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Mullen Group Ltd. Announces Business Plan and Increase in Dividend for 2021

(Okotoks, Alberta December 9, 2020) (TSX:MTL) Mullen Group Ltd. ("Mullen Group", "We", "Our" and/or the "Corporation"), one of the leading suppliers of trucking and logistics services in Canada providing a wide range of service offerings including less-than-truckload, truckload, warehousing, logistics, transload, oversized and specialized hauling transportation, announced today the business plan for 2021 has been approved by the Board of Directors ("Board").

"We are pleased to provide an overview of the Business Plan and Budget for 2021, a plan that reflects the current realities associated with COVID-19. Generally speaking, we are of the view that the 'consumer driven economy' will continue to evolve and adapt as long as the health care crisis dominates the headlines. Within this context our business will remain quite stable in 2021, in fact similar in most respects to 2020. It is our expectation that the second wave of COVID-19 will impact many people, the supply chain across the globe and the economy. The stability of our results is primarily due to the strength of the many Business Units we have that are leveraged to consumer spending. Longer term, once the medical experts find the solution to this pandemic, the opportunity for growth will return again and the Mullen Group will be both prepared and positioned to capitalize on the economic recovery. Until then we will be prudent and focus on the issues we can control and influence," commented Mr. Murray K. Mullen, Chairman and Chief Executive Officer.

HIGHLIGHTS OF 2021 BUSINESS PLAN

Today the Board conducted its annual budget meeting. The annual process encompassed an extensive review of a wide range of issues including: the current state of the North American economy and the COVID-19 pandemic. More specifically, expectations for the Canadian economy, the impact of an anticipated vaccine, the recent recovery in commodity prices as well as the balance sheet of Mullen Group and expected cash flows.

Financial Expectations

We expect revenue for 2021 to be in the \$1.2 billion to \$1.3 billion range with each segment to account for approximately 33.0 percent of Mullen Group's 2021 revenue, exclusive of any potential acquisitions made in 2021. We base this expectation on the continued economic recovery and stable consumer spending. In addition, we expect infrastructure projects, such as the Coastal Gas and Trans-Mountain pipelines, to continue and positively contribute to Mullen Group's bottom line in 2021. As such, in our plan, operating income before depreciation and amortization will be in the \$200.0 million to \$220.0 million range.

Capital Expenditures

The Board approved a capital budget of \$60.0 million for 2021, exclusive of corporate acquisitions or investment in facilities, land and buildings, with \$50.0 million allocated towards maintenance capital primarily to replace trucks, trailers, specialized equipment and technology to support the operations of the business. In addition, we will allocate \$10.0 million to fund growth and create jobs in Canada.

In 2020 the Federal Government implemented the Canada Emergency Wage Subsidy program. We will be directing the vast majority of the funds we received to create opportunities and employment for Canadians.

Dividend Increase

We are pleased to announce that the Board has approved an increase in the annual dividend to shareholders from \$0.36 per Common Share to \$0.48 per Common Share. Such dividend will continue to be paid on a monthly basis, subject to Board approval.

Share Buyback

Earlier this year we announced a plan to allocate \$100.0 million over the course of three years to repurchase Common Shares in Mullen Group via an authorized share buyback program. In 2020 we repurchased the maximum allowed by the Toronto Stock Exchange ("TSX"). In April 2021 we intend on requesting approvals from the TSX to renew a share buyback program.

Acquisitions

We maintain a very healthy cash balance in excess of \$100.0 million on the balance sheet as of today's date, funds that will be used to pursue strategic acquisitions. Our focus will be in the Less-Than-Truckload and Logistics & Warehousing segments of our business.

About Mullen Group Ltd.

Mullen Group is a company that owns a network of independently operated businesses. The Corporation is recognized as one of the leading suppliers of trucking and logistics services in Canada providing a wide range of service offerings including less-than-truckload, truckload, warehousing, logistics, transload, oversized and specialized hauling transportation. In addition, we provide a diverse set of specialized services related to the oil and natural gas industry in western Canada, water management, fluid hauling and environmental reclamation. The corporate office provides the capital and financial expertise, legal support, technology and systems support, shared services and strategic planning to its independent businesses.

Mullen Group is a publicly traded corporation listed on the Toronto Stock Exchange under the symbol "MTL". Additional information is available on our website at www.mullen-group.com or on SEDAR at www.sedar.com.

Contact Information

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Mr. P. Stephen Clark - Chief Financial Officer

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Disclaimer

This news release may contain forward-looking information that is subject to risk factors associated with the overall economy and the oil and natural gas business. This information relates to future events and Mullen Group's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents Mullen Group's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Mullen Group believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. In particular, forward-looking information and statements include but are not limited to the following: (i) our financial goals and expectations for 2021; (ii) our capital expenditure plans for 2021; (iii) our strategic initiatives for 2021 including but not limited to acquisitions and use of Canada Emergency Wage Subsidy; (iv) anticipated 2021 dividend payments; and our plan to renew our normal course issuer bid. This forward-looking information and statements are based on certain assumptions and analysis made by Mullen Group in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. These assumptions include but are not limited to the following: (i) Mullen Group will generate sufficient cash in excess of our financial obligations to support the dividend; (ii) Mullen Group's Business Units will require capital to support their ongoing operations and growth opportunities and that we will generate sufficient cash in excess of our financial obligations to support the capital expenditures; (iii) Mullen Group's expectation as to how our current Business Units will perform in 2021 along with the timing and financial results of acquisitions; (iv) that the macro environment stabilizes and we have a strong balance sheet with \$100.0 million in cash to pursue strategic acquisitions; and (v) Mullen Group's plan to renew its normal course issuer bid will be approved by regulatory authorities. For further information on any strategic, financial, operational and other outlook on Mullen Group's business please refer to Mullen Group's Management's Discussion and Analysis available for viewing on SEDAR at www.sedar.com. Additional information on risks that could affect the operations or financial results of Mullen Group may be found under the heading "Principal Risks and Uncertainties" starting on page 65 of the 2019 Annual Financial Review as well as in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com. The forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this news release and Mullen Group disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws. Mullen Group relies on litigation protection for "forward-looking" statements.