MARCH 31, 2021

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	**Note**		**March 31 2021**		**December 31 2020**
Assets					
Current assets:					
Cash and cash equivalents		**$**	**117,680**	$	105,340
Trade and other receivables	**5**		**184,512**		192,453
Inventory			**31,192**		30,072
Prepaid expenses			**15,515**		13,910
Current tax receivable			**5,768**		3,522
			354,667		345,297
Non-current assets:					
Property, plant and equipment			**932,696**		939,107
Right-of-use assets			**28,888**		32,186
Goodwill			**271,340**		271,340
Intangible assets			**40,853**		45,867
Investments			**36,389**		35,761
Deferred tax assets			**9,002**		9,072
Derivative financial instruments	**6**		**34,443**		37,906
Other assets			**1,285**		1,400
			1,354,896		1,372,639
Total Assets		**$**	**1,709,563**	$	1,717,936
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**92,941**	$	88,153
Dividends payable	**7**		**3,863**		2,906
Current tax payable			**578**		3,687
Lease liabilities – current portion			**10,219**		11,439
Current portion of long-term debt			**12**		16
			107,613		106,201
Non-current liabilities:					
Convertible debentures – debt component	**9**		**111,698**		111,111
Long-term debt	**9**		**458,164**		461,713
Lease liabilities			**21,516**		23,593
Asset retirement obligations			**1,615**		1,609
Deferred tax liabilities			**114,403**		117,291
			707,396		715,317
Equity:					
Share capital	**10**		**872,576**		874,888
Convertible debentures – equity component			**9,116**		9,116
Contributed surplus			**35,676**		36,577
Deficit			**(22,814)**		(24,163)
			894,554		896,418
Subsequent events	**17**				
Total Liabilities and Equity		**$**	**1,709,563**	$	1,717,936

The notes which begin on page 49 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on April 21, 2021, after review by the Audit Committee.

"Signed: Murray K. Mullen"
Murray K. Mullen, Director

"Signed: Philip J. Scherman"
Philip J. Scherman, Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited) *(thousands, except per share amounts)*	**Note**		**Three month periods ended March 31** **2021**		**2020**
Revenue	**13**	**$**	**290,507**	$	318,234
Direct operating expenses			**204,880**		232,414
Selling and administrative expenses			**38,555**		40,610
Operating income before depreciation and amortization			**47,072**		45,210
Depreciation of property, plant and equipment			**16,808**		17,536
Depreciation of right-of-use assets			**3,018**		2,892
Amortization of intangible assets			**5,014**		5,030
Finance costs			**7,023**		7,209
Net foreign exchange (gain) loss	**6**		**(132)**		2,740
Other (income) expense	**14**		**(871)**		1,316
Income before income taxes			**16,212**		8,487
Income tax expense	**8**		**3,252**		3,825
Net income and total comprehensive income		**$**	**12,960**	$	4,662
Earnings per share:	**11**				
Basic		**$**	**0.13**	$	0.04
Diluted		**$**	**0.13**	$	0.04
Weighted average number of Common Shares outstanding:	**11**				
Basic			**96,849**		104,671
Diluted			**96,849**		104,671

The notes which begin on page 49 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited) (*thousands*)		Share capital	Convertible debentures – equity component	Contributed surplus	Deficit	Total
Balance at January 1, 2021		**$ 874,888**	**$ 9,116**	**$ 36,577**	**$ (24,163)**	**$ 896,418**
Total comprehensive income for the period		**—**	**—**	**—**	**12,960**	**12,960**
Common Shares repurchased	**10**	**(2,312)**	**—**	**(967)**	**—**	**(3,279)**
Stock-based compensation expense		**—**	**—**	**66**	**—**	**66**
Dividends declared to common shareholders	**7**	**—**	**—**	**—**	**(11,611)**	**(11,611)**
Balance at March 31, 2021		**$ 872,576**	**$ 9,116**	**$ 35,676**	**$ (22,814)**	**$ 894,554**

(unaudited) (*thousands*)		Share capital	Convertible debentures – equity component	Contributed surplus	Deficit	Total
Balance at January 1, 2020		$ 946,910	$ 9,116	$ 16,860	$ (54,965)	$ 917,921
Total comprehensive income for the period		—	—	—	4,662	4,662
Common Shares repurchased	**10**	(9,695)	—	4,447	—	(5,248)
Stock-based compensation expense		—	—	348	—	348
Dividends declared to common shareholders	**7**	—	—	—	(15,674)	(15,674)
Balance at March 31, 2020		$ 937,215	$ 9,116	$ 21,655	$ (65,977)	$ 902,009

The notes which begin on page 49 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	Note	Three month periods ended March 31 2021	2020
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 12,960**	$ 4,662
Adjustments for:			
Depreciation and amortization		**24,840**	25,458
Finance costs		**7,023**	7,209
Stock-based compensation expense		**66**	348
Foreign exchange loss (gain) on cross-currency swaps	**6**	**3,463**	(24,717)
Foreign exchange (gain) loss		**(3,150)**	25,728
Change in fair value of investments	**14**	**(442)**	1,452
(Gain) loss on sale of property, plant and equipment	**14**	**(249)**	17
Earnings from equity investments	**14**	**(186)**	(159)
Accretion on asset retirement obligations	**14**	**6**	6
Income tax expense	**8**	**3,252**	3,825
Cash flows from operating activities before non-cash working capital items		**47,583**	43,829
Changes in non-cash working capital items from operating activities	**15**	**2,855**	270
Cash generated from operating activities		**50,438**	44,099
Income tax paid		**(11,425)**	(3,884)
Net cash from operating activities		**39,013**	40,215
Cash flows from financing activities:			
Repurchase of Common Shares	**10**	**(3,279)**	(5,248)
Cash dividends paid to common shareholders		**(10,654)**	(15,724)
Interest paid		**(280)**	(343)
Repayment of long-term debt and loans		**(3)**	—
Repayment of lease liabilities		**(3,127)**	(2,846)
Changes in non-cash working capital items from financing activities	**15**	**546**	1,137
Net cash used in financing activities		**(16,797)**	(23,024)
Cash flows from investing activities:			
Purchase of property, plant and equipment		**(12,564)**	(15,926)
Proceeds on sale of property, plant and equipment		**2,627**	1,037
Net investment in finance leases		**316**	278
Interest received		**167**	634
Other assets		**18**	(8)
Changes in non-cash working capital items from investing activities	**15**	**5**	712
Net cash used in investing activities		**(9,431)**	(13,273)
Change in cash and cash equivalents		**12,785**	3,918
Cash and cash equivalents at January 1		**105,340**	79,023
Effect of exchange rate fluctuations on cash held		**(445)**	1,729
Cash and cash equivalents at March 31		**$ 117,680**	$ 84,670

The notes which begin on page 49 are an integral part of these condensed interim consolidated financial statements.

(Tabular amounts in thousands, except share and per share amounts)

1. Reporting Entity

Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") was incorporated pursuant to the laws of the Province of Alberta and is a publicly-traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol 'MTL'. The Corporation maintains its registered office in Okotoks, Alberta, Canada. The business of Mullen Group is operated through wholly-owned (either directly or indirectly) subsidiaries and limited partnerships ("**Business Units**"). 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, Mullen Group provides a diverse set of specialized services related to the energy, mining, forestry and construction industries in western Canada, including water management, fluid hauling and environmental reclamation. These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") include the accounts of the Corporation, its subsidiaries and its limited partnerships.

2. Basis of Presentation

(a) Statement of Compliance

These Interim Financial Statements have been prepared in accordance to and comply with International Financial Reporting Standards ("**IFRS**"), which include the International Accounting Standards ("**IAS**") and the interpretations developed by the International Financial Reporting Interpretations Committee ("**IFRIC**"), as issued by the International Accounting Standards Board ("**IASB**"). These Interim Financial Statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements.

(b) Basis of Measurement

These Interim Financial Statements have been prepared on the historical cost basis except for investments (excluding investments accounted for by the equity method), and derivative financial instruments ("**Derivatives**"), which are measured at fair value through profit or loss.

(c) Functional and Presentation Currency

These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Corporation and each of its Business Units. All financial information presented in Canadian dollars has been rounded to the nearest thousand except for per share amounts.

3. Significant Accounting Policies

The accompanying Interim Financial Statements should be read in conjunction with Note 3 to Mullen Group's audited annual consolidated financial statements for the year ended December 31, 2020, (the "**Annual Financial Statements**") as the accounting policies applied by the Corporation in these Interim Financial Statements are the same as those disclosed therein.

4. Determination of Fair Values

The following table compares the fair value of certain financial assets and financial liabilities to its corresponding carrying amount as presented in the condensed consolidated statement of financial position.

March 31, 2021 **Financial Instrument**	**Fair Value** **Hierarchy**		**Carrying** **Amount**		**Fair** **Value**
Investments (excluding investments accounted for by using the equity method)	Level 1	$	1,621	$	1,621
Derivative Financial Instruments[(1)]	Level 2	$	34,443	$	34,443
Private Placement Debt	Level 2	$	458,164	$	448,300
Convertible Debentures – debt component	Level 2	$	111,698	$	118,047

[(1)] The fair value of the Derivative Financial Instruments is determined using Level 2 of the fair value hierarchy. Level 2 fair values are determined by referencing observable market data, including future foreign currency curves, interest rates, credit spreads and other financial measures.

5. Trade and Other Receivables

		March 31 **2021**		**December 31** **2020**
Trade receivables	**$**	**153,543**	$	171,221
Other receivables		**28,412**		19,450
Net investment in finance leases		**765**		1,085
Contract assets		**1,792**		697
	$	**184,512**	$	192,453

(Tabular amounts in thousands, except share and per share amounts)

6. Derivative Financial Instruments

On July 25, 2014, Mullen Group entered into two cross-currency swap contracts with a Canadian bank to swap $117.0 million U.S. dollars and $112.0 million U.S. dollars into Canadian dollars (collectively, the "**Cross-Currency Swaps**") at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. These Cross-Currency Swaps provide an economic hedge on the principal amount of the Series G and Series H Notes.

For the three month period ended March 31, 2021, Mullen Group has recorded a net foreign exchange (gain) loss of $(0.1) million (2020 – $2.7 million). This was due to the impact of the change over the period in the value of the Canadian dollar relative to the U.S. dollar on the Corporation's U.S. dollar debt and from the change in the fair value of its Cross-Currency Swaps as summarized in the table below:

Net Foreign Exchange (Gain) Loss	**Three month periods ended March 31**			
	CDN. $ Equivalent			
		2021		**2020**
Foreign exchange (gain) loss on U.S. $ debt	**$**	**(3,595)**	$	27,457
Foreign exchange loss (gain) on Cross-Currency Swaps		**3,463**		(24,717)
Net foreign exchange (gain) loss	**$**	**(132)**	$	2,740

For the three month period ended March 31, 2021, Mullen Group recorded a foreign exchange (gain) loss on U.S. dollar debt of $(3.6) million (2020 – $27.5 million) as summarized in the table below:

Foreign Exchange (Gain) Loss on U.S. $ Debt	**Three month periods ended March 31**					
	2021			**2020**		
($ thousands, except exchange rate amounts)	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – March 31	**229,000**	**1.2575**	**287,968**	229,000	1.4187	324,883
Beginning – January 1	**229,000**	**1.2732**	**291,563**	229,000	1.2988	297,426
Foreign exchange (gain) loss on U.S. $ debt			**(3,595)**			27,457

For the three month period ended March 31, 2021, Mullen Group recorded a foreign exchange loss (gain) on its Cross-Currency Swaps of $3.5 million (2020 – $(24.7) million). This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

Foreign Exchange Loss (Gain) on Cross-Currency Swaps	**Three month periods ended March 31**			
	2021		**2020**	
	U.S. $ Swaps	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap maturing October 22, 2024	**117,000**	**1,656**	117,000	(12,880)
Cross-Currency Swap maturing October 22, 2026	**112,000**	**1,807**	112,000	(11,837)
Foreign exchange loss (gain) on Cross-Currency Swaps		**3,463**		(24,717)

7. Dividends Payable

For the three month period ended March 31, 2021, Mullen Group declared dividends totalling $0.12 per Common Share (2020 – $0.15 per Common Share). On December 9, 2020, Mullen Group announced its intention to pay annual dividends of $0.48 per Common Share ($0.04 per Common Share on a monthly basis) for 2021. At March 31, 2021, Mullen Group had 96,583,787 Common Shares outstanding and a dividend payable of $3.9 million (December 31, 2020 – $2.9 million), which was paid on April 15, 2021. Mullen Group also declared a dividend of $0.04 per Common Share on April 20, 2021, to the holders of record at the close of business on April 30, 2021.

(Tabular amounts in thousands, except share and per share amounts)

8. Income Taxes

The following table provides a reconciliation of the effective tax rates based on the applicable tax rates in various provincial jurisdictions during the period.

	Three month periods ended March 31			
		2021		**2020**
Income before income taxes	**$**	**16,212**	$	8,487
Combined statutory tax rate		**25%**		26%
Expected income tax		**4,053**		2,207
Add (deduct):				
Non-deductible (taxable) portion of net foreign exchange (gain) loss		**(15)**		342
Non-deductible (taxable) portion of the change in fair value of investments		**(51)**		182
Stock-based compensation expense		**15**		87
Changes in unrecognized deferred tax asset		**(936)**		—
Other		**186**		1,007
Income tax expense	**$**	**3,252**	$	3,825

9. Long-Term Debt, Credit Facility and Convertible Unsecured Subordinated Debentures

Mullen Group has a loan agreement with its lender to borrow up to $150.0 million on an unsecured credit facility (the "**Bank Credit Facility**"). Interest on the Bank Credit Facility is payable monthly and is based on either the bank prime rate plus 0.50 percent or bankers' acceptance rates plus an acceptance fee of 1.50 percent. As at March 31, 2021, no amounts were drawn on this facility. This facility does not have any financial covenants, however, Mullen Group cannot be in default of its Private Placement Debt and it must be in compliance with certain reporting and general covenants. Mullen Group is in compliance with all of these reporting and general covenants.

Mullen Group has $3.9 million of letters of credit outstanding, which were issued to guarantee certain performance and payment obligations. These letters of credit reduce the amount available under the Bank Credit Facility.

Mullen Group's long-term debt is mainly comprised of a series of unsecured debt (collectively, the "**Private Placement Debt**"), the details of which are set forth below:

Notes	Principal amount		Maturity	Interest Rate[(1)]
Series G	$	117,000 U.S.	October 22, 2024	3.84%
Series H	$	112,000 U.S.	October 22, 2026	3.94%
Series I	$	30,000 CDN.	October 22, 2024	3.88%
Series J	$	3,000 CDN.	October 22, 2026	4.00%
Series K	$	58,000 CDN.	October 22, 2024	3.95%
Series L	$	80,000 CDN.	October 22, 2026	4.07%

(1) Interest is payable semi-annually.

Mullen Group's unamortized debt issuance costs of $0.8 million related to its Private Placement Debt have been netted against its carrying value at March 31, 2021 (December 31, 2020 – $0.8 million). Mullen Group has certain financial covenants that must be met under its unsecured Private Placement Debt, which include a total net debt to operating cash flow ratio and a total earnings available for fixed charges to total fixed charges ratio. Mullen Group's total net debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results normalized for acquisitions. The term "**total net debt**" is defined in the Private Placement Debt agreement as all debt excluding the Debentures less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position but includes Private Placement Debt, lease liabilities, the Bank Credit Facility and letters of credit. The term "**operating cash flow**" is also defined in the Private Placement Debt agreement and means, for any quarterly period, the trailing twelve month consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, including interest on the Debentures and lease liabilities; and (iv) non-cash charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results. Mullen Group is in compliance with all the Private Placement Debt financial covenants.

Mullen Group entered into Cross-Currency Swaps to swap the Series G and Series H Notes into Canadian dollars at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. ▶ **For more information, refer to Note 6**.

(Tabular amounts in thousands, except share and per share amounts)

The following table summarizes the Corporation's total debt:

	March 31, 2021	December 31, 2020
Current liabilities:		
Private Placement Debt	**$ —**	$ —
Lease liabilities – current portion	**10,219**	11,439
Current portion of long-term debt	**12**	16
Bank Credit Facility	**—**	—
	10,231	11,455
Non-current liabilities:		
Private Placement Debt	**458,164**	461,713
Lease liabilities	**21,516**	23,593
	479,680	485,306
	$ 489,911	$ 496,761

The details of total debt, as at the date hereof, are as follows:

			March 31, 2021		December 31, 2020	
	Year of Maturity	Interest Rate	Face Value	Carrying Amount	Face Value	Carrying Amount
			$	$	$	$
Bank Credit Facility	—	Variable	**—**	**—**	—	—
Lease liabilities	2021 – 2028	3.20%	**34,056**	**31,735**	37,488	35,032
Private Placement Debt	2024 – 2026	3.84% - 4.07%	**458,968**	**458,164**	462,563	461,713
Various financing loans	2021	1.90%	**12**	**12**	16	16
			493,036	**489,911**	500,067	496,761

In addition, Mullen Group has an aggregate principal amount of $125.0 million of convertible unsecured subordinated debentures (the "**Debentures**"). The Debentures mature on November 30, 2026 and are publicly listed on the TSX under 'MTL.DB'. The Debentures bear interest at a rate of 5.75 percent per annum, payable semi-annually in arrears on May 31 and November 30 of each year. The carrying amount of the debt component of the Debentures at March 31, 2021, was $111.7 million (December 31, 2020 – $111.1 million).

10. Share Capital

The authorized share capital of Mullen Group consists of an unlimited number of no par value Common Shares and an unlimited number of Preferred Shares, issuable in series.

The number of, and the specific rights, privileges, restrictions and conditions attaching to any series of Preferred Shares shall be determined by the Board of Directors (the "**Board**") of Mullen Group prior to the creation and issuance thereof. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of Mullen Group, whether voluntarily or involuntarily, the Preferred Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series. As at the date hereof, no series of Preferred Shares had been created.

All of the issued Common Shares of Mullen Group have been paid in full.

	# of Common Shares	
	2021	2020
Issued Common Shares at January 1	**96,852,047**	104,824,973
Common Shares repurchased and cancelled	**(268,260)**	(1,000,920)
Issued Common Shares at March 31	**96,583,787**	103,824,053

On March 3, 2021, Mullen Group announced the renewal of its normal course issuer bid ("**NCIB**"), commencing March 9, 2021, to purchase for cancellation up to 7,928,623 Common Shares in the open market on or before March 8, 2022. As at March 31, 2021, Mullen Group had purchased and cancelled 268,260 Common Shares for $3.3 million under this NCIB program.

All purchases were made in accordance with the NCIB at prevalent market prices as permitted by the Toronto Stock Exchange, with consideration allocated to share capital up to the average carrying amount of the shares and any excess allocated to contributed surplus. The NCIB can be cancelled at the discretion of the Corporation at any time.

(Tabular amounts in thousands, except share and per share amounts)

11. Earnings per Share

(a) Basic Earnings per Share

Basic earnings per share is calculated as net income attributable to common shareholders divided by the weighted average number of Common Shares outstanding for the period. Net income attributable to common shareholders for the three month period ended March 31, 2021, was $13.0 million (2020 – $4.7 million). The weighted average number of Common Shares outstanding for the three month periods ended March 31, 2021 and 2020 was calculated as follows:

		Three month periods ended March 31	
	Note	**2021**	**2020**
Issued Common Shares at beginning of period	**10**	**96,852,047**	104,824,973
Effect of Common Shares repurchased and cancelled	**10**	**(2,981)**	(153,988)
Weighted average number of Common Shares at end of period – basic		**96,849,066**	104,670,985

(b) Diluted Earnings per Share

Diluted earnings per share is calculated by adjusting net income attributable to common shareholders and the basic weighted average number of Common Shares outstanding by the effects of all potentially dilutive transactions to existing common shareholders. In calculating diluted earnings per share, net income was adjusted as follows:

	Three month periods ended March 31	
	2021	**2020**
Net income	**$ 12,960**	$ 4,662
Effect of the Debentures	**—**	—
Net income – adjusted	**$ 12,960**	$ 4,662

The diluted weighted average number of Common Shares was calculated as follows:

	Three month periods ended March 31	
	2021	**2020**
Weighted average number of Common Shares – basic	**$ 96,849,066**	$ 104,670,985
Effect of "in the money" stock options	**—**	—
Effect of the Debentures	**—**	—
Weighted average number of Common Shares at end of period – diluted	**$ 96,849,066**	$ 104,670,985

For the three month period ended March 31, 2021, 3,390,000 stock options (2020 – 3,152,500) were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive. The average market value of the Corporation's Common Shares for the purposes of calculating the dilutive effect of stock options was based on quoted market prices for the periods ended March 31, 2021 and 2020. For the three month periods ended March 31, 2021 and 2020, the Common Shares that would be issued upon conversion of the Debentures were excluded from the diluted weighted average calculation as their effect was anti-dilutive.

12. Seasonality of Operations

Revenue and profitability within the Less-Than-Truckload segment and the Logistics & Warehousing segment are generally lower in the first quarter than during the remainder of the year as freight volumes are typically lower in the first quarter following the holiday season due to less consumer demand and customers reducing shipments. Operating expenses also tend to increase within these segments in the winter months due to decreased fuel efficiency and increased repairs and maintenance expense resulting from cold weather conditions.

A significant portion of the operations within the Specialized & Industrial Services segment is comprised of a wide range of unique businesses providing specialized equipment and services to the oil and natural gas, environmental, construction, pipeline, utility, telecom and civil industries. Earnings are influenced by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity usually peaks in the winter months and declines during the spring when wet weather and the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of heavy equipment, thereby reducing activity levels. Additionally, certain oil and natural gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies and corresponding declines in the demand for the goods and services provided by Mullen Group. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

(Tabular amounts in thousands, except share and per share amounts)

13. Revenue

The business of Mullen Group is operated through its Business Units, which are divided into three distinct operating segments for reporting purposes – Less-Than-Truckload, Logistics & Warehousing and Specialized & Industrial Services. The segments are differentiated by the type of service provided, equipment requirements and customer needs. Mullen Group provides the capital and financial expertise, technology and systems support, shared services and strategic planning (the "**Corporate Office**") for the Business Units. The Corporate Office also invests in certain public and private corporations. In addition, the Corporate Office, through its subsidiary MT Investments Inc. ("**MT**"), owns a network of real estate holdings and facilities that are leased primarily to the Business Units. Such properties are leased by MT to the Business Units on commercially reasonable terms. The day to day management of the Business Units is conducted at the subsidiary level. ▶ **For more information, refer to Note 16.**

At March 31, 2021, the Less-Than-Truckload segment consisted of 9 Business Units and is often referred to as the final or last mile delivery of general freight consisting of smaller shipments, packages and parcels. Through an extensive terminal network the pickup, handling and delivery of a wide range of freight including ambient, temperature controlled and consumer goods is coordinated from regional hubs located in Ontario and western Canada. We are committed to investing in the most advanced technologies available ensuring the continued improvement in all aspects of our business, shortening delivery times and providing customers with visibility, via tracking and tracing, to their shipments during transit.

At March 31, 2021, the Logistics & Warehousing segment consisted of 10 Business Units and provides shippers throughout North America with a wide range of trucking and logistics service offerings including full truckload, specialized transportation, warehousing, fulfillment centres that handle e-commerce transactions, and transload facilities designed for intermodal and bulk shipments. Operations and customer service are supported by a robust suite of leading edge technology solutions including a fully integrated transportation management system, customized inventory management and warehouse systems along with our proprietary Moveitonline® and Haulistic™ technology platforms, applications that are positioning our organization for an evolving and changing supply chain.

At March 31, 2021, the Specialized & Industrial Services segment consisted of 15 Business Units and is comprised of a wide range of unique businesses providing specialized equipment and services to the oil and natural gas, environmental, construction, pipeline, utility, telecom and civil industries. Strategically located throughout western Canada, these specialty Business Units are focused on providing advanced technology solutions and leading edge service capabilities.

Disaggregation of revenue:

The following tables detail Mullen Group's revenue by type of service and timing of the transfer of goods or services by segment:

Three month period ended March 31, 2021	Less-than-Truckload	Logistics & Warehousing	Specialized & Industrial Services	Corporate	Intersegment eliminations	Total
	$	$	$	$	$	$
Revenue by service line						
Transportation	**112,363**	**50,319**	**42,948**	**—**	**—**	**205,630**
Logistics	**9,142**	**18,946**	**4,802**	**—**	**—**	**32,890**
Other[(1)]	**1,222**	**23,142**	**31,804**	**862**	**—**	**57,030**
Eliminations	**(2,064)**	**(1,058)**	**(259)**	**—**	**(1,662)**	**(5,043)**
	120,663	**91,349**	**79,295**	**862**	**(1,662)**	**290,507**
Timing of revenue recognition						
Over time	**112,424**	**51,368**	**56,046**	**854**	**—**	**220,692**
Point in time	**10,303**	**41,039**	**23,508**	**8**	**—**	**74,858**
Eliminations	**(2,064)**	**(1,058)**	**(259)**	**—**	**(1,662)**	**(5,043)**
	120,663	**91,349**	**79,295**	**862**	**(1,662)**	**290,507**

(1) Included within other revenue is $7.5 million of rental revenue comprised of $0.1 million, $1.0 million, $5.6 million and $0.8 million recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment, the Specialized & Industrial Services segment and Corporate, respectively. Mullen Group also provides a diverse set of specialized services related to the warehousing, energy, mining, forestry and construction industries.

(Tabular amounts in thousands, except share and per share amounts)

Three month period ended March 31, 2020	Less-than-Truckload	Logistics & Warehousing	Specialized & Industrial Services	Corporate	Intersegment eliminations	Total
	$	$	$	$	$	$
Revenue by service line						
Transportation	105,963	52,414	64,700	—	—	223,077
Logistics	7,442	21,665	1,897	—	—	31,004
Other[(1)]	1,086	23,439	45,553	667	—	70,745
Eliminations	(1,623)	(1,273)	(864)	—	(2,832)	(6,592)
	112,868	96,245	111,286	667	(2,832)	318,234
Timing of revenue recognition						
Over time	106,022	53,798	81,825	654	—	242,299
Point in time	8,469	43,720	30,325	13	—	82,527
Eliminations	(1,623)	(1,273)	(864)	—	(2,832)	(6,592)
	112,868	96,245	111,286	667	(2,832)	318,234

[(1)] Included within other revenue is $7.9 million of rental revenue comprised of $0.1 million, $1.4 million, $5.8 million and $0.6 million recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment, the Specialized & Industrial Services segment and Corporate, respectively. Mullen Group also provides a diverse set of specialized services related to the warehousing, energy, mining, forestry and construction industries.

14. Other (Income) Expense

	Three month periods ended March 31			
		2021		2020
Change in fair value of investments	$	**(442)**	$	1,452
(Gain) loss on sale of property, plant and equipment		**(249)**		17
Earnings from equity investments		**(186)**		(159)
Accretion on asset retirement obligations		**6**		6
Other (income) expense	$	**(871)**	$	1,316

15. Changes in Non-Cash Working Capital

	Three month periods ended March 31			
		2021		2020
Trade and other receivables	$	**7,621**	$	(1,044)
Inventory		**(1,120)**		1,484
Prepaid expenses		**(1,605)**		133
Accounts payable and accrued liabilities		**(1,490)**		1,546
	$	**3,406**	$	2,119

	Three month periods ended March 31			
		2021		2020
Changes in non-cash working capital items from:				
Operating activities	$	**2,855**	$	270
Financing activities		**546**		1,137
Investing activities		**5**		712
	$	**3,406**	$	2,119

16. Operating Segments

Mullen Group reports its financial results in three operating segments. These three operating segments have been differentiated by the sector of the economy in which the businesses operate, the type of services provided, the equipment requirements and the customer needs. The Less-Than-Truckload segment provides final or last mile delivery of general freight consisting of smaller shipments, packages and parcels. Through an extensive terminal network the pickup, handling and delivery of a wide range of freight including ambient, temperature controlled and consumer goods is coordinated from regional hubs located in Ontario and western Canada. The Logistics & Warehousing segment provides shippers throughout North America with a wide range of trucking and logistics service offerings including full truckload, specialized transportation, warehousing, fulfillment centres that handle e-commerce transactions, and transload facilities designed for intermodal and bulk shipments. The Specialized & Industrial Services segment provides specialized equipment and services to the oil and natural gas, environmental, construction, pipeline, utility, telecom and civil industries. ▶ **For more information, refer to Note 13**.

(Tabular amounts in thousands, except share and per share amounts)

The following tables provide financial results by segment:

					Intersegment eliminations			
Three month period ended March 31, 2021	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**Corporate**	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	**120,663**	**91,349**	**79,295**	**862**	**(199)**	**(1,197)**	**(266)**	**290,507**
Income (loss) before income taxes	**7,034**	**8,099**	**2,757**	**(1,678)**	**—**	**—**	**—**	**16,212**
Depreciation of property, plant and equipment	**4,428**	**2,756**	**8,112**	**1,512**	**—**	**—**	**—**	**16,808**
Amortization of intangible assets	**1,922**	**1,754**	**1,338**	**—**	**—**	**—**	**—**	**5,014**
Capital expenditures(1)	**7,584**	**2,928**	**1,036**	**1,322**	**(55)**	**(160)**	**(91)**	**12,564**
Total assets at March 31, 2021	**370,514**	**244,535**	**399,255**	**695,259**	**—**	**—**	**—**	**1,709,563**

(1) *Excludes business acquisitions*

					Intersegment eliminations			
Three month period ended March 31, 2020	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**Corporate**	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	112,868	96,245	111,286	667	(152)	(2,369)	(311)	318,234
Income (loss) before income taxes	2,344	9,051	2,844	(5,752)	—	—	—	8,487
Depreciation of property, plant and equipment	3,467	2,745	9,843	1,481	—	—	—	17,536
Amortization of intangible assets	2,641	1,524	865	—	—	—	—	5,030
Capital expenditures(1)	6,921	2,371	5,099	1,629	—	(34)	(60)	15,926
Total assets at December 31, 2020	363,517	249,470	420,104	684,845	—	—	—	1,717,936

(1) *Excludes business acquisitions*

Performance is measured based on segment income before income tax, as included in the internal management reports that are reviewed by Mullen Group's CEO and President. Segment income is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to other entities that operate within these industries.

17. Subsequent Events

Subsequent to March 31, 2021, until the date of this report, the Corporation repurchased 250,376 Common Shares at a total cost of $3.2 million.

Bandstra Transportation Systems Ltd./Babine Truck & Equipment Ltd.

Bandstra Transportation Systems Ltd./Babine Truck & Equipment Ltd. – On April 16, 2021, Mullen Group acquired all of the issued and outstanding shares of Bandstra Transportation Systems Ltd. ("**Bandstra Transportation**") and Babine Truck & Equipment Ltd. ("**Babine**") for total cash consideration of $75.0 million. Bandstra Transportation is a privately held company headquartered in Smithers, British Columbia and provides a wide range of transportation and logistics services to communities in northern British Columbia including truckload, general freight, less-than-truckload and specialized hauling services. Babine is an Original Equipment Manufacturer ("**OEM**") dealership providing sales of OEM trucks and trailers and also provides parts, service and maintenance work from three locations in British Columbia supporting the natural resources, energy and transportation industries.

The acquisition of Bandstra Transportation and Babine align with Mullen Group's strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of Bandstra Transportation will be included within the Logistics & Warehousing segment while Babine's financial results will be included within the Specialized & Industrial Services segment.