



# FASTFRATE GROUP

## Fastfrate Group and CPKC Extend Long Term Agreement to Connect Canada, the United States and Mexico.

Toronto, ON, February 27, 2024

Today, Fastfrate Group is pleased to announce it has renewed and enhanced its long-term agreement with Canadian Pacific Kansas City (CPKC). This new five-year agreement features operational enhancements, infrastructure investments, and continental service expansion.

This agreement solidifies and expands Canada Drayage Inc. (CDI) (a Fastfrate Group company) as the largest coast-to-coast drayage provider in Canada. As part of this announcement, CDI will become the largest drayage provider in North America for CPKC.

“Fastfrate and CPKC have had a successful and collaborative partnership for the past 58 years,” says Fastfrate Group Executive Chairman Ron Tepper. “That being said, I’ve never been as excited as I am today given the size and scope of opportunities ahead. We’re honoured to be CPKC’s long standing partner in Canada, and excited about expansion into the US and Mexico. This is great for us, great for them, and great for our clients.”

“Extending our decades-long relationship with the Fastfrate Group brings tremendous opportunities for growth,” says Jonathan Wahba, CPKC’s Senior Vice President of Sales & Marketing, Bulk & Intermodal Cargo. “We are especially pleased to expand our relationship with Canada Drayage Inc. and enhance the service we provide to our shared customers by creating an industry-first private gate, complete with CPKC’s FastPass entrance, at both our Toronto and Montreal intermodal terminals.”

Fastfrate Group and CPKC will invest in the latest gate technology which will grant CDI immediate access through Fastfrate private entrances in CPKC facilities in both Toronto and Montreal. Fastfrate Group will also dedicate 15 acres of prime property and invest \$10 million CAD in preparation to create a container yard next to CPKC’s Toronto intermodal facility and a pre-pull yard for CPKC’s domestic and international container line customers. Both will streamline operations and improve fluidity for domestic and international shippers.

As part of this agreement, Fastfrate Group will market CPKC’s full load service on a direct rail line between Canada and Mexico, and their industry leading Intermodal LTL service from all points in Canada as well as the Midwest U.S. to Texas, Mexico, and all points in between. With an investment of 200 containers in 2023 and an additional 200 in 2024, Fastfrate will immediately deploy 100 containers on CPKC’s Mexico Midwest Express service to meet the growing demand for Mexico.

“For a variety of geopolitical, economic, and environmental reasons, many of our customers are looking to Mexico as a new manufacturing, assembly and distribution hub.” says Fastfrate Group CEO Manny Calandrino. “As a result, demand for North-South transportation services will outpace the industry, and our agreement with CPKC uniquely positions us to become the market leader in this space.”

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“Our industry-leading Mexico Midwest Express service has opened the door for significant road to rail conversion opportunities, and we are pleased to see Fastfrate deploying their assets deep into Mexico,” says Wahba. “Fastfrate’s co-location with CPKC terminals in Canada, private gates, considerable drayage capabilities and extensive expertise working directly with our railroad uniquely position them to win in this marketplace.”

This new agreement will bring benefits to the Fastfrate Group stable of companies well beyond CDI and the LTL business. Fastfrate’s most recent acquisition, Challenger Motor Freight, will benefit from an enhanced suite of services it can offer its largest customer segment – just in time automotive parts.

“For the automotive industry, rail is environmentally, financially, and operationally more efficient,” says Jim Peeples, CEO of Challenger Motor Freight, “We’re now gearing up to handle automotive by rail, we expect – and are preparing for - a huge demand.”

As one of CPKC’s largest and longest standing customers, and as the only co-located shipper to CPKC in both Toronto and Montreal, the Fastfrate Group is uniquely positioned to take advantage of the new transnational reach that only the CPKC network can offer.

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## About Fastfrate Group

From what started out as an LTL intermodal carrier, Fastfrate has grown into a diverse group of 5 companies operating out of 40 terminals and final mile hubs across Canada and into the USA. Each company within Fastfrate Group has its story, its legacy, and its expertise. Now, under the umbrella of our collective network, these stories converge to form a powerhouse of end-to-end supply chain solutions. This evolution allows us to offer customers a full suite of asset-based transportation including intermodal LTL and TL, 3rd party logistics services, cross-border LTL and TL, drayage and transload, warehousing, distribution, and final mile B2B and B2C.

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