,435
Deficit	(261,103)	(245,647)
	112,533	127,989
Non-controlling Interest	13,217	10,892
Total Equity	125,750	138,881
Total Liabilities and Equity	877,552	909,874

Canada Cartage Corporation

Consolidated Statement of Deficit
For the Three Months Ended March 2026
Expressed in Thousands of Dollars

	YTD (Unaudited) \$
Balance - Beginning of Period	(245,647)
Net income (loss) attributable to Entity's Unit holders	(15,456)
Balance - End of Period	(261,103)

Canada Cartage Corporation

Consolidated Statement of Operations
For the Three Months Ended March 2026
Expressed in Thousands of Dollars

	YTD	
	2026 (Unaudited) \$	2025 (Unaudited) \$
Revenue		
Operating revenue	331,618	286,262
Fuel surcharge revenue	34,607	30,376
Total Revenue	366,225	316,638
Expenses		
Cost of transportation and services	241,767	207,474
Direct operating expenses	34,906	30,907
Selling, general and administrative	72,542	66,206
Income before the following	17,010	12,053
Amortization - intangible assets	5,986	5,657
- property, plant and equipment	13,417	16,395
- deferred financing fees	756	606
(Gain) loss on sale of property, plant, equipment and other assets	(393)	66
Interest expense (net of interest income)	11,160	11,082
Foreign Exchange	(124)	(70)
Change in fair value of derivative financial instrument	(778)	1,040
Other expenses	124	607
	30,148	35,383
Net Income (Loss) before Income Taxes	(13,138)	(23,330)
Income Taxes		
Current	(7)	279
Net Income (Loss) for the Period	(13,131)	(23,609)
Attributable to:		
Owners of the parent	(15,456)	(23,547)
Non-controlling Interest	2,325	(62)
Net Income (Loss) for the Period	(13,131)	(23,609)

Canada Cartage Corporation

Consolidated Statement of Cash Flows
For the Three Months Ended March 2026
Expressed in Thousands of Dollars

	YTD	
	2026 (Unaudited) \$	2025 (Unaudited) \$
Funds Provided (Used) -		
Operating Activities		
Net income (loss) for the period	(13,131)	(23,609)
Amortization - intangible assets	5,986	5,657
- property, plant and equipment	13,417	16,395
- deferred financing fees	756	606
(Gain) loss on sale of property, plant and equipment and other assets	(393)	66
Change in fair value of derivative financial instrument	(778)	1,040
Cash Flow from Operating Activities (before change in working capital)	5,857	155
Net change in non-cash working capital balances related to operations	2,148	(18,029)
Cash Flow from Operating Activities	8,005	(17,874)
Financing Activities		
Bank indebtedness, net	(4,140)	24,655
Dividends to Non-controlling Interest	-	(750)
Repayment of obligations under capital leases and equipment loans	(7,105)	(6,500)
Repayment of long-term debt	(5,686)	(5,708)
Foreign Exchange on Long Term Debt	180	(52)
Cash Flow from Financing Activities	(16,751)	11,645
Investing Activities		
Additions to property, plant, equipment and other assets	(3,472)	(3,607)
Proceeds on disposal of property, plant, equipment and other assets	1,573	444
Additions to intangible assets	(484)	(250)
Investment & Earnings	503	(35)
Net proceeds paid/received on acquisitions	-	(2,735)
Cash Flow from Investing Activities	(1,880)	(6,183)
Increase (Decrease) in Cash During the Period	(10,626)	(12,412)
Cash		
Beginning of Period	27,706	15,883
End of Period	17,080	3,471

Canada Cartage Corporation

Notes

Subsequent Events

Subsequent to March 31, 2026, on May 8th the Company issued USD 400,000,000 of senior secured bonds under a total framework of USD 600,000,000, maturing in May 2031. The Company has also entered into a new USD 75,000,000 revolving credit facility with a syndicate of Canadian banks.

The proceeds from the bond issue will be used to refinance Canada Cartage Corporation's existing debt facilities and for the Company's general corporate purposes. Canada Cartage elected to retain 8.5% of the bond issuance amount as treasury bonds for liquidity management purposes.