2024 US/MEXICO CROSS-BORDER OUTLOOK

THE

GET TO KNOW THE FOUNDERS OF HOPLITE

PARTNERSHIP PROFILE:

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Q1 2024 ISSUE



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CROSS-BORDER OUTLOOK WHAT'S NEXT FOR THE US & MEXICO?

NEARSHORING GROWTH:

Nearshoring growth continues at a steady level. Foreign direct investment from the United States and Asian companies are resulting in new construction and the expansion of existing facilities. Many of these projects began as early as 2021 and are nearing completion. Although we may see a softer US market in 2024, cross-border trade will continue to grow as nearly 600 companies look to enter the country. With continued trade tensions with China and conflict in the Red Sea, we predict a greater shift in sourcing of goods as well as manufacturing from abroad to Mexico. With a strong workforce and infrastructure to handle the trade, all signs point towards a trillion-dollar industry in the next five years.

CAPACITY:

The cross-border trucking cycle, with regard to capacity entering and exiting the market, does not follow the same cycle as the US domestic market, so we will continue to see costs rise from Mexican carriers in 2024. Some of this demand will be driven due to a limited supply of drivers, but other factors like truck part costs, tolls, fuel, and rising cargo theft will drive up costs. As over-capacity settles in the U.S., there will be less transload options at the border in 2024. This provides more opportunity for through-trailer carriers and B-1 drivers to leverage their position and raise costs while choosing better-paying freight that will force Enterprise shippers to raise their rates.

POTENTIAL BORDER DELAYS:

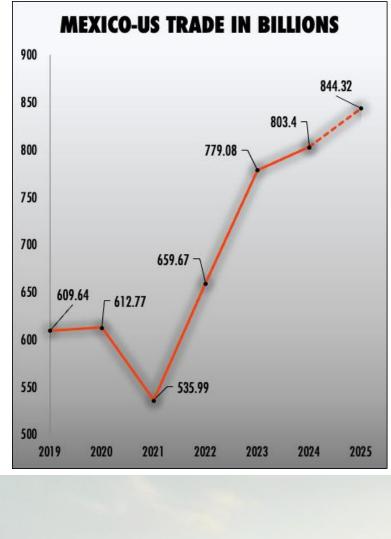
With the migrant crisis worsening, we can expect US Customs & Border Patrol to have their hands full in 2024 and there to be an impact on trade lanes. More resources at the border will be called upon to assist in handling the influx of migrants. Further, as we near an election year, politics may come into play. For example, in the past we have seen Texas call for every truck to be inspected at specific border crossings. Situations like this can cause a ripple effect in transit times.

CARGO THEFT:

Cargo theft continues to rise annually. The top targeted highways in Mexico lie in the states of Estado De Mexico, Puebla, and Michoacan who recorded the highest theft in 2023. We expect this trend to continue in 2024 and it will be imperative that shippers and carriers have safe pratices and protocols in place.

2024 EXPECTATIONS:

With produce season beginning in February, there will be a steady influx of refrigerated goods from Mexico into the US while summer seasonal goods (home outdoor goods, construction & building materials and tools, beverages, snack foods) will kick off around late April. This brings a steady movement of consumer products through the Laredo, El Paso, and Tijuana borders. If interest rates continue to be cut, we should expect a busy season and a steady increase in trade in 2024 (reaching nearly \$845 billion in imports and exports between Mexico and the U.S). This does not include Canada, which should see an increase in trade with the CPKC offering favorable lanes through the center of Mexico into central Canada. As always, the US market shifting will secondarily affect Canada and Mexico, so all eyes are on the upcoming election year leading into what most predict will be a fruitful 2025.





MEET THE FOUNDERS

FIND OUT A LITTLE MORE ABOUT HOPLITE, THE FOUNDERS, AND WHEN THE DETROIT LIONS WILL WIN A SUPER BOWL.



January 16, 2024

Q; Easy one to start. Tell me a little about Hoplite. What is different about it?

Rich Krul: I think any business that is heavily servicefocused needs to be people and personality-driven, and we were really selective about the people we hired to start. Great ambassadors of the company. and people you just want to be around and work with. That's really important to us. Do you like interacting with this person? Do you trust them? A customer or carrier probably will or won't then, too. So it's going to sound cliché, but first and foremost it's our people. Second, over the last 14 years we both worked at three different transportation companies and made note of what worked and what didn't across all of them. We want to bring those best practices for customers and carriers to Hoplite. We want to create the best possible experience for anyone who works with us. There are brands you feel a loyalty to because of how well they've taken care of you, right? We want to be that brand for anyone we work with.

Q; Why did you decide to start your own company?

Bryan Rekowski: I think we both have had our own ideas for a long time and have entrepreneurial spirit and we've both seen how hard it can be to get your

ideas off the ground at other companies. This was a chance to do something our way, and that autonomy and ability to use our creative side was something we couldn't pass up on.

"We want shippers and customers to feel like they're pressing the easy button when they work with us. No stresses because they know we'll take care of them."

Q: So what is the value proposition? Let's hear you pitch a little. How can you make your customers and shippers lives easier?

RK: Well, the experience you get from working with us is something at the heart of every decision we're making. We have a ton of industry knowledge to help keep our customers informed, especially with what is going on at the border. We will be transparent to a fault. We have enough technology to automate the mundane stuff for you, and we're working on some very unique shipper-focused tech to roll out in 2025. We want shippers and customers to feel like they're pressing the easy button when they work with us. No stresses because they know we'll take care of them.

BR: We're really dedicated to helping our partners grow. And the relationship piece is huge. Relationships are the most important driver of our company. The relationships we have built in the industry and the resources and talent that have emerged from them. The relationships we are building with our employees, carriers, and customers. And the concept that long-term relationships equate a win for all of us and that is what our mission is, to build them over time.

Q; Why should carriers work with you?

RK: Every employee we currently have has been in a carrier-facing role at some point in their career. We know how difficult this industry can be for drivers. We really want to work with carriers who value long-term partnerships with us. We'll pay more if it means good service, and we know what kind of service we're getting from experience with that carrier. We want to grow our carriers in any way they prefer—more loads, more money, more trucks, whatever it is. And we want to grow with them. We also have options to make sure they are paid quickly. Nothing is more annoying than waiting on payment despite doing everything you were supposed to. A lot of brokerages miss the mark with that, and they lose good carriers because of it.

of financial modeling and developing and practicing our pitch deck we were reaching out to hundreds of investors a day and landing meetings. But funding in a market like today without tech or previous revenue is incredibly difficult.

RK: Those were some really tough days. But we're lucky enough to have partnered with some amazing people now. It feels like things worked out how they're supposed to. I'll add COVID obviously as well, but that was rewarding since everyone was working for the greater good. And the 2014 polar vortex was brutal. Very long days. Ok now I'm just rambling. A lot of challenges in logistics (laughing).

"I think we've seen that being solely tech-focused as a brokerage has very high risks and our industry maybe isn't ready for some of that change. But being tech-forward is incredibly important. "

BR: I'd just add that our goal is to always have someone available for our drivers. They will have a single point of contact, but they'll also have access around the clock to a Hoplite employee. And we're also utilizing tech to cut out unnecessary calls and emails. Nothing worse than a 4am check call.

Q; What is the largest challenge you've faced in logistics?

BR: To be honest, the funding process for Hoplite. After months



Where do you see the trends going in the industry?

BR: I think we've seen that being solely techfocused as a brokerage has very high risks and our industry maybe isn't ready for some of that change. But being tech-forward is incredibly important. More shippers are moving towards API pricing, requiring 100% tech tracking, and monitoring KPI's that require EDI compliance. As that tech develops, shippers and carriers want action quicker and easier. While we are a relationship-driven company, we have the tech capabilities to keep up and make our customers and drivers happy.

RK: Really agree with that. We're not pretending to be a tech company, but our tech partners are all amazing, fast-growing companies. We see nearshoring continuing to grow and grow, which was part of the reason we launched Hoplite. There are so many advantages and companies have definitely taken notice and thrown resources towards it. And I don't think you can downplay the impact that AI may have on the industry over the next few years. You're going to see a lot of processimprovement from harnessing those capabilities if it's done right.

Q: Any advice for companies looking to get into the cross-border realm?

BR: Yes, do your due diligence and research. Understand the industry, the culture, and build some relationships you can really lean on. This market is relationship-driven and having the right connections will help you grow quicker. This is especially true for hiring talent that has had success in the cross-border space.

Q: Speaking of cross-border, what's your favorite place to go to when you travel to Guadalajara?

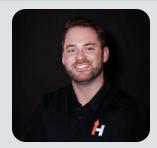
RK: I haven't been nearly as many times as Bry, but I haven't had a single bad meal. La Madalena is one of the coolest restaurants I've ever been to anywhere though. The whole ceiling is a LCD screen and the food was delicious. It's impressive.

BR: Providencia for the food, I'm usually out searching for aguachile or tacos.

Q: Ending with a hard hitter. It's been a good year for you both as football fans from the state of Michigan. The Wolverines got it done. When are the Detroit Lions going to win a Super Bowl?

RK: (*laughing*) We are not shy with our fandom! I was lucky enough to go to Houston for that Michigan/Washington game and it was incredible. I have hope the Lions are next. It's been a long road, but we're close. I think they'll get over the hump in the next three years. Who wouldn't want to run through a brick wall for Dan Campbell? That's what a leader looks like.

BR: We'll see what happens this year, but either way I agree with three years. Dan Campbell has the team humming and it's only a matter of time. No way we get our hearts broken again (*laughing*).



RICH KRUL Co-Founder & CEO (2010-2012) Crane Worldwide Logistics

(2012-2021) Coyote Logistics

> (2021-2023) Traffic Tech



BRYAN REKOWSKI Co-Founder & COO

(2010-2021) Coyote Logistics

> (2021-2023) Traffic Tech

(2023-2023) Bison Transportation

PARTNERSHIP PROFILE



When Hoplite first launched, we faced the same large decision that many transportation companies face. What TMS system should we go with? The market has no shortage of options, each with their own bells and whistles and proponents. As we navigated the process, we couldn't shake the good impression and impressive demo that we had gotten with Omnis. As talks continued, it was clear they were building their business the same way we wanted to-- relationship-driven with plenty of agility. Since deciding to partner with them, we've been floored at the level of service and communication. We believe in highlighting good people and good service, and we're thrilled to have partnered with them. If you're looking for a TMS, we recommend setting up a demo with Omnis.



Q: What is different about OmnisTMS from the many TMS platforms that transport companies can choose from?

JJ: OmnisTMS is web-based, so you can access all our features through any of your devices. We live in an on-the-go society, and we built OmnisTMS so our clients always have access, no matter where they are. We also strive to deliver a platform that creates efficiency and ease for the user. Our leadership team has decades of knowledge in the 3PL and 4PL markets and a full grasp on the day-to-day needs in the transportation space. We take pride in having a collaborative approach with our clients to ensure that we meet their TMS needs. One key component we are offering

to our current and future clients is OmnisCapital. With our unique profit-sharing structure, OmnisCapital allows carriers to be paid quickly, while reducing the cost of your fees for OmnisTMS. Our QuickPay for Carriers solution along with our Freight Invoicing Factoring allows your carriers to be paid sooner and gaining access to your profit on a load without waiting on customer payment terms.

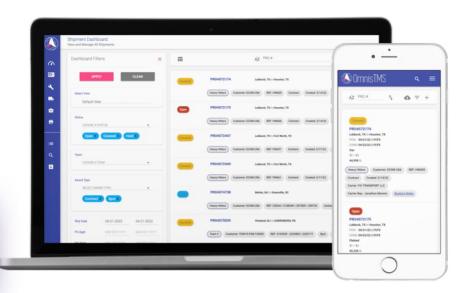
Q: In terms of TMS technology and capabilities, what do you see the industry moving towards?

JJ: Customization and AI. Integrating with best-in-class third-party tools allows our clients to customize OmnisTMS to suit their business model. We choose our integration partners based on our clients and focus on their needs, allowing our clients to improve efficiency throughout their operation. And as our industry continues down the path of AI and automation functionality, we'll consult with our clients and integration partners often to ensure OmnisTMS remains a state-of-the-art platform.

Q: What kind of company is your ideal customer? Why?

JJ: Our current target audience ranges from startups to companies doing \$75 million per year in revenue. With our offering of OmnisTMS and OmnisCapital, our main goal is to provide top of the line software with capital backing, to help your business scale with peace of mind.

For more information on OmnisTMS and OmnisCapital, please reach out to <u>sales@omnistms.com</u> to set up a demo.



HOPLITE LOGISTICS

NORTH AMERICAN FREIGHT WITHOUT BORDERS.

EXECUTIVE SUMMARY

Hoplite Logistics is a Chicago-based logistics provider specializing in US domestic and Mexico cross-border trade lanes. Within the US, food & beverage, refrigerated freight, & electronics are strong specialties. In addition to our domestic presence, Hoplite has a Guadalajara-based entity to help facilitate cross-border moves. With more than 40 years' experience from our founding team, we are a tech-forward firm that prioritizes service and customer experience above all else. We're looking for long-term partnerships with like-minded, expanding companies. Let's grow together.

THE HOPLITE EXPERIENCE

TRUCKLOAD SERVICES

DOMESTIC US TRUCKLOAD

CROSS-BORDER MEXICO

CROSS-BORDER CANADA

Dry Van, Refrigerated, and Open Deck services for all sectors

TECHNOLOGY

CLOUD-BASED TMS WITH EDI/API CAPABILITIES

REAL-TIME GPS TRACKING (with automated shipment email updates)

COMPREHENSIVE CARRIER COMPLIANCE PLATFORM FOR BEST-IN-CLASS CARGO SECURITY

INSTANT QUOTING (ETA 2025)

SUPPORT

SEAMLESS CONNECTION TO DEDICATED HOPLITE REP FOR ALL NEEDS

24/7 PLATFORM SUPPORT FOR ISSUE ESCALATION

CUSTOMIZED ACCOUNT SERVICES BASED ON YOUR SPECIFIC BUSINESS NEEDS

REGULAR ACCOUNT REVIEWS SCHEDULED TO YOUR PREFERENCE

COMPANY PROFILE

- Name: Hoplite Logistics
- Locations:
- · Chicago, IL (US HQ)
- Minneapolis, MN
- Guadalajara, JAL (MX HQ)

 Industries Served: Food & Beverage, Refrigerated Goods, Electronics, Automotive, Consumer Goods

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