



## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third quarter ended  
September 30, 2019

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**TFI International Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(UNAUDITED)**
*(in thousands of Canadian dollars)*

	Note	As at September 30, 2019	As at December 31, 2018
<b>Assets</b>			
Trade and other receivables		627,049	631,727
Inventoried supplies		15,019	12,755
Current taxes recoverable		12,942	13,015
Prepaid expenses		41,018	38,546
Derivative financial instruments	21	340	5,430
Assets held for sale		2,490	7,572
Other assets	11	24,263	-
<b>Current assets</b>		<b>723,121</b>	<b>709,045</b>
Property and equipment	8	1,451,940	1,396,389
Right-of-use assets	3, 9	428,891	-
Intangible assets	10	1,976,081	1,901,495
Other assets	11	11,426	33,676
Deferred tax assets		10,001	6,409
Derivative financial instruments	21	-	2,946
<b>Non-current assets</b>		<b>3,878,339</b>	<b>3,340,915</b>
<b>Total assets</b>		<b>4,601,460</b>	<b>4,049,960</b>
<b>Liabilities</b>			
Bank indebtedness		3,686	12,334
Trade and other payables		474,317	475,585
Current taxes payable		-	18,951
Provisions	14	34,079	25,063
Other financial liabilities		2,417	1,972
Derivative financial instruments	21	1,182	-
Long-term debt	12	42,206	122,340
Lease liabilities	3, 13	98,846	-
<b>Current liabilities</b>		<b>656,733</b>	<b>656,245</b>
Long-term debt	12	1,738,189	1,462,083
Lease liabilities	3, 13	359,944	-
Employee benefits		16,455	16,130
Provisions	14	29,833	42,801
Other financial liabilities		2,688	5,907
Derivative financial instruments	21	1,270	-
Deferred tax liabilities		309,450	289,940
<b>Non-current liabilities</b>		<b>2,457,829</b>	<b>1,816,861</b>
<b>Total liabilities</b>		<b>3,114,562</b>	<b>2,473,106</b>
<b>Equity</b>			
Share capital	15	677,913	704,510
Contributed surplus		22,144	20,448
Accumulated other comprehensive income		33,479	64,790
Retained earnings		753,362	787,106
<b>Equity attributable to owners of the Company</b>		<b>1,486,898</b>	<b>1,576,854</b>
Leases, contingencies, letters of credit and other commitments	22		
<b>Total liabilities and equity</b>		<b>4,601,460</b>	<b>4,049,960</b>

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

**TFI International Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(UNAUDITED)**

<i>(In thousands of Canadian dollars, except per share amounts)</i>		<b>Three months ended</b>	Three months ended	<b>Nine months ended</b>	Nine months ended
	Note	<b>Sept. 30, 2019</b>	Sept. 30, 2018*	<b>Sept. 30, 2019</b>	Sept. 30, 2018*
Revenue		<b>1,165,820</b>	1,127,440	<b>3,447,153</b>	3,345,918
Fuel surcharge		<b>138,945</b>	160,163	<b>426,224</b>	455,845
<b>Total revenue</b>		<b>1,304,765</b>	1,287,603	<b>3,873,377</b>	3,801,763
Materials and services expenses	18	<b>711,973</b>	723,882	<b>2,113,864</b>	2,172,815
Personnel expenses		<b>324,145</b>	309,377	<b>977,462</b>	924,720
Other operating expenses		<b>53,272</b>	67,185	<b>151,346</b>	204,835
Depreciation of property and equipment		<b>56,576</b>	49,601	<b>164,766</b>	146,100
Depreciation of right-of-use assets		<b>26,362</b>	-	<b>76,822</b>	-
Amortization of intangible assets		<b>16,799</b>	15,290	<b>49,087</b>	46,641
Bargain purchase gain	5	-	-	<b>(10,787)</b>	-
Gain on sale of rolling stock and equipment		<b>(6,121)</b>	(2,815)	<b>(15,521)</b>	(6,236)
Gain on disposal of right-of-use assets		<b>(69)</b>	-	<b>(762)</b>	-
Gain on sale of land and buildings		<b>(2)</b>	(212)	<b>(2)</b>	(212)
Gain on sale of assets held for sale		<b>(10,057)</b>	(2,928)	<b>(20,228)</b>	(14,141)
<b>Total operating expenses</b>		<b>1,172,878</b>	1,159,380	<b>3,486,047</b>	3,474,522
<b>Operating income</b>		<b>131,887</b>	128,223	<b>387,330</b>	327,241
Finance (income) costs					
Finance income	19	<b>(728)</b>	(1,142)	<b>(2,183)</b>	(3,386)
Finance costs	19	<b>21,886</b>	18,049	<b>65,482</b>	51,732
Net finance costs		<b>21,158</b>	16,907	<b>63,299</b>	48,346
Income before income tax		<b>110,729</b>	111,316	<b>324,031</b>	278,895
Income tax expense	20	<b>28,088</b>	24,603	<b>76,098</b>	63,629
Net income from continuing operations		<b>82,641</b>	86,713	<b>247,933</b>	215,266
Net loss from discontinued operations	6	-	-	<b>(12,478)</b>	-
<b>Net income for the period attributable to owners of the Company</b>		<b>82,641</b>	86,713	<b>235,455</b>	215,266
Earnings per share attributable to owners of the Company					
Basic earnings per share	16	<b>1.00</b>	0.99	<b>2.80</b>	2.44
Diluted earnings per share	16	<b>0.98</b>	0.96	<b>2.74</b>	2.37
Earnings per share from continuing operations attributable to owners of the Company					
Basic earnings per share	16	<b>1.00</b>	0.99	<b>2.95</b>	2.44
Diluted earnings per share	16	<b>0.98</b>	0.96	<b>2.88</b>	2.37

(\*) Recasted for changes in presentation

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim financial statements.

**TFI International Inc. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

<i>(In thousands of Canadian dollars)</i>	<b>Three months ended Sept. 30, 2019</b>	Three months ended Sept. 30, 2018	<b>Nine months ended Sept. 30, 2019</b>	Nine months ended Sept. 30, 2018
<b>Net income for the period attributable to owners of the Company</b>	<b>82,641</b>	86,713	<b>235,455</b>	215,266
Other comprehensive income (loss)				
Items that may be reclassified to income or loss in future periods:				
Foreign currency translation differences	<b>14,821</b>	(19,233)	<b>(37,056)</b>	37,552
Net investment hedge, net of tax	<b>(2,954)</b>	4,877	<b>9,494</b>	(10,715)
Cash flow hedge, net of tax	<b>(1,810)</b>	(46)	<b>(9,612)</b>	2,372
Items directly reclassified to retained earnings:				
Unrealized gain (loss) on investment in equity securities measured at fair value through OCI, net of tax	-	(214)	<b>1,326</b>	(2,989)
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>10,057</b>	(14,616)	<b>(35,848)</b>	26,220
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>92,698</b>	72,097	<b>199,607</b>	241,486

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**TFI International Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**
*(In thousands of Canadian dollars)*

	Note	Share capital	Contributed surplus	Accumulated unrealized loss on employee benefit plans	Accumulated cash flow hedge gain	Accumulated foreign currency translation differences and net investment hedge	Accumulated unrealized loss on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2018		<b>704,510</b>	<b>20,448</b>	<b>(528)</b>	<b>10,210</b>	<b>60,971</b>	<b>(5,863)</b>	<b>787,106</b>	<b>1,576,854</b>
Adjustment on initial application of IFRS 16 (see note 3)		-	-	-	-	-	-	<b>(25,678)</b>	<b>(25,678)</b>
Net income for the period		-	-	-	-	-	-	<b>235,455</b>	<b>235,455</b>
Other comprehensive (loss) income for the period, net of tax		-	-	-	<b>(9,612)</b>	<b>(27,562)</b>	<b>1,326</b>	-	<b>(35,848)</b>
Realized loss on equity securities, net of tax		-	-	-	-	-	<b>4,537</b>	<b>(4,537)</b>	-
Total comprehensive (loss) income for the period		-	-	-	<b>(9,612)</b>	<b>(27,562)</b>	<b>5,863</b>	<b>230,918</b>	<b>199,607</b>
Share-based payment transactions	17	-	<b>6,286</b>	-	-	-	-	-	<b>6,286</b>
Stock options exercised	15, 17	<b>19,992</b>	<b>(4,521)</b>	-	-	-	-	-	<b>15,471</b>
Dividends to owners of the Company		-	-	-	-	-	-	<b>(59,972)</b>	<b>(59,972)</b>
Repurchase of own shares	15	<b>(46,633)</b>	-	-	-	-	-	<b>(178,926)</b>	<b>(225,559)</b>
Restricted share units exercised	15, 17	<b>44</b>	<b>(69)</b>	-	-	-	-	<b>(86)</b>	<b>(111)</b>
Total transactions with owners, recorded directly in equity		<b>(26,597)</b>	<b>1,696</b>	-	-	-	-	<b>(238,984)</b>	<b>(263,885)</b>
Balance as at September 30, 2019		<b>677,913</b>	<b>22,144</b>	<b>(528)</b>	<b>598</b>	<b>33,409</b>	-	<b>753,362</b>	<b>1,486,898</b>
Balance as at December 31, 2017		711,036	21,995	(369)	13,052	(14,324)	(1,170)	684,904	1,415,124
Net income for the period		-	-	-	-	-	-	215,266	215,266
Other comprehensive income (loss) for the period, net of tax		-	-	-	2,372	26,837	(2,989)	-	26,220
Total comprehensive income (loss) for the period		-	-	-	2,372	26,837	(2,989)	215,266	241,486
Share-based payment transactions	17	-	4,507	-	-	-	-	-	4,507
Stock options exercised	15, 17	20,772	(3,995)	-	-	-	-	-	16,777
Dividends to owners of the Company		-	-	-	-	-	-	(55,379)	(55,379)
Repurchase of own shares	15	(17,439)	-	-	-	-	-	(60,292)	(77,731)
Restricted share units exercised	15, 17	17	(34)	-	-	-	-	(27)	(44)
Total transactions with owners, recorded directly in equity		3,350	478	-	-	-	-	(115,698)	(111,870)
Balance as at September 30, 2018		714,386	22,473	(369)	15,424	12,513	(4,159)	784,472	1,544,740

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**TFI International Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)**

<i>(In thousands of Canadian dollars)</i>	Note	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
<b>Cash flows from operating activities</b>					
Net income for the period attributable to owners of the Company		82,641	86,713	235,455	215,266
Net loss from discontinued operations		-	-	(12,478)	-
Net income from continuing operations		82,641	86,713	247,933	215,266
Adjustments for :					
Depreciation of property and equipment		56,576	49,601	164,766	146,100
Depreciation of right-of-use assets		26,362	-	76,822	-
Amortization of intangible assets		16,799	15,290	49,087	46,641
Share-based payment transactions		2,016	1,591	6,286	4,507
Net finance costs		21,158	16,907	63,299	48,346
Income tax expense		28,088	24,603	76,098	63,629
Bargain purchase gain		-	-	(10,787)	-
Gain on sale of property and equipment		(6,123)	(3,027)	(15,523)	(6,448)
Gain on disposal of right-of-use assets		(69)	-	(762)	-
Gain on sale of assets held for sale		(10,057)	(2,928)	(20,228)	(14,141)
Provisions and employee benefits		7,693	(88)	5,584	(8,028)
		225,084	188,662	642,575	495,872
Net change in non-cash operating working capital	7	3,614	12,708	9,946	(20,759)
Cash generated from operating activities		228,698	201,370	652,521	475,113
Interest paid		(22,508)	(16,711)	(64,495)	(48,507)
Income tax paid		(19,128)	(18,102)	(98,910)	(56,951)
<b>Net cash from continuing operating activities</b>		<b>187,062</b>	<b>166,557</b>	<b>489,116</b>	<b>369,655</b>
<b>Net cash used in discontinued operating activities</b>		<b>-</b>	<b>-</b>	<b>(14,461)</b>	<b>-</b>
<b>Net cash from operating activities</b>		<b>187,062</b>	<b>166,557</b>	<b>474,655</b>	<b>369,655</b>
<b>Cash flows from investing activities</b>					
Purchases of property and equipment		(103,346)	(96,250)	(224,003)	(201,296)
Proceeds from sale of property and equipment		27,435	23,261	67,742	55,590
Proceeds from sale of assets held for sale		15,974	4,923	34,688	26,444
Purchases of intangible assets		(1,146)	(893)	(3,398)	(2,819)
Proceeds from sale of intangible assets		-	-	269	-
Business combinations, net of cash acquired		(20,135)	(9,332)	(200,772)	(75,112)
Purchases of investments		(787)	-	(787)	-
Proceeds from sale of investments		-	-	2,426	-
Others		(324)	524	(565)	170
<b>Net cash used in continuing investing activities</b>		<b>(82,329)</b>	<b>(77,767)</b>	<b>(324,400)</b>	<b>(197,023)</b>
<b>Cash flows from financing activities</b>					
(Decrease) increase in bank indebtedness		(9,704)	(9,234)	(8,775)	3,495
Proceeds from long-term debt		24,074	19,823	329,042	45,807
Repayment of long-term debt		(11,529)	(85,544)	(123,850)	(103,594)
Repayment of lease liability		(25,613)	-	(73,360)	-
Decrease in other financial liabilities		(48)	(1,721)	(2,070)	(1,721)
Dividends paid		(20,035)	(18,374)	(61,043)	(55,621)
Repurchase of own shares		(64,148)	(5,564)	(225,559)	(77,731)
Proceeds from exercise of stock options		2,337	11,830	15,471	16,777
Payment of restricted share units		(67)	(6)	(111)	(44)
<b>Net cash used in continuing financing activities</b>		<b>(104,733)</b>	<b>(88,790)</b>	<b>(150,255)</b>	<b>(172,632)</b>
<b>Net change in cash and cash equivalents</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents, beginning of period		-	-	-	-
<b>Cash and cash equivalents, end of period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes on pages 6 to 27 are an integral part of these condensed consolidated interim 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 condensed consolidated interim financial statements of the Company as at and for the three and nine months ended September 30, 2019 and 2018 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 condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Group.

Changes to the significant accounting policies due to the adoption of IFRS 16 have been made and are described in Note 3.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 24, 2019.

### b) Basis of measurement

These condensed consolidated interim 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, derivative financial instruments and contingent considerations are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value in accordance with IFRS 2;
- 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) Seasonality of interim operations

The activities conducted by the Group are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

### d) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars ("CDN\$"), which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

### e) 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, income tax provisions, 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.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied and described in the Group's 2018 annual consolidated financial statements.

### 3. Significant accounting policies

The accounting policies described in the Group's 2018 annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated in note 3. The accounting policies have been applied consistently by Group entities.

#### ***New standards and interpretations adopted during the period***

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2019 and have been applied in preparing these condensed consolidated interim financial statements:

*IFRS 16, Leases:* On January 13, 2016, the IASB issued IFRS 16 *Leases*. *IFRS 16 replaces IAS 17 Leases* and the related interpretations. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases but can elect to exclude those with a term of less than 12 months, or those where the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided. The Group's accounting policy under IFRS 16 is as follows:

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

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 based on 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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, 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 to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

Effective January 1, 2019, the Group adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On the initial application, the Group has elected to apply a mixture of the two available transition options; option 1 calculates the right-of-use asset as if the standard was applied at the initial date of the lease discounted at the transition rate or option 2 where the right-of-use asset is equal to the lease liability on the date of transition; on a lease by lease basis. A right-of-use asset and a lease liability were recorded as of January 1, 2019, for all outstanding lease contracts that met the definition of a lease, with any difference recorded in retained earnings, being recognized. An additional impact of \$8.3 million on provisions and retained earnings was recognized for previously recorded straight-line rental costs under IAS 17. The Group also recognized a deferred tax liability which was recorded directly to retained earnings, and reclassified any assets recorded as finance lease from property and equipment to right-of-use assets, and the corresponding finance lease liability from long-term debt to the new lease liability presentation.

	As reported as at December 31, 2018	Adjustments	Restated balance as at January 1, 2019
Property and equipment	1,396,389	(25,687)	<b>1,370,702</b>
Right-of-use assets	-	465,095	<b>465,095</b>
Provisions (including current portion)	(67,864)	8,310	<b>(59,554)</b>
Long-term debt (including current portion)	(1,584,423)	9,164	<b>(1,575,259)</b>
Lease liability (including current portion)	-	(492,622)	<b>(492,622)</b>
Deferred tax liabilities	(289,940)	10,062	<b>(279,878)</b>
Retained earnings	(787,106)	25,678	<b>(761,428)</b>

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. This incremental borrowing rate was adjusted for the type of the underlying asset, the location of the underlying asset, and the length of the lease contract. At January 1, 2019 the weighted average rate used was 3.92% and the weighted average lease contract length was 7.42 years.

The Group has elected to apply the following practical expedients:

- The Group has elected to account for leases which the lease term ends within 12 months of the date of initial application as short term leases.
- The Group elected to grandfather the assessment of which transactions are leases. It applied transitional provisions of IFRS 16 only to contracts which were previously identified as leases. New definition of a lease will be applied for leases entered into after January 1, 2019.
- The Group will apply the exemption for low value items. These low value items continue to be classified as a rent expense and included as material and service expenses.

The following table reconciles the Group's operating lease obligations at December 31, 2018, as previously disclosed in the Group's audited annual consolidated financial statements, to the lease obligation recognized on initial application of IFRS 16 at January 1, 2019:

Operating lease commitment as at December 31, 2018	<b>506,111</b>
Finance lease liability as at December 31, 2018	<b>9,164</b>
Discounted using the incremental borrowing rate at January 1, 2019	<b>(72,642)</b>
Recognition exemption for short-term leases	<b>(15,646)</b>
Extension options reasonably certain to be exercised	<b>65,635</b>
Lease obligations recognized at January 1, 2019	<b>492,622</b>

*IFRIC 23 Uncertainty over Income Tax Treatments:* On June 7, 2017, the IASB issued IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Interpretation requires:

- an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The adoption of the amendments to IFRIC 23 did not have a material impact on the Group's condensed consolidated interim financial statements.

*Plan Amendment, Curtailment or Settlement (Amendments to IAS 19):* On February 7, 2018, the IASB issued *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*. The amendments apply for plan amendments, curtailments or settlements that occur on or after January 1, 2019, or the date on which they are first applied. The amendments to IAS 19 clarify that:

- on amendment, curtailment or settlement of a defined benefit plan, an entity now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and
- the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan.

The adoption of the amendments to IAS 19 did not have a material impact on the Group's condensed consolidated interim financial statements.

*Annual Improvements to IFRS Standards (2015-2017 cycle):* On December 12, 2017, the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. The amendments are effective on or after January 1, 2019. Each of the amendments has its own specific transition requirements. Amendments were made to the following standards:

- IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* - to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business;
- IAS 12 *Income Taxes* – to clarify that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI, or equity; and
- IAS 23 *Borrowing Costs* – to clarify that specific borrowings – i.e. funds borrowed specifically to finance the construction of a qualifying asset – should be transferred to the general borrowings pool once the construction of the qualifying asset has been completed. They also clarify that an entity includes funds borrowed specifically to obtain an asset other than a qualifying asset as part of general borrowings.

The adoption of *Annual Improvements to IFRS Standards (2015-2017 cycle)* did not have a material impact on the Group's condensed consolidated interim financial statements.

*Prepayment Features with Negative Compensation (Amendments to IFRS 9):* In October 2017, the IASB issued *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2019. The amendments to IFRS 9 clarify that negative compensation may be regarded as reasonable compensation irrespective of the cause of early termination. Financial assets with these prepayment features are eligible to be measured at amortized cost or at fair value through other comprehensive income if they meet the other relevant requirements of IFRS 9. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2019. The adoption of the amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

***New standards and interpretations not yet adopted***

*Definition of a business (Amendments to IFRS 3):* On October 22, 2018, the IASB issued amendments to IFRS 3 *Business Combinations* that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2020. The extent of the impact of adoption of the amendments has not yet been determined and would be dependent on future transactions.

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

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Package and Courier:	Pickup, transport and delivery of items across North America.
Less-Than-Truckload:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload <sup>(a)</sup> :	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customer's specific needs. Includes expedited transportation, flatbed, container and dedicated services.
Logistics and Last Mile:	Logistics services and last mile delivery of both small parcels and larger, heavy goods.

(a) The Truckload reporting segment represents the aggregation of the Canadian Truckload, U.S. 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 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 (loss)" 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.

**TFI International Inc. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

**PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
<b>Three months ended September 30, 2019</b>							
External revenue	153,619	203,006	553,306	255,889	-	-	1,165,820
External fuel surcharge	21,193	32,037	75,672	10,043	-	-	138,945
Inter-segment revenue and fuel surcharge	1,358	2,601	4,569	924	-	(9,452)	-
<b>Total revenue</b>	<b>176,170</b>	<b>237,644</b>	<b>633,547</b>	<b>266,856</b>	<b>-</b>	<b>(9,452)</b>	<b>1,304,765</b>
Operating income (loss)	28,232	25,791	75,762	13,796	(11,694)	-	131,887
Selected items:							
Depreciation and amortization	8,457	17,830	60,638	12,130	682	-	99,737
Gain on sale of land and buildings	-	-	2	-	-	-	2
Gain (loss) on sale of assets held for sale	1,199	-	9,018	-	(160)	-	10,057
Intangible assets	247,083	247,417	1,131,670	346,473	3,438	-	1,976,081
Total assets	473,182	765,766	2,742,236	560,667	59,609	-	4,601,460
Total liabilities	131,485	300,192	531,742	160,058	1,991,085	-	3,114,562
Additions to property and equipment	6,944	4,003	89,315	487	8	-	100,757

**Three months ended September 30, 2018\***

External revenue	153,163	224,489	516,301	233,487	-	-	1,127,440
External fuel surcharge	24,039	40,490	83,114	12,520	-	-	160,163
Inter-segment revenue and fuel surcharge	1,610	3,252	5,344	1,248	-	(11,454)	-
<b>Total revenue</b>	<b>178,812</b>	<b>268,231</b>	<b>604,759</b>	<b>247,255</b>	<b>-</b>	<b>(11,454)</b>	<b>1,287,603</b>
Operating income (loss)	27,965	25,409	63,658	16,815	(5,624)	-	128,223
Selected items:							
Depreciation and amortization	3,190	8,852	46,175	6,043	631	-	64,891
Gain (loss) on sale of land and buildings	-	(61)	280	(7)	-	-	212
Gain on sale of assets held for sale	-	-	2,928	-	-	-	2,928
Intangible assets	249,312	258,919	1,007,903	335,219	2,985	-	1,854,338
Total assets	391,527	646,931	2,323,310	467,009	61,944	-	3,890,721
Total liabilities	68,747	157,685	405,245	104,481	1,609,823	-	2,345,981
Additions to property and equipment	6,423	13,502	87,572	744	213	-	108,454

(\*) Recasted for changes in presentation

**TFI International Inc.**      **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 (Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)      **PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

	Package and Courier	Less- Than- Truckload	Truckload	Logistics and Last Mile	Corporate	Eliminations	Total
<b>Nine months ended September 30, 2019</b>							
External revenue	456,838	625,218	1,641,869	723,228	-	-	3,447,153
External fuel surcharge	63,675	100,548	232,550	29,451	-	-	426,224
Inter-segment revenue and fuel surcharge	3,886	7,764	15,211	2,821	-	(29,682)	-
Total revenue	524,399	733,530	1,889,630	755,500	-	(29,682)	3,873,377
Operating income (loss)	79,163	83,701	193,747	57,618	(26,899)	-	387,330
Depreciation and amortization	24,364	52,461	177,845	34,380	1,625	-	290,675
Gain on sale of land and buildings	-	-	2	-	-	-	2
Gain (loss) on sale of assets held for sale	1,199	9,399	9,790	-	(160)	-	20,228
Bargain purchase gain	-	-	-	10,787	-	-	10,787
Intangible assets	247,083	247,417	1,131,670	346,473	3,438	-	1,976,081
Total assets	473,182	765,766	2,742,236	560,667	59,609	-	4,601,460
Total liabilities	131,485	300,192	531,742	160,058	1,991,085	-	3,114,562
Additions to property and equipment	13,126	19,829	196,608	1,524	715	-	231,802
<b>Nine months ended September 30, 2018*</b>							
External revenue	451,672	660,526	1,521,711	712,009	-	-	3,345,918
External fuel surcharge	67,848	114,178	239,147	34,672	-	-	455,845
Inter-segment revenue and fuel surcharge	4,608	10,480	17,846	6,515	-	(39,449)	-
Total revenue	524,128	785,184	1,778,704	753,196	-	(39,449)	3,801,763
Operating income (loss)	78,805	61,671	155,441	51,641	(20,317)	-	327,241
Selected items:							
Depreciation and amortization	9,871	25,446	137,518	18,145	1,761	-	192,741
Gain (loss) on sale of land and buildings	-	(61)	280	(7)	-	-	212
Gain on sale of assets held for sale	-	2,381	11,348	-	412	-	14,141
Intangible assets	249,312	258,919	1,007,903	335,219	2,985	-	1,854,338
Total assets	391,527	646,931	2,323,310	467,009	61,944	-	3,890,721
Total liabilities	68,747	157,685	405,245	104,481	1,609,823	-	2,345,981
Additions to property and equipment	9,774	19,525	183,878	2,214	508	-	215,899

(\*) Recasted for changes in presentation

**Geographical information**

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

<i>Total revenue</i>	Package and Courier	Less-Than-Truckload	Truckload	Logistics and Last Mile	Eliminations	Total
<b>Three months ended September 30, 2019</b>						
Canada	176,170	199,288	271,453	71,627	(8,942)	709,596
United States	-	38,356	362,094	189,944	(510)	589,884
Mexico	-	-	-	5,285	-	5,285
<b>Total</b>	<b>176,170</b>	<b>237,644</b>	<b>633,547</b>	<b>266,856</b>	<b>(9,452)</b>	<b>1,304,765</b>

Three months ended September 30, 2018						
Canada	178,812	220,964	254,520	76,458	(11,103)	719,651
United States	-	47,267	350,239	165,148	(351)	562,303
Mexico	-	-	-	5,649	-	5,649
<b>Total</b>	<b>178,812</b>	<b>268,231</b>	<b>604,759</b>	<b>247,255</b>	<b>(11,454)</b>	<b>1,287,603</b>

<b>Nine months ended September 30, 2019</b>						
Canada	524,399	611,715	801,878	211,379	(28,658)	2,120,713
United States	-	121,815	1,087,752	528,661	(1,024)	1,737,204
Mexico	-	-	-	15,460	-	15,460
<b>Total</b>	<b>524,399</b>	<b>733,530</b>	<b>1,889,630</b>	<b>755,500</b>	<b>(29,682)</b>	<b>3,873,377</b>

Nine months ended September 30, 2018						
Canada	524,128	658,237	747,912	240,205	(38,571)	2,131,911
United States	-	126,947	1,030,792	496,291	(878)	1,653,152
Mexico	-	-	-	16,700	-	16,700
<b>Total</b>	<b>524,128</b>	<b>785,184</b>	<b>1,778,704</b>	<b>753,196</b>	<b>(39,449)</b>	<b>3,801,763</b>

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

	As at September 30, 2019	As at December 31, 2018
Property and equipment, right-of-use assets and intangible assets		
Canada	2,276,121	1,927,241
United States	1,558,972	1,347,574
Mexico	21,819	23,069
	<b>3,856,912</b>	<b>3,297,884</b>

**5. Business combinations**

**a) Business combinations**

In line with the Group's growth strategy, the Group acquired eight businesses during 2019, of which Schilli Corporation ("Schilli") was considered significant. These transactions were concluded in order to add density in the Group's current network and further expand value-added services.

On February 22, 2019, the Group completed the acquisition of Schilli. Based in St. Louis, Schilli specializes in the transportation of dry and liquid bulk and offers dedicated fleet solutions and other value-add services throughout the Midwest, Southeast and Gulf Coast regions of the United States. The purchase price for this business acquisition totalled \$76.6 million, which has been paid in cash. During the nine months ended September 30, 2019, Schilli contributed revenue and net income of \$51.1 million and \$2.5 million, respectively.

On April 29, 2019, the Group completed the acquisition of certain assets of BeavEx Incorporated Inc. and its affiliates Guardian Medical Logistics, JNJW Enterprises Inc. and USXP LLC (collectively "BeavEx"). The purchase price for this business acquisition totalled \$9.7 million, which has been paid in cash. The fair value of the identifiable net assets acquired, including the fair value of the customer relationships acquired, exceeded the purchase price, resulting in a bargain purchase gain of \$10.8 million in the logistics and last mile segment.

If the Group acquired the eight businesses on January 1, 2019, per management's best estimates, the revenue and net income for these entities would have been \$298.2 million and \$15.7 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, 2019.

During 2019, transaction costs of \$0.1 million have been expensed in other operating expenses in the consolidated statements of income in relation to the above mentioned business acquisitions.

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of the 2019 acquisitions. Information to confirm fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocations will be completed. The table below presents the purchase price allocation based on the best information available to the Group to date.

<i>Identifiable assets acquired and liabilities assumed</i>	Note	Schilli	Others*	2019
Cash and cash equivalents		11,622	9,189	<b>20,811</b>
Trade and other receivables		7,365	36,956	<b>44,321</b>
Inventoried supplies and prepaid expenses		2,426	5,130	<b>7,556</b>
Property and equipment	8	28,484	66,162	<b>94,646</b>
Right-of-use assets	9	3,189	8,638	<b>11,827</b>
Intangible assets	10	16,936	47,082	<b>64,018</b>
Other assets		284	(194)	<b>90</b>
Trade and other payables		(3,617)	(24,911)	<b>(28,528)</b>
Income tax payable		(4,205)	(1,516)	<b>(5,721)</b>
Other non-current liabilities		(1,921)	(486)	<b>(2,407)</b>
Long-term debt		-	(11,505)	<b>(11,505)</b>
Lease liabilities	13	(3,189)	(8,638)	<b>(11,827)</b>
Deferred tax liabilities		(10,575)	(17,099)	<b>(27,674)</b>
Total identifiable net assets		46,799	108,807	<b>155,606</b>
Total consideration transferred		76,613	145,887	<b>222,500</b>
Goodwill	10	29,814	47,866	<b>77,680</b>
Bargain purchase gain		-	(10,787)	<b>(10,787)</b>
Cash		76,613	144,970	<b>221,583</b>
Contingent consideration		-	917	<b>917</b>
Total consideration transferred		76,613	145,887	<b>222,500</b>

(\*) Includes non material adjustments to prior year acquisitions

The trade receivables comprise gross amounts due of \$41.0 million, of which \$1.0 million was expected to be uncollectible at the acquisition date.

Of the goodwill and intangible assets acquired through business combinations in 2019, \$7.4 million is deductible for tax purposes.

#### **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 above business combinations 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	2019*
Specialized Truckload	Truckload	65,697
Logistics and Last Mile	Logistics and Last Mile	11,983
		<b>77,680</b>

(\* ) Includes non material adjustments to prior year acquisitions

**c) Adjustment to the provisional amounts of prior year business combinations**

The 2018 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 Normandin and various non-significant 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 obtained during the measurement period following the acquisition. Consequently, the fair value of certain assets acquired and liabilities assumed of Normandin and the non-significant acquisitions have been adjusted in 2019. No significant adjustments were required to the provisional fair values for these prior period business combinations.

**6. Discontinued operations**

In Q2 2019, the Group received an unfavorable ruling on an accident claim, resulting in a loss of \$12.5 million (\$16.6 million, net of tax of \$4.1 million). The incident occurred in an operating division which was part of the discontinued rig moving segment. The rig moving segment was classified as discontinued on September 30, 2015.

The net cash outflows from discontinued operations was \$14.5 million during the second quarter of 2019 (\$18.6 million, net of tax of \$4.1 million).

The basic loss per share for the three and nine-month periods ended September 30, 2019 from discontinued operations were nil and \$0.15, respectively. The diluted loss per share for the three and nine-month periods ended September 30, 2019 were nil and \$0.15, respectively.

**7. Additional cash flow information**

***Net change in non-cash operating working capital***

	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Trade and other receivables	14,066	6,536	40,935	(32,865)
Inventoried supplies	644	453	1,843	1,148
Prepaid expenses	3,920	6,550	303	(3,366)
Trade and other payables	(15,016)	(831)	(33,135)	14,324
	<b>3,614</b>	12,708	<b>9,946</b>	(20,759)

**8. Property and equipment**

	Land and buildings	Rolling stock	Equipment	Total
<b>Cost</b>				
Balance at December 31, 2018	376,715	1,527,249	156,846	<b>2,060,810</b>
Additions through business combinations	6,375	85,881	2,390	<b>94,646</b>
Other additions	4,362	215,421	12,019	<b>231,802</b>
Disposals	(2,272)	(122,794)	(8,980)	<b>(134,046)</b>
Reclassification to assets held for sale	(16,394)	-	-	<b>(16,394)</b>
Transfer to right-of-use assets	-	(38,920)	-	<b>(38,920)</b>
Effect of movements in exchange rates	(2,137)	(20,460)	(52)	<b>(22,649)</b>
<b>Balance at September 30, 2019</b>	<b>366,649</b>	<b>1,646,377</b>	<b>162,223</b>	<b>2,175,249</b>
<b>Depreciation</b>				
Balance at December 31, 2018	76,521	486,172	101,728	<b>664,421</b>
Depreciation for the period	8,285	146,684	9,797	<b>164,766</b>
Disposals	(2,131)	(71,624)	(8,072)	<b>(81,827)</b>
Reclassification to assets held for sale	(7,016)	-	-	<b>(7,016)</b>
Transfer to right-of-use assets	-	(13,233)	-	<b>(13,233)</b>
Effect of movements in exchange rates	(375)	(3,689)	262	<b>(3,802)</b>
<b>Balance at September 30, 2019</b>	<b>75,284</b>	<b>544,310</b>	<b>103,715</b>	<b>723,309</b>
<b>Net carrying amounts</b>				
At December 31, 2018	300,194	1,041,077	55,118	1,396,389
<b>At September 30, 2019</b>	<b>291,365</b>	<b>1,102,067</b>	<b>58,508</b>	<b>1,451,940</b>

As at September 30, 2019, \$7.8 million is included in trade and other payables for the purchases of property and equipment (December 31, 2018 – nil).

**9. Right-of-use assets**

	Land and buildings	Rolling stock	Equipment	Total
<b>Cost</b>				
Initial recognition of IFRS 16	565,960	130,805	1,940	<b>698,705</b>
Transfer from property and equipment	-	38,920	-	<b>38,920</b>
Other additions	13,243	26,524	420	<b>40,187</b>
Additions through business combinations	8,941	2,886	-	<b>11,827</b>
Disposals	(16,731)	(8,643)	(14)	<b>(25,388)</b>
Effect of movements in exchange rates	(522)	196	(6)	<b>(332)</b>
<b>Balance at September 30, 2019</b>	<b>570,891</b>	<b>190,688</b>	<b>2,340</b>	<b>763,919</b>
<b>Depreciation</b>				
Initial recognition of IFRS 16	207,429	51,148	720	<b>259,297</b>
Transfer from property and equipment	-	13,233	-	<b>13,233</b>
Depreciation	51,616	24,716	490	<b>76,822</b>
Disposals	(7,201)	(6,914)	(2)	<b>(14,117)</b>
Effect of movements in exchange rates	(178)	(29)	-	<b>(207)</b>
<b>Balance at September 30, 2019</b>	<b>251,666</b>	<b>82,154</b>	<b>1,208</b>	<b>335,028</b>
<b>Net carrying amounts</b>				
<b>At September 30, 2019</b>	<b>319,225</b>	<b>108,534</b>	<b>1,132</b>	<b>428,891</b>

**10. Intangible assets**

	Other intangible assets					Total
	Goodwill	Customer relationships	Trademarks	Non-compete agreements	Information technology	
<b>Cost</b>						
Balance at December 31, 2018	1,674,789	582,932	110,913	11,625	24,725	<b>2,404,984</b>
Additions through business combinations	77,680	62,149	1,106	713	50	<b>141,698</b>
Other additions	-	-	-	-	3,398	<b>3,398</b>
Disposals	-	(274)	-	-	-	<b>(274)</b>
Extinguishments	-	(1,469)	-	-	(2,372)	<b>(3,841)</b>
Effect of movements in exchange rates	(19,618)	(7,579)	(2,024)	(157)	(90)	<b>(29,468)</b>
Balance at September 30, 2019	<b>1,732,851</b>	<b>635,759</b>	<b>109,995</b>	<b>12,181</b>	<b>25,711</b>	<b>2,516,497</b>
<b>Amortization and impairment losses</b>						
Balance at December 31, 2018	196,420	237,682	46,602	3,614	19,171	<b>503,489</b>
Amortization for the period	-	40,839	4,944	1,593	1,711	<b>49,087</b>
Disposals	-	(5)	-	-	-	<b>(5)</b>
Extinguishments	-	(1,469)	-	-	(2,372)	<b>(3,841)</b>
Effect of movements in exchange rates	(3,930)	(3,533)	(729)	(45)	(77)	<b>(8,314)</b>
Balance at September 30, 2019	<b>192,490</b>	<b>273,514</b>	<b>50,817</b>	<b>5,162</b>	<b>18,433</b>	<b>540,416</b>
<b>Net carrying amounts</b>						
At December 31, 2018	1,478,369	345,250	64,311	8,011	5,554	1,901,495
<b>At September 30, 2019</b>	<b>1,540,361</b>	<b>362,245</b>	<b>59,178</b>	<b>7,019</b>	<b>7,278</b>	<b>1,976,081</b>

**11. Other assets**

	As at September 30, 2019	As at December 31, 2018
Promissory note	<b>24,263</b>	22,686
Restricted cash	<b>4,291</b>	4,267
Security deposits	<b>4,043</b>	3,445
Investments in equity securities	<b>1,391</b>	1,498
Other	<b>1,701</b>	1,780
	<b>35,689</b>	33,676
Presented as :		
Current other assets	<b>24,263</b>	-
Non-current other assets	<b>11,426</b>	33,676

**12. Long-term debt**

	As at September 30, 2019	As at December 31, 2018
<b>Non-current liabilities</b>		
Unsecured revolving facility	942,091	740,556
Unsecured term loans	573,922	498,805
Unsecured debentures	124,891	124,825
Conditional sales contracts	97,285	94,222
Finance lease liabilities	-	3,675
	<b>1,738,189</b>	<b>1,462,083</b>
<b>Current liabilities</b>		
Current portion of conditional sales contracts	42,206	41,919
Current portion of finance lease liabilities	-	5,489
Current portion of unsecured term loans	-	74,932
	<b>42,206</b>	<b>122,340</b>

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

	Note	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance at beginning of period		1,584,423	1,498,396
Transfer to lease liabilities		(9,164)	-
Proceeds		329,042	45,522
Business combinations	5	11,505	15,857
Repayment including deferred financing fees		(123,850)	(103,309)
Amortization of deferred financing fees		1,618	1,793
Effect of movements in exchange rates		(2,226)	2,158
Effect of movements in exchange rates - OCI		(10,953)	12,370
Other		-	285
Balance at end of period		<b>1,780,395</b>	<b>1,473,072</b>

On February 1, 2019, the \$500 million unsecured term loan was amended to increase the indebtedness to \$575 million. On February 11, 2019, the related incremental funds were used to reimburse a separate \$75 million unsecured term loan that was due to mature in August 2019. Deferred financing fees of \$0.1 million were recognized on the increase.

On February 1, 2019, the Group renegotiated the pricing grid of both its revolving credit facility and \$575 million term loan. The \$575 million term loan remains within the confines of the credit facility, but now has a pricing grid different than the revolving credit facility. Deferred financing fees of \$0.3 million were recognized on the pricing grid revision.

On June 27, 2019, the Group extended its existing revolving credit facility by one year, to June 2023. Deferred financing fees of \$0.9 million were recognized on the extension.

On June 27, 2019, the Group extended the maturity of the \$575 million unsecured term loan by one year for each tranche, \$200 million now due in June 2021 and \$375 million now due in June 2022. Deferred financing fees of \$0.4 million were recognized on the extension.

**13. Lease liabilities**

	As at September 30, 2019
Current portion of lease liabilities	98,846
Long-term portion of lease liabilities	359,944
	<b>458,790</b>

*The table below summarizes changes to the lease liability:*

	Note	Nine months ended September 30, 2019
Initial recognition on transition to IFRS 16 on January 1, 2019		483,458
Transfer of finance leases from long-term debt		9,164
Business combinations	5	11,827
Additions		40,187
Disposals		(12,033)
Repayment		(73,360)
Effect of movements in exchange rates		(453)
Balance at September 30, 2019		<b>458,790</b>

The lease liabilities include an undiscounted amount of \$58.7 million related to extension options that the Group is reasonably certain to exercise. The Group does not have a significant exposure to termination options and penalties.

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

	As at September 30, 2019
Less than 1 year	114,845
Between 1 and 5 years	280,353
More than 5 years	129,274
	<b>524,472</b>

**14. Provisions**

	Self insurance	Other	Total
<b>As at September 30, 2019</b>			
Current provisions	30,667	3,412	<b>34,079</b>
Non-current provisions	21,253	8,580	<b>29,833</b>
	<b>51,920</b>	<b>11,992</b>	<b>63,912</b>
As at December 31, 2018			
Current provisions	21,761	3,302	25,063
Non-current provisions	28,382	14,419	42,801
	50,143	17,721	67,864

**15. Share capital**

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 following table summarizes the number of common shares issued:

<i>(in number of shares)</i>	Note	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance, beginning of period		86,397,588	89,123,588
Repurchase and cancellation of own shares		(5,685,346)	(2,180,348)
Stock options exercised	17	1,191,361	1,026,302
<b>Balance, end of period</b>		<b>81,903,603</b>	<b>87,969,542</b>

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

	Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance, beginning of period	704,510	711,036
Repurchase and cancellation of own shares	(46,633)	(17,439)
Cash consideration of stock options exercised	15,471	16,777
Ascribed value credited to share capital on stock options exercised	4,521	3,995
Issuance of shares on settlement of RSUs	44	17
<b>Balance, end of period</b>	<b>677,913</b>	<b>714,386</b>

Pursuant to the normal course issuer bid ("NCIB") which began on October 2, 2018 and expiring on October 1, 2019, the Company was originally authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. During the third quarter, the Toronto Stock Exchange approved an amendment to the Company's NCIB entitling the Company to repurchase for cancellation up to 8,300,000 common shares until expiry on October 1, 2019. As at September 30, 2019, and since the inception of this NCIB, the Company has repurchased and cancelled 7,260,000 common shares.

During the nine months ended September 30, 2019, the Company repurchased 5,685,346 common shares at a price ranging from \$33.89 to \$44.00 per share for a total purchase price of \$225.6 million relating to the NCIB. During the nine months ended September 30, 2018, the Company repurchased 2,180,348 common shares at a price ranging from \$32.18 to \$40.99 per share for a total purchase price of \$77.7 million relating to a previous NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$178.9 million (2018 – \$60.3 million) was charged to retained earnings as share repurchase premium.

On September 30, 2019, the Toronto Stock Exchange approved the renewal of the NCIB, allowing the Company to repurchase for cancellation a maximum of 7,000,000 common shares over the twelve-month period from October 2, 2019 to October 1, 2020.

**16. 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:

<i>(in thousands of dollars and number of shares)</i>	<b>Three months ended Sept. 30, 2019</b>	Three months ended Sept. 30, 2018	<b>Nine months ended Sept. 30, 2019</b>	Nine months ended Sept. 30, 2018
Net income attributable to owners of the Company	<b>82,641</b>	86,713	<b>235,455</b>	215,266
Net income from continuing operations	<b>82,641</b>	86,713	<b>247,933</b>	215,266
Issued common shares, beginning of period	<b>83,419,011</b>	87,398,416	<b>86,397,588</b>	89,123,588
Effect of stock options exercised	<b>80,470</b>	381,605	<b>689,586</b>	338,010
Effect of repurchase of own shares	<b>(792,266)</b>	(107,185)	<b>(3,074,653)</b>	(1,308,662)
Weighted average number of common shares	<b>82,707,215</b>	87,672,836	<b>84,012,521</b>	88,152,936
Earnings per share – basic	<b>1.00</b>	0.99	<b>2.80</b>	2.44
Earnings per share from continuing operations – basic	<b>1.00</b>	0.99	<b>2.95</b>	2.44

**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:

<i>(in thousands of dollars and number of shares)</i>	<b>Three months ended Sept. 30, 2019</b>	Three months ended Sept. 30, 2018	<b>Nine months ended Sept. 30, 2019</b>	Nine months ended Sept. 30, 2018
Net income attributable to owners of the Company	<b>82,641</b>	86,713	<b>235,455</b>	215,266
Net income from continuing operations	<b>82,641</b>	86,713	<b>247,933</b>	215,266
Weighted average number of common shares	<b>82,707,215</b>	87,672,836	<b>84,012,521</b>	88,152,936
Dilutive effect:				
Stock options and restricted share units	<b>1,679,720</b>	3,085,307	<b>2,013,624</b>	2,814,674
Weighted average number of diluted common shares	<b>84,386,935</b>	90,758,143	<b>86,026,145</b>	90,967,610
Earnings per share - diluted	<b>0.98</b>	0.96	<b>2.74</b>	2.37
Earnings per share from continuing operations - diluted	<b>0.98</b>	0.96	<b>2.88</b>	2.37

As at September 30, 2019, 906,519 stock options were excluded from the calculation of diluted earnings per share (2018 – nil) as these options 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.

**17. 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:

<i>(in thousands of options and in dollars)</i>	<b>Three months ended Sept. 30, 2019</b>		Three months ended Sept. 30, 2018		<b>Nine months ended Sept. 30, 2019</b>		Nine months ended Sept. 30, 2018	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	Number of options	Weighted average exercise price	<b>Number of options</b>	<b>Weighted average exercise price</b>	Number of options	Weighted average exercise price
Balance, beginning of period	<b>4,860</b>	<b>26.53</b>	5,766	20.51	<b>5,031</b>	<b>21.01</b>	5,493	19.22
Granted	-	-	-	-	<b>909</b>	<b>40.36</b>	618	29.92
Exercised	<b>(123)</b>	<b>19.03</b>	(710)	16.66	<b>(1,191)</b>	<b>12.99</b>	(1,026)	16.35
Forfeited	<b>(24)</b>	<b>37.84</b>	(8)	30.07	<b>(36)</b>	<b>34.96</b>	(37)	29.77
Balance, end of period	<b>4,713</b>	<b>26.66</b>	5,048	21.03	<b>4,713</b>	<b>26.66</b>	5,048	21.03
Options exercisable, end of period					<b>3,310</b>	<b>22.29</b>	3,866	18.44

The following table summarizes information about stock options outstanding and exercisable at September 30, 2019:

<i>(in thousands of options and in dollars)</i>	Options outstanding		Options exercisable
	Number of options	Weighted average remaining contractual life (in years)	Number of options
Exercise prices			
9.46	581	0.8	581
20.18	555	0.8	555
24.93	662	2.8	662
24.64	811	3.8	811
25.14	307	1.8	307
29.92	578	5.4	184
35.02	328	4.4	210
40.36	891	6.4	-
	<b>4,713</b>	<b>3.5</b>	<b>3,310</b>

Of the options outstanding at September 30, 2019, a total of 3,456,077 (December 31, 2018 – 3,836,102) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in the nine months ended September 30, 2019 was \$42.04 (2018 – \$42.76).

For the three and nine months ended September 30, 2019, the Group recognized a compensation expense of \$1.1 million and \$3.4 million, respectively (2018 – \$0.8 million and \$2.4 million) with a corresponding increase to contributed surplus.

On February 27, 2019, the Board of Directors approved the grant of 909,404 stock options under the Company's stock option plan of which 562,452 were granted to key management personnel. The options vest in equal installments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	February 27, 2019	February 20, 2018
Exercise price	<b>\$40.36</b>	\$29.92
Average expected option life	<b>4.5 years</b>	4.5 years
Risk-free interest rate	<b>1.88%</b>	1.83%
Expected stock price volatility	<b>24.3%</b>	21.92%
Average dividend yield	<b>2.72%</b>	2.56%
Weighted average fair value per option of options granted	<b>\$6.74</b>	\$4.55

***Deferred share unit plan for board members (cash-settled)***

The Company offers a deferred share unit ("DSU") plan for its board members. Under this plan, board members may elect to receive cash, DSUs or a combination of both for their compensation. The following table provides the number of DSUs related to this plan:

<i>(in units)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	Nine months ended Sept. 30, 2018
Balance, beginning of period	<b>326,998</b>	298,164	<b>306,042</b>	281,323
Board members compensation	<b>8,637</b>	5,305	<b>25,824</b>	18,576
Deferred share units redeemed	-	(9,418)	-	(9,418)
Dividends paid in units	<b>2,006</b>	1,488	<b>5,774</b>	5,058
Balance, end of period	<b>337,641</b>	295,539	<b>337,641</b>	295,539

For the three and nine months ended September 30, 2019, the Group recognized, as a result of DSUs, a compensation expense of \$0.4 million and \$1.2 million, respectively (2018 - \$0.2 million and \$0.7 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market gain on DSUs of \$0.1 million and loss of \$1.4 million for the three and nine months ended September 30, 2019, respectively (2018 – loss of \$1.9 million and 4.3 million).

As at September 30, 2019, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$13.3 million (December 31, 2018 - \$10.8 million).

***Performance contingent restricted share unit plan (equity-settled)***

The Company offers an equity incentive plan for the benefit of senior employees of the Group. The plan provides for the issuance of restricted share units ("RSUs") under conditions to be determined by the Board of Directors. The RSUs will vest in December of the second year from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

On February 27, 2019, the Company granted a total of 152,965 RSUs under the Company's equity incentive plan of which 93,921 were granted to key management personnel. 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 \$40.36 per unit.

**TFI International Inc.**      **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
 (Tabular amounts in thousands of Canadian dollars, unless otherwise noted.)      **PERIODS ENDED SEPTEMBER 30, 2019 AND 2018 - (UNAUDITED)**

The table below summarizes changes to the outstanding RSUs:

<i>(in thousands of RSUs and in dollars)</i>	Three months ended		Three months ended		Nine months ended		Nine months ended	
	Sept. 30, 2019		Sept. 30, 2018		Sept. 30, 2019		Sept. 30, 2018	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of period	300	36.23	302	28.43	147	31.84	206	27.74
Granted	-	-	-	-	153	40.36	95	29.92
Reinvested	2	36.23	2	28.43	5	35.36	5	28.29
Settled	(2)	34.59	-	-	(3)	32.42	(1)	26.63
Forfeited	(3)	38.22	(3)	27.58	(5)	35.37	(4)	28.10
Balance, end of period	297	36.22	301	28.44	297	36.22	301	28.44

The following table summarizes information about RSUs outstanding and exercisable as at September 30, 2019:

<i>(in thousands of RSUs and in dollars)</i>	RSUs outstanding	
	Number of RSUs	Remaining contractual life (in years)
Exercise prices		
29.92	89	1.3
35.02	55	0.2
40.36	153	2.3
	297	1.6

For the three and nine months ended September 30, 2019, the Group recognized, as a result of RSUs, a compensation expense of \$0.9 million and \$2.9 million, respectively (2018 - \$0.7 million and \$2.1 million) with a corresponding increase to contributed surplus.

Of the RSUs outstanding at September 30, 2019, a total of 184,991 (December 31, 2018 – 87,486) are held by key management personnel.

**18. Materials and services expenses**

The Group's materials and services expenses are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, primarily fuel, repairs and maintenance, vehicle leasing costs (in 2018), insurance, permits and operating supplies.

	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Materials and services expenses				
Independent contractors	511,104	506,076	1,498,361	1,531,636
Vehicle operation expenses	200,869	217,806	615,503	641,179
	711,973	723,882	2,113,864	2,172,815

**19. Finance income and finance costs**

*Recognized in income or loss:*

<i>Costs (income)</i>	<b>Three months ended Sept. 30, 2019</b>	Three months ended Sept. 30, 2018	<b>Nine months ended Sept. 30, 2019</b>	Nine months ended Sept. 30, 2018
Interest expense on long-term debt	<b>14,662</b>	13,437	<b>43,314</b>	41,450
Interest expense on lease liabilities	<b>4,590</b>	-	<b>13,991</b>	-
Interest income and accretion on promissory note	<b>(728)</b>	(710)	<b>(2,183)</b>	(2,060)
Net change in fair value and accretion expense of contingent considerations	<b>54</b>	703	<b>191</b>	497
Net foreign exchange (gain) loss	<b>545</b>	(125)	<b>790</b>	(981)
Net change in fair value of foreign exchange derivatives	-	(85)	-	(299)
Net change in fair value of interest rate derivatives	-	(222)	-	(46)
Other financial expenses	<b>2,035</b>	3,909	<b>7,196</b>	9,785
<b>Net finance costs</b>	<b>21,158</b>	16,907	<b>63,299</b>	48,346
Presented as:				
Finance income	<b>(728)</b>	(1,142)	<b>(2,183)</b>	(3,386)
Finance costs	<b>21,886</b>	18,049	<b>65,482</b>	51,732

**20. Income tax expense**

*Income tax recognized in income or loss:*

	<b>Three months ended Sept. 30, 2019</b>	Three months ended Sept. 30, 2018	<b>Nine months ended Sept. 30, 2019</b>	Nine months ended Sept. 30, 2018
Current tax expense				
Current period	<b>20,777</b>	27,847	<b>68,362</b>	72,367
Adjustment for prior years	<b>(1,522)</b>	(3,049)	<b>(1,522)</b>	(3,049)
	<b>19,255</b>	24,798	<b>66,840</b>	69,318
Deferred tax expense (recovery)				
Origination and reversal of temporary differences	<b>6,165</b>	(3,006)	<b>8,400</b>	(8,243)
Variation in tax rate	<b>(11)</b>	40	<b>(1,364)</b>	(184)
Adjustment for prior years	<b>2,679</b>	2,771	<b>2,222</b>	2,738
	<b>8,833</b>	(195)	<b>9,258</b>	(5,689)
<b>Income tax expense</b>	<b>28,088</b>	24,603	<b>76,098</b>	63,629

**Reconciliation of effective tax rate:**

	Three months ended Sept. 30, 2019		Three months ended Sept. 30, 2018		Nine months ended Sept. 30, 2019		Nine months ended Sept. 30, 2018	
Income before income tax		<b>110,732</b>		111,316		<b>324,034</b>		278,895
Income tax using the Company's statutory tax rate	<b>26.7%</b>	<b>29,565</b>	26.7%	29,721	<b>26.7%</b>	<b>86,517</b>	26.7%	74,465
Increase (decrease) resulting from:								
Rate differential between jurisdictions	<b>(3.4%)</b>	<b>(3,724)</b>	(3.2%)	(3,527)	<b>(3.3%)</b>	<b>(10,545)</b>	(3.4%)	(9,520)
Variation in tax rate	<b>0.0%</b>	<b>(11)</b>	0.0%	40	<b>(0.4%)</b>	<b>(1,364)</b>	(0.1%)	(184)
Non deductible expenses	<b>1.1%</b>	<b>1,192</b>	0.4%	492	<b>0.8%</b>	<b>2,512</b>	0.8%	2,153
Tax exempt income	<b>(0.1%)</b>	<b>(136)</b>	(1.7%)	(1,846)	<b>(1.4%)</b>	<b>(4,408)</b>	(1.1%)	(3,090)
Adjustment for prior years	<b>1.0%</b>	<b>1,157</b>	(0.2%)	(278)	<b>0.2%</b>	<b>700</b>	(0.0%)	(311)
Multi-jurisdiction tax	<b>0.0%</b>	<b>45</b>	0.0%	1	<b>0.8%</b>	<b>2,686</b>	0.0%	116
	<b>25.3%</b>	<b>28,088</b>	22.0%	24,603	<b>23.4%</b>	<b>76,098</b>	22.9%	63,629

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act ("U.S. Tax Reform"). The U.S. Tax Reform reduces the U.S. federal corporate income tax rate from 35% to 21%, effective as of January 1, 2018. The U.S. Tax Reform also allows for immediate capital expensing of new investments in certain qualified depreciable assets made after September 27, 2017, which will be phased down starting in year 2023.

The U.S. Tax Reform introduces other important changes to U.S. corporate income tax laws that may significantly affect the Group in future years including the creation of a new Base Erosion Anti-abuse Tax (BEAT) that subjects certain payments from U.S. corporations to foreign related parties to additional taxes, and limitations to the deduction for net interest expense incurred by U.S. corporations. Future regulations and interpretations to be issued by U.S. authorities may also impact the Group's estimates and assumptions used in calculating its income tax provisions.

**21. Financial instruments**

Derivative financial instruments designated as effective cash flow hedge instruments' fair values were as follows:

	Note	As at September 30, 2019	As at December 31, 2018
<b>Current assets</b>			
Interest rate derivatives	a	<b>340</b>	5,430
<b>Non-current assets</b>			
Interest rate derivatives	a	-	2,946
<b>Current liabilities</b>			
Interest rate derivatives	a	<b>1,182</b>	-
<b>Non-current liabilities</b>			
Interest rate derivatives	a	<b>1,270</b>	-

**a) Interest rate risk**

The Company'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. This is achieved by entering into interest rate swaps.

The Group's interest rate derivatives are as follows:

	As at September 30, 2019					As at December 31, 2018				
	Average B.A. rate	Notional Contract Amount CDN\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$	Average B.A. rate	Notional Contract Amount CDN\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$
Coverage period:										
Less than 1 year	0.99%	75,000	1.90%	293,750	(842)	0.99%	225,000	1.92%	325,000	5,430
1 to 2 years	-	-	1.92%	100,000	(635)	-	-	1.89%	237,500	1,812
2 to 3 years	-	-	1.92%	100,000	(635)	-	-	1.92%	100,000	648
3 to 4 years	-	-	-	-	-	-	-	1.92%	75,000	486
<b>Asset (liability)</b>					<b>(2,112)</b>					<b>8,376</b>
Presented as:										
Current assets					340					5,430
Non-current assets					-					2,946
Current liabilities					(1,182)					-
Non-current liabilities					(1,270)					-

## 22. Leases, contingencies, letters of credit and other commitments

### a) Leases

The Group is committed to pay \$0.9 million for leases excluded from IFRS 16 through the practical expedients for short-term leases and low value items.

### b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued \$11.8 million for claim settlements of which \$3.5 million are presented in long term provisions and \$8.3 million are presented in short term provisions on the consolidated statements of financial position (December 31, 2018 – \$10.3 million in long term provisions). In the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

### c) Letters of credit

As at September 30, 2019, the Group had \$39.5 million of outstanding letters of credit (December 31, 2018 - \$39.4 million).

### d) Other commitments

As at September 30, 2019, the Group had \$66.4 million of purchase commitments (December 31, 2018 – \$51.0 million) and \$17.4 million of purchase orders the Group intends to enter into a lease that is expected to materialize within a year (December 31, 2018 – nil).