

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

This MD&A, dated April 20, 2022, has been prepared by management for the three month period ended March 31, 2022, and should be read in conjunction with (i) the audited annual consolidated financial statements for the fiscal year ended December 31, 2021 (the "**Annual Financial Statements**"), together with the Management's Discussion and Analysis thereon (the "**2021 MD&A**"), and (ii) the unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2022 (the "**Interim Financial Statements**"). Any reference to "Mullen Group", "we", "us", "our" or the "Corporation" refers to Mullen Group Ltd., a corporation incorporated under the laws of the province of Alberta and includes its predecessors where context so requires. The Annual Financial Statements and other additional information are available on the Corporation's issuer profile on SEDAR at www.sedar.com and on our website at www.mullen-group.com. These documents are also available upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com. This MD&A and the Interim Financial Statements were reviewed by Mullen Group's Audit Committee and approved by the Board of Directors (the "**Board**") on April 20, 2022.

The 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**"). The Interim Financial Statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements. Unless otherwise indicated, all amounts contained in this MD&A are in Canadian funds, which is the functional currency of the Corporation.

ADVISORY:

Forward-looking statements – This MD&A reflects management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities and contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. Wherever possible, words such as "anticipate", "may", "will", "believe", "expect", "potential", "continue", "view", "objective", "should", "plan", "intend", "ongoing", "estimate", "project" or similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant inherent risks and uncertainties, numerous assumptions and the risk that the predictions and forward-looking statements will not be achieved and that the actual results or events may differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable beliefs and assumptions, Mullen Group cannot assure readers that actual results will be consistent with these forward-looking statements. Some of the risks and uncertainties include, but are not limited to certain strategic, financial and operational risks, most important of which are: (i) strategic risks which include but are not limited to geopolitical risks such as a slowdown in the general economy; reduced oil and natural gas drilling and decreased oil sands and heavy oil activity; changes in legal frameworks applicable to the Corporation; e-commerce and supply chain evolution; acquisitions; competition; (ii) financial risks which include but are not limited to foreign exchange rates; change in the return on fair value of investments; prevailing interest rates; access to financing; reliance on major customers; customer relationships; impairment of goodwill or intangible assets; credit risk; and (iii) operational risks which include but are not limited to employees & labour relations; labour disruption and driver retention; cost escalation & fuel costs; accidents; cost of liability insurance; digital infrastructure & cyber security; business continuity; disaster recovery & crisis management; environmental liability risks; weather & seasonality; access to parts, development of new technology & relationships with key suppliers; pandemics; political unrest or wars; regulatory framework governing matters such as tax and the environment in the jurisdictions in which the Corporation conducts and will conduct its business; government mandates and litigation. Given these risks and uncertainties, readers should not place undue reliance on the forward-looking statements contained in this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other factors and 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 69 of the 2021 MD&A as well as in reports on file with applicable securities regulatory authorities and may be accessed through the Corporation's issuer profile on SEDAR at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements. Additional information regarding the forward-looking statements contained in this MD&A and the material assumptions made in preparing such statements may be found under the heading "Forward-Looking Information Statements" beginning on page 28 of this MD&A.

Non-GAAP Terms – Mullen Group reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate Mullen Group's ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance. These financial performance measures ("Non-GAAP Terms") are not recognized financial terms under Canadian generally accepted accounting principles ("Canadian GAAP"). For publicly accountable enterprises, such as Mullen Group, Canadian GAAP is governed by principles based on IFRS and interpretations of IFRIC. Management believes these Non-GAAP Terms are useful supplemental measures. These Non-GAAP Terms do not have standardized meanings and may not be comparable to similar measures presented by other entities. Specifically, adjusted OIBDA¹, adjusted operating margin¹, operating margin¹, net income – adjusted¹, earnings per share – adjusted¹, net capital expenditures¹, net debt¹, total net debt¹, net revenue¹, cash flow per share¹, and consolidated direct operating expenses – adjusted for CEWS and HAULISTIC LLC¹ are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. For the reader's reference, the definition, calculation and reconciliation of Non-GAAP Terms are provided in the "Glossary of Terms and Reconciliation of Non-GAAP Terms" section of this MD&A. The Non-GAAP Terms should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Investors are cautioned that these indicators should not replace the foregoing Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment, and debt.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

HIGHLIGHTS FOR THE QUARTER

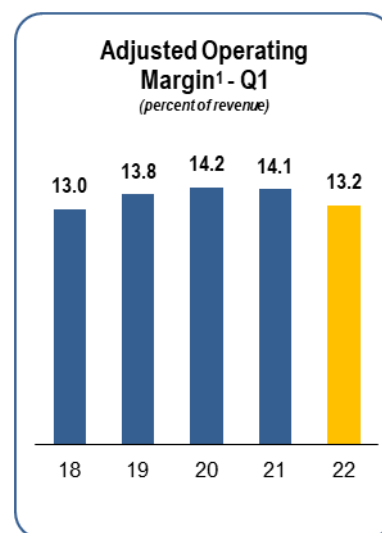
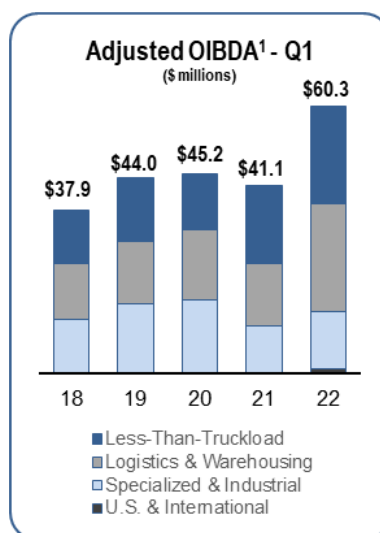
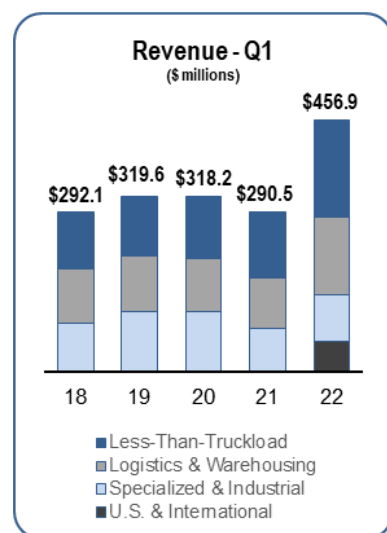
FINANCIAL PERFORMANCE:

Three month periods ended March 31

(unaudited)

(\$ millions, except share price and per share amounts)

	2022	2021	% Change
Revenue			
Less-Than-Truckload	\$ 175.6	\$ 120.7	45.5
Logistics & Warehousing	142.5	91.3	56.1
Specialized & Industrial Services	83.3	79.3	5.0
U.S. & International Logistics	57.3	—	—
Corporate and intersegment eliminations	(1.8)	(0.8)	—
Total Revenue	\$ 456.9	\$ 290.5	57.3
Adjusted OIBDA¹			
Less-Than-Truckload	\$ 23.1	\$ 18.3	26.2
Logistics & Warehousing	25.5	14.7	73.5
Specialized & Industrial Services	13.3	11.2	18.8
U.S. & International Logistics	1.1	—	—
Corporate	(2.7)	(3.1)	—
Total Adjusted OIBDA¹	\$ 60.3	\$ 41.1	46.7
Net Income & Share Information			
Net income	\$ 16.4	\$ 13.0	26.2
Earnings per share – basic and diluted	\$ 0.17	\$ 0.13	30.8
Net income – adjusted ¹	\$ 19.5	\$ 11.8	65.3
Earnings per share – adjusted ¹	\$ 0.21	\$ 0.12	75.0
Net cash from operating activities	\$ 18.0	\$ 39.0	(53.8)
Net cash from operating activities per share	\$ 0.19	\$ 0.40	(52.5)
Share price – March 31	\$ 13.36	\$ 12.18	9.7



¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



FINANCIAL POSITION:

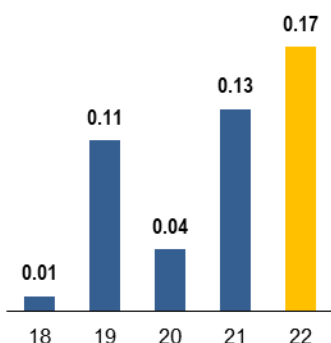
(unaudited) (\$ millions)	As at March 31		
	2022	2021	% Change
Cash (bank indebtedness)	\$ (115.0)	\$ 117.7	(197.7)
Working capital	56.4	247.1	(77.2)
Private Placement Debt	456.5	458.2	(0.4)
Total assets	1,959.2	1,709.6	14.6

- Well-structured balance sheet
 - Net debt¹ of \$588.6 million, which represents a debt to OIBDA ratio of 2.36:1
 - Private Placement Debt of \$456.5 million with no scheduled maturities until 2024 (average fixed rate of 3.93 percent per annum)
 - Private Placement Debt covenant of 2.55:1 (threshold 3.50:1)
- Real estate carrying costs of \$627.0 million

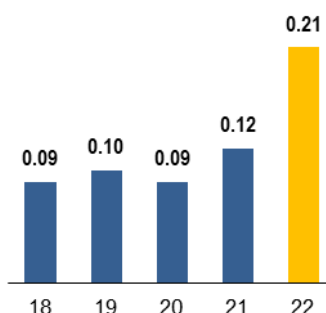
PROGRESS:

- Reduced the number of operating Business Units to improve efficiencies.
- Invested \$12.3 million towards net capital expenditures¹ and committed \$9.5 million to support our sustainability goals.
- Continued to invest in real estate to meet future growth plans, including: an expansion of a facility in Thunder Bay, Ontario; a new 33,000 square foot terminal in Kamloops, British Columbia; additional rail trackage at the Calgary, Alberta transload & distribution facility; and took possession of a 26,000 square foot cross dock facility in Mississauga, Ontario.
- Completed one acquisition – acquiring the business and assets of Monarch Messenger Services Ltd., an Alberta based provider of ambient, small package and courier delivery.
- Repurchased and cancelled 926,961 Common Shares at an average price of \$12.01.

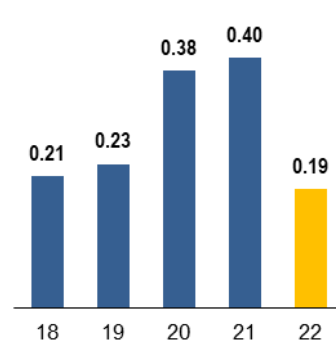
Earnings per Share - Q1



Earnings per Share - Adjusted¹ - Q1



Cash Flow per Share¹ - Q1



¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



CORPORATE PROFILE

Mullen Group is one of Canada's largest logistics companies, providing a wide range of transportation, warehousing and distribution services throughout North America. Over the past three decades we have grown the business by focusing on operational excellence and being the preferred acquirer for business owners seeking a liquidity event, targeting profitable, well managed companies with strong brands operating in sectors of the economy we view as having the best opportunity for growth.

**WE ACQUIRE
COMPANIES AND
STRIVE TO
IMPROVE THEIR
PERFORMANCE**

We operate a decentralized business model through a number of wholly-owned companies and limited partnerships ("**Business Units**"). Each Business Unit is responsible for the financial and safety performance of the business. Financial oversight, capital, strategic planning and a wide range of shared services, such as legal support, human resource planning, payroll expertise and technology, are the responsibility of the corporate office ("**Corporate Office**"). We believe this model is the best way to achieve superior profitability, excellence in safety and provide a quality work environment for all employees.

Our diversified portfolio of logistics companies are involved in different sectors of the economy, a strategy we believe offers the best opportunity for long-term growth. The business is reported in four operating segments, each differentiated by the type of service provided, equipment requirements or geographic location. The segments are aligned with how financial information is reviewed, capital is allocated and operating performance is measured.



Less-Than-Truckload

The LTL segment is comprised of 10 regionally based Business Units focused on providing LTL shipments to over 5,000 communities throughout central and western Canada. Our extensive terminal network is generally regarded as one of the largest LTL networks in Canada, serving local and regional markets with a first and final mile service.

The Business Units utilize advanced technologies to track shipments providing visibility to customers, bar coding and connected dock to enhance service capabilities, and to coordinate the pickup, handling and delivery of small packages, parcels and pallets of all types of freight, including consumer products, goods requiring specialty ambient or temperature-controlled handling as well as general shipments.



Logistics & Warehousing

We own a large network of Business Units providing shippers throughout North America with a wide range of trucking and logistics services, utilizing company owned equipment and an extensive network of contractors.

Our L&W segment Business Units services include, full truckload, specialized transportation, warehousing, fulfillment centres that handle e-commerce transactions, and transload facilities designed to handle intermodal containers and bulk shipments. Operations and customer service are supported by a robust suite of leading-edge technology solutions including transportation management systems, inventory management systems and warehouse management systems that are customizable and integrated into our customers operating systems..



Specialized & Industrial Services

We own unique businesses in sectors of the Canadian economy that require specialized equipment and services including the natural resources, energy, infrastructure and construction sectors.

Our S&I segment Business Units provide a wide range of service offerings including, water management, environmental reclamation services, turnaround services & industrial maintenance, services that support the drilling of wells, well servicing and fluid hauling associated with the oil and gas industry in western Canada, along with transportation and logistics services for complex pipeline and industrial projects. Our Business Units are strategically situated throughout western Canada and operate fleets of highly specialized equipment, which generate superior returns on capital employed over the long term.





U.S. & International Logistics

The transportation and movement of goods throughout the supply chain is critical to every company and an important component of the global economy representing approximately 10.0 percent of total GDP. 3PL, which is typically defined as providing non-asset based value-added transport services, is one of the fastest growing components of the supply chain. 3PL is a transportation management service, generally performed in conjunction with freight brokerage and requires a software platform to facilitate a seamless and efficient transaction, regardless of the mode of transportation required. In the United States, industry statistics estimate 3PL to be a U.S. \$160.0 billion industry.

The US 3PL segment currently consists of one Business Unit, HAUListic LLC ("**HAUListic**"), a Naperville, Illinois based 3PL provider, that offers a wide range of logistics services through a combination of professional representatives and a network of independently owned and managed Station Agents, to over 2,700 customers in the United States and Mexico, utilizing over 6,000 certified sub-contractor carriers. HAUListic owns a proprietary integrated transportation management platform, branded as SilverExpress, that provides real time information to customers and carriers, offering price and capacity discovery along with tracking and tracing capabilities.

Corporate

The Corporate Office is responsible for capital allocation along with all regulatory filings and public reporting requirements. In addition, we own a large portfolio of real estate, primarily operating facilities used in the business. These facilities are generally held in MT Investments Inc. ("**MT**"), a subsidiary of the Corporation, and leased to the Business Units on commercial terms. Minority investments in either public corporations and private companies are held in the Corporate Office.

A more detailed description of the Business Units is set forth in the Annual Information Form, which is dated February 9, 2022, and is available on the Corporation's issuer profile on SEDAR at www.sedar.com, our website at www.mullen-group.com or upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com.

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Capital Allocations

One of the key responsibilities of the Board is the allocation of capital. Our four priorities are: (i) acquisitions that improve our business and generate growth; (ii) capital expenditures to replace older inefficient equipment and to capture new growth opportunities, facilities and technology enhancements; (iii) consider and, if appropriate, allocate a portion of annual free cash to purchase for cancellation Common Shares in the open market pursuant to an approved normal course issuer bid ("**NCIB**"); and (iv) pay annual dividends to shareholders.

Senior Executives of the Corporation prepare a plan at the annual budget and strategy session for consideration by the Board. The approved plan for 2022 and progress to date is summarized below:

Acquisitions

Plan:

- Acquire competing and complementary companies.

Progress:

- Acquired the assets and business of Monarch Messenger Services Ltd. ("**Monarch**"), an Alberta based provider of ambient, small package and courier services. The business was integrated into existing Business Units.

Capital Expenditures

Plan:

- \$60.0 million allocated towards the replacement of operating equipment and for productivity improvements.
- \$10.0 million allocated to our sustainability initiatives, including next generation trucks.

Progress:

- Invested \$11.0 million in new operating equipment and \$1.3 million into facilities.
- Committed \$9.5 million towards sustainability initiatives for delivery in 2022 and 2023, primarily due to long lead times associated with supply chain disruptions.

Normal Course Issuer Bid

Plan:

- The TSX approved the renewal of the NCIB on March 10, 2022. Allocate up to \$100.0 million as part of a 3-year plan.

Progress:

- During the first quarter, 926,961 Common Shares were purchased for cancellation at an average price of \$12.01 per share for a total of \$11.1 million.

Dividends

Plan:

- Set the annual dividend of \$0.60 per Common Share, payable in monthly installments of \$0.05 per Common Share.

Progress:

- Declared \$0.15 per Common Share and paid \$13.2 million to shareholders.

Subsequent Events

Subsequent to March 31, 2022, until the date of this report, we repurchased 119,535 Common Shares at a total cost of \$1.6 million.



CONSOLIDATED FINANCIAL RESULTS – THREE MONTH PERIOD ENDED MARCH 31, 2022

Executive Summary

We are having an excellent start to 2022 with consolidated revenues reaching record levels, primarily due to our previously announced acquisitions. Rising fuel surcharges, directly associated with higher fuel costs, and general freight rate increases also contributed to the strong revenue growth. These impressive results were achieved despite several disruptions in the quarter, factors which delayed and interrupted shipments, including severe weather in northern Ontario and Manitoba, key markets for several Business Units, supply chain bottlenecks in the major markets of Vancouver and Toronto and border blockades that caused major shipping delays for international traffic during late January and early February. From a macro perspective, economic conditions remained robust. We did not, however, experience any material increase in general freight shipments, indicating that consumer demand peaked last quarter especially as it relates to consumer products.

In terms of operating performance, it was definitely a challenging quarter highlighted by surging costs, the most notable being fuel expense and aggressive spot market pricing by subcontractors, which negatively impacted many of our Business Units that utilize these service providers. Entering the year we expected inflationary pressures to impact expenses, which we covered by increasing customer rates. We did not, however, anticipate the delays and disruptions incurred in the quarter or the geopolitical events that unfolded in late February, which drove commodity prices and crude oil to multi year highs causing a fuel price spike in the quarter. Increases in fuel expense are generally recovered through fuel surcharges but this is always a lagging recovery. In addition, we generally do not make margin on fuel surcharges as they are considered as a cost recovery. Extraordinary rising fuel prices was the primary reason we did not meet our margin improvement target in quarter one. As a result, overall operating income before depreciation and amortization ("**OIBDA**") increased along with the rise in consolidated revenue, reasonable given all of the unexpected events.

Outlook

Using the month of March, which was our best month in the quarter, as an indicator of future activity, we expect overall freight demand and our revenues to remain strong for the foreseeable future, although consumer product demand may slow due to consumers being stretched by inflation. Any reduction in consumer discretionary demand should be offset by increases in the demand for capital goods, which appears to be gaining momentum as business investment accelerates. There is also increasing evidence that supply chain bottlenecks will improve from current levels as health protocols associated with COVID-19 are relaxed and overall freight demand moderates. This will undoubtedly help improve productivity levels and reduce excessive costs associated with the bottlenecks. Surging wage costs and rising fuel costs remain a major concern suggesting that additional rate increases to customers are warranted. These will be difficult discussions to have, but in this rising cost environment we must increase rates to maintain margins.

Revenue

Revenue is generated by the Corporation through its Business Units utilizing a combination of company assets that are either owned by the Business Unit or leased ("**Company**"); owner operators who provide trucks and/or trailers and work exclusively for the Business Unit under annual contracts and subcontractors who own their own equipment and are used during times of peak demand (collectively, "**Contractors**").

Q1 Consolidated						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	293.8	64.3	204.4	70.4	89.4	43.7
Contractors	161.5	35.3	84.8	29.2	76.7	90.4
Other	1.6	0.4	1.3	0.4	0.3	23.1
Total	456.9	100.0	290.5	100.0	166.4	57.3

- Record quarterly revenue increasing by \$166.4 million due to \$135.1 million of incremental revenue from acquisitions, a \$14.0 million increase in fuel surcharge revenue (excluding acquisitions) and from a \$17.3 million increase in internal growth.
- Total fuel surcharge revenue increased by \$25.1 million to \$45.2 million from \$20.1 million in 2021 due to sharply higher diesel fuel prices and acquisitions.
- Internal growth of \$17.3 million or 6.4 percent was experienced within several of our established Business Units.



Direct Operating Expenses

Direct operating expenses ("DOE") include two main categories of expenses: direct costs associated with generating Company revenue and costs incurred to hire Contractors, namely owner operators or subcontractors.

Q1 Consolidated						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Company						
Wages and benefits	68.2	23.2	55.0	26.9	13.2	24.0
CEWS	—	—	(4.3)	(2.1)	4.3	(100.0)
Fuel	32.2	11.0	19.9	9.7	12.3	61.8
Repairs and maintenance	32.8	11.2	26.6	13.0	6.2	23.3
Purchased transportation	49.8	17.0	22.0	10.8	27.8	126.4
Operating supplies	18.4	6.3	15.4	7.5	3.0	19.5
Other	8.3	2.7	6.6	3.3	1.7	25.8
	209.7	71.4	141.2	69.1	68.5	48.5
Contractors	127.4	78.9	63.7	75.1	63.7	100.0
Total	337.1	73.8	204.9	70.5	132.2	64.5

*as a percentage of respective Consolidated revenue

- Company expense increased in both absolute dollar terms and as a percentage of Company revenue due to higher inflationary costs, most notably fuel associated with the rise in diesel fuel prices and from higher purchased transportation, which was mainly associated with our new acquisitions.
- The increase in Contractors expense in both absolute dollar terms and as a percentage of Contractors revenue was primarily due to the addition of the US 3PL segment.
- Consolidated DOE – Adjusted for the Canada Emergency Wage Subsidy ("CEWS") and HAUListic¹, remained relatively consistent as a percentage of revenue at 71.3 percent as compared to 72.0 percent in 2021 as our Business Units were able to offset inflationary costs through rate increases.

Selling and Administrative Expenses

Selling and administrative ("S&A") are expenses incurred to support the operations of Mullen Group and its Business Units.

Q1 Consolidated						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Wages and benefits	34.8	7.6	24.1	8.3	10.7	44.4
CEWS	—	—	(1.7)	(0.6)	1.7	(100.0)
Communications, utilities and general supplies	17.5	3.8	11.8	4.1	5.7	48.3
Profit share	3.5	0.8	2.5	0.9	1.0	40.0
Foreign exchange	0.6	0.1	0.5	0.2	0.1	20.0
Stock-based compensation	0.1	—	0.1	—	—	—
Rent and other	3.0	0.7	1.2	0.4	1.8	150.0
Total	59.5	13.0	38.5	13.3	21.0	54.5

*as a percentage of total Consolidated revenue

- Incremental S&A of \$14.7 million from acquisitions and the \$1.7 million recovery of CEWS in 2021 were the main reasons for the increase in S&A expenses from the prior year.
- Utility costs increased from the prior year due to harsh winter conditions along with higher utility rates.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



OIBDA

Management relies on OIBDA as a measurement since it provides an indication of our ability to generate cash from our principal business activities prior to depreciation and amortization, financing or taxation in various jurisdictions.

Q1 Consolidated						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%	\$	%	\$	%
LTL	23.1	38.3	19.3	41.0	3.8	19.7
L&W	25.5	42.3	15.9	33.8	9.6	60.4
S&I	13.3	22.1	15.0	31.8	(1.7)	(11.3)
US 3PL	1.1	1.8	—	—	1.1	—
Corporate	(2.7)	(4.5)	(3.1)	(6.6)	0.4	(12.9)
Total	60.3	100.0	47.1	100.0	13.2	28.0

- OIBDA increased by \$13.2 million due to the \$13.4 million of incremental OIBDA being generated from acquisitions.
- Operating margin¹ declined by 3.0 percent to 13.2 percent from 16.2 percent in 2021 due to a change in business mix associated with acquisitions, \$6.0 million of CEWS recorded in 2021 and the detrimental impact of higher fuel surcharge revenue.
- Adjusted OIBDA¹ was \$60.3 million or 13.2 percent of revenue as compared to \$41.1 million or 14.1 percent in 2021. The increase of \$19.2 million was mainly due to \$13.4 million of Adjusted OIBDA¹ from acquisitions and \$5.8 million of internal growth.
- Adjusted operating margin¹ declined by 0.9 percent to 13.2 percent from 14.1 percent in 2021. Excluding the US 3PL segment, Adjusted operating margin¹ would have increased by 0.7 percent to 14.8 percent in the first quarter of 2022 as compared to the prior year.

Depreciation of Property, Plant and Equipment

- The increase in the LTL segment, the L&W segment and the US 3PL segment was mainly due to acquisitions.
- The decrease in the S&I segment was due to the lower amount of capital expenditures made within this segment, the sale of older assets by certain Business Units and from the Corporation's declining balance method of depreciation.

Q1 Consolidated			
(unaudited) (\$ millions)	2022	2021	Change
	\$	\$	\$
LTL	5.0	4.4	0.6
L&W	3.8	2.8	1.0
S&I	6.5	8.1	(1.6)
US 3PL	0.5	—	0.5
Corporate	1.5	1.5	—
Total	17.3	16.8	0.5

Depreciation of Right-of-Use Assets

- The increase in the LTL segment, the L&W segment and the US 3PL segment was mainly due to acquisitions.
- The decrease in the S&I segment was due to certain right-of-use assets that had expired and were not renewed.

Q1 Consolidated			
(unaudited) (\$ millions)	2022	2021	Change
	\$	\$	\$
LTL	3.4	1.3	2.1
L&W	1.9	1.3	0.6
S&I	0.2	0.4	(0.2)
US 3PL	0.2	—	0.2
Corporate	—	—	—
Total	5.7	3.0	2.7

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



Amortization of Intangible Assets

Amortization of intangible assets was \$4.6 million in the first quarter as compared to \$5.0 million in 2021. This decrease of \$0.4 million mainly resulted from certain intangible assets becoming fully amortized, which was somewhat offset by the additional amortization recorded on the intangible assets associated with our recent acquisitions.

Finance Costs

Finance costs were \$8.0 million in the first quarter as compared to \$7.0 million in 2021. The increase of \$1.0 million was mainly attributable to a greater amount of interest expense being recorded on the Credit Facilities (as hereafter defined on page 24) and from greater lease liabilities by virtue of our recent acquisitions.

Net Foreign Exchange Loss (Gain)

The details of the net foreign exchange loss (gain) are as follows:

(unaudited) (\$ millions)	Three month periods ended March 31		
	CDN. \$ Equivalent		
	2022		2021
Foreign exchange (gain) loss on U.S. \$ debt	(4.2)		(3.6)
Foreign exchange loss (gain) on Cross-Currency Swaps	7.5		3.5
Net foreign exchange loss (gain)	3.3		(0.1)

We recorded a foreign exchange gain of \$4.2 million related to our \$229.0 million U.S. dollar debt, due to the \$0.0182 strengthening of the Canadian dollar relative to the U.S. dollar during the first quarter of 2022. We recorded a foreign exchange loss on Cross-Currency Swaps of \$7.5 million in the first quarter of 2022 as compared to a \$3.5 million loss in 2021. This was due to the change over the period in the fair value of these Cross-Currency Swaps.

Other (Income) Expense

(unaudited) (\$ millions)	Three month periods ended March 31			
	2022	2021	Change	
Change in fair value of investments	\$ (0.2)	\$ (0.4)	\$	0.2
Gain on sale of property, plant & equipment	(0.1)	(0.2)		0.1
Earnings from equity investments	(1.2)	(0.2)		(1.0)
Other (income) expense	\$ (1.5)	\$ (0.8)	\$	(0.7)

Other income was \$1.5 million in the first quarter as compared to other income of \$0.8 million in 2021. The \$0.7 million positive variance was mainly attributable to a greater amount of earnings from our equity investment in Kriska Transportation Group Limited due to revenue growth largely from rate increases and acquisitions resulting in margin improvement.

Income Taxes

(unaudited) (\$ millions)	Three month periods ended March 31			
	2022	2021		
Income before income taxes	\$ 22.9	\$ 16.2		
Combined statutory tax rate	25%	25%		
Expected income tax	5.7	4.0		
Add (deduct):				
Non-deductible (taxable) portion of net foreign exchange loss (gain)	0.4	—		
Non-deductible (taxable) portion of the change in fair value of investments	—	(0.1)		
Changes in unrecognized deferred tax asset	0.4	(0.9)		
Other	—	0.2		
Income tax expense	\$ 6.5	\$ 3.2		

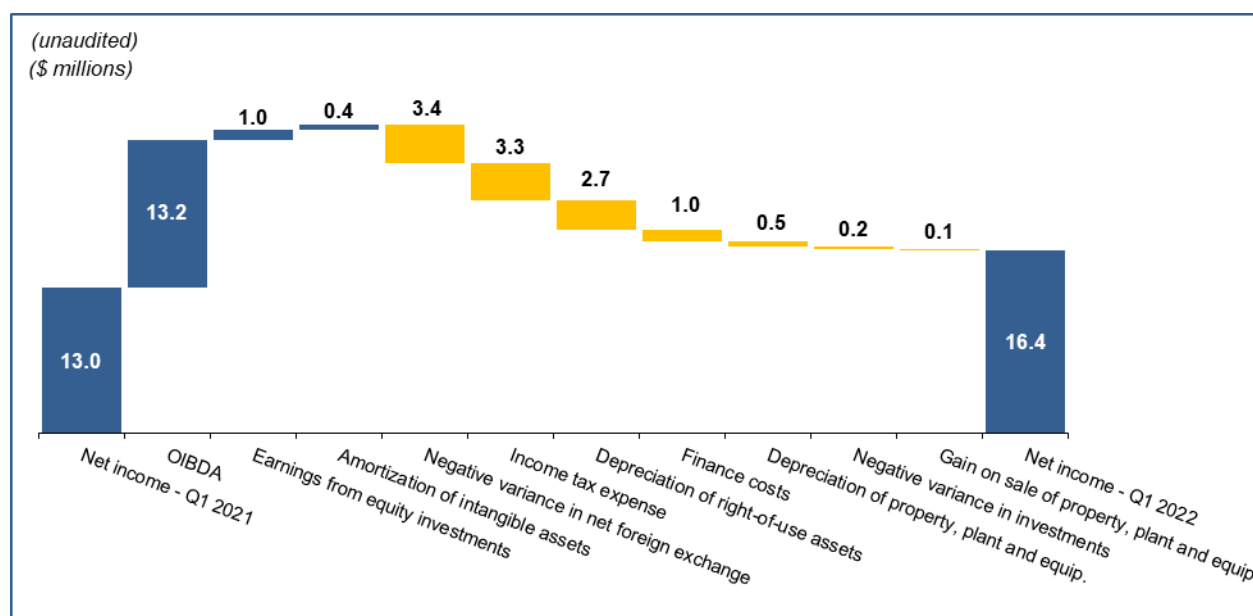
Income tax expense was \$6.5 million in the first quarter of 2022 as compared to \$3.2 million in 2021. The increase of \$3.3 million was mainly attributable to greater income generated in 2022 as compared to 2021 and from the changes in unrecognized deferred tax asset.



Net Income

(unaudited) (\$ millions, except share and per share amounts)	Three month periods ended March 31		
	2022	2021	% Change
Net income	\$ 16.4	\$ 13.0	26.2
Weighted average number of Common Shares outstanding	94,184,879	96,849,066	(2.8)
Earnings per share – basic	\$ 0.17	\$ 0.13	30.8

Net income increased to \$16.4 million in the first quarter as compared to \$13.0 million in 2021. The factors contributing to the increase in net income include:



Basic earnings per share increased to \$0.17 in the first quarter as compared to \$0.13 in 2021. This increase resulted from the effect of the \$3.4 million increase in net income. The weighted average number of Common Shares outstanding decreased from 96,849,066 to 94,184,879, which was due to the repurchase and cancellation of Common Shares under the NCIB being partially offset by the issuance of 750,000 Common Shares on the APPS Transport Group Inc. including its operating businesses (collectively, "APPS") acquisition and 400,000 Common Shares on the DirectIT Group of Companies ("DirectIT") acquisition.

Net Income – Adjusted¹ and Earnings per Share – Adjusted¹

Net income – adjusted¹ and earnings per share – adjusted¹ increased to \$19.5 million or \$0.21 in 2022 as compared to \$11.8 million or \$0.12, respectively. Management adjusts net income and earnings per share by excluding specific factors to more clearly reflect earnings from an operating perspective.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



SEGMENTED INFORMATION – THREE MONTH PERIOD ENDED MARCH 31, 2022

SUMMARY

Three month period ended March 31, 2022 (unaudited) (\$ millions)	LTL	L&W	S&I	US 3PL	Corporate and intersegment eliminations	Total
	\$	\$	\$	\$	\$	\$
Revenue	175.6	142.5	83.3	57.3	(1.8)	456.9
Direct operating expenses	127.1	100.0	60.5	52.6	(3.1)	337.1
Selling and administrative expenses	25.4	17.0	9.5	3.6	4.0 ¹	59.5
OIBDA	23.1	25.5	13.3	1.1	(2.7)	60.3
Net capital expenditures ²	6.4	4.6	0.1	—	1.2	12.3

Three month period ended March 31, 2021 (unaudited) (\$ millions)	LTL	L&W	S&I	US 3PL	Corporate and intersegment eliminations	Total
	\$	\$	\$	\$	\$	\$
Revenue	120.7	91.3	79.3	—	(0.8)	290.5
Direct operating expenses	84.7	65.2	56.4	—	(1.4)	204.9
Selling and administrative expenses	16.7	10.2	7.9	—	3.7 ³	38.5
OIBDA	19.3	15.9	15.0	—	(3.1)	47.1
Net capital expenditures ²	7.1	2.6	(0.7)	—	0.9	9.9

¹ Includes a \$0.3 million foreign exchange loss.

² Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

³ Includes a \$0.4 million foreign exchange loss.

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Highlights

The transportation, handling and distribution of less-than-truckload freight is an area of strategic focus for our company. We continue to identify new growth opportunities that will improve our service coverage and lane density. Acquisitions are an important part of this growth strategy and the primary reason segment revenues grew in the first quarter of 2022. Overall freight volumes were comparable to last year indicating that the consumer part of the economy remained solid. The challenging part was managing a number of unplanned events that emerged during the quarter, including severe winter conditions in northern Ontario and Manitoba, a key market for Gardewine Group Limited Partnership ("**Gardewine**"), disruptions related to the protests and blockades, freight bottlenecks in the major distribution hubs of Vancouver and Toronto, and surging costs, the most notable being fuel. These events were not considered in our pricing strategy at the beginning of the year and contributed to higher operating costs and lower productivity levels, negatively impacting operations and financial performance.

Overall segment results were up over the prior year with the month of March being quite strong as weather improved, volumes recovered and pricing increases were implemented.

Market Outlook

While we remain constructive on the economy, expectations are that freight volumes will moderate throughout the balance of the year, as consumer demand normalizes after two years of exceptional growth, driven by robust consumer spending and shippers adjusting buying cycles due to supply chain constraints. This surge in freight demand, which was unprecedented, contributed meaningful top line growth but it also led to higher costs as our Business Units struggled to meet customer requests. We will use any moderation in freight demand to focus on productivity initiatives and improve operating margins¹ by concentrating on yield management. Pricing will be adjusted to recover the rise in operating expenses. We will also continue to pursue acquisitions that improve lane density, or expand our network coverage. We are actively reviewing a number of files that may fit in our network.

Revenue

Q1 – LTL						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	157.5	89.7	106.3	88.1	51.2	48.2
Contractors	17.9	10.2	14.3	11.8	3.6	25.2
Other	0.2	0.1	0.1	0.1	0.1	100.0
Total	175.6	100.0	120.7	100.0	54.9	45.5

- Segment revenue increased by \$54.9 million, or 45.5 percent to \$175.6 million as compared to \$120.7 million in 2021.
- Incremental revenue of \$44.3 million from acquisitions (APPS, R.S. Harris Transport Ltd. and DirectIT) accounted for the majority of the increase in segment revenue.
- Fuel surcharge revenue increased by \$8.6 million (excluding acquisitions) due to the rise in diesel fuel prices.
- Revenue from our established Business Units grew modestly by \$2.0 million year over year due to the continued strength in consumer spending, which was virtually offset by severe winter conditions in certain markets.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



Direct Operating Expenses

Q1 – LTL						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Company						
Wages and benefits	35.9	22.8	28.4	26.8	7.5	26.4
CEWS	—	—	(0.7)	(0.7)	0.7	(100.0)
Fuel	19.0	12.1	12.1	11.4	6.9	57.0
Repairs and maintenance	14.5	9.2	11.3	10.6	3.2	28.3
Purchased transportation	39.9	25.3	20.1	18.9	19.8	98.5
Operating supplies	2.5	1.6	1.6	1.5	0.9	56.3
Other	4.4	2.8	3.6	3.4	0.8	22.2
	116.2	73.8	76.4	71.9	39.8	52.1
Contractors	10.9	60.9	8.3	58.0	2.6	31.3
Total	127.1	72.4	84.7	70.2	42.4	50.1

*as a percentage of respective LTL revenue

- DOE were \$127.1 million as compared to \$84.7 million in 2021. The increase of \$42.4 million was due to the \$54.9 million increase in segment revenue.
- As a percentage of revenue these expenses increased by 2.2 percent to 72.4 percent from 70.2 percent in 2021 due to higher Company and Contractors costs.
- Company costs increased as a percentage of Company revenue due to higher purchased transportation associated with our new acquisitions, CEWS recovery of \$0.7 million in 2021 and from higher fuel costs.
- Cost of Contractors as a percentage of Contractors revenue increased due to our asset light acquisition of DirectIT that recognizes slightly lower margins within its courier and small package business.

Selling and Administrative Expenses

Q1 – LTL						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Wages and benefits	14.9	8.5	10.4	8.6	4.5	43.3
CEWS	—	—	(0.3)	(0.2)	0.3	(100.0)
Communications, utilities and general supplies	8.1	4.6	5.4	4.5	2.7	50.0
Profit share	1.0	0.6	0.9	0.7	0.1	11.1
Foreign exchange	—	—	—	—	—	—
Rent and other	1.4	0.8	0.3	0.2	1.1	366.7
Total	25.4	14.5	16.7	13.8	8.7	52.1

*as a percentage of total LTL revenue

- Incremental S&A of \$6.3 million from acquisitions and the \$0.3 million recovery of CEWS in 2021 were the main reasons for the increase in S&A expenses from the prior year.



OIBDA

- OIBDA increased by \$3.8 million with acquisitions contributing \$6.8 million, offset by lower OIBDA from Gardewine and the \$1.0 million of CEWS recovery in 2021.
- Operating margin¹ declined by 2.8 percent primarily due to higher costs for fuel and purchased transportation. In addition, 2021 results included the CEWS recovery.
- Adjusted OIBDA¹ increased to \$23.1 million, or 13.2 percent, of revenue as compared to \$18.3 million, or 15.2 percent, in 2021.

Capital Expenditures

- The majority of the capital invested in the first quarter of 2022 consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient equipment.

Q1 – LTL			
(unaudited) (\$ millions)	2022	2021	Change
	\$	\$	\$
Purchase of property, plant and equipment	6.8	7.6	(0.8)
Proceeds on sale of property, plant and equipment	(0.4)	(0.5)	0.1
Net capital expenditures ¹	6.4	7.1	(0.7)



LOGISTICS & WAREHOUSING

Highlights

An excellent start to the year for the L&W segment. Unlike the LTL segment, which is highly levered to the consumer spend part of the economy, the L&W segment is highly correlated to capital investment, deriving the majority of revenues from industrial customers, infrastructure spending and large capital projects. Acquisitions are an important part of our growth strategy for this segment, given our belief that the economy is entering a period of increased capital investment. The acquisition of Bandstra Transportation Systems Ltd. ("**Bandstra**") in 2021, a leading supplier of transportation services in British Columbia, where major capital projects are driving economic growth, is an example of this strategy. We acquire companies with strong brands in markets with growth opportunities. In addition to the strong performance of Bandstra, segment results in the quarter were driven by a rebound in demand across most operating businesses. Cost pressures were, and continue to be, a major issue in the quarter with most costs escalating significantly year over year, especially fuel expense. Our Business Units did an excellent job mitigating the cost push with general rate increases and fuel surcharges, maintaining operating margins¹. The cross border market, freight moving between Canada and the United States, saw the largest freight increases, a situation we believe is related to the government mandated vaccine requirements for drivers traveling to and from the United States, which effectively reduced the availability of qualified drivers. With demand holding stable, customers were forced to pay higher rates to get freight moved, a trend that will remain as long as vaccine mandates remain.

Market Outlook

We believe that this segment will continue to produce strong results based on various expectations that freight demand will remain robust given that the market is in the early stages of a capital reinvestment cycle, governments have announced infrastructure programs accompanied by reduced capacity in the trucking industry. We have 12 Business Units well positioned to continue capitalizing on these strong market fundamentals.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



Revenue

Q1 – L&W						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	70.4	49.4	36.9	40.4	33.5	90.8
Contractors	71.8	50.4	54.3	59.5	17.5	32.2
Other	0.3	0.2	0.1	0.1	0.2	200.0
Total	142.5	100.0	91.3	100.0	51.2	56.1

- Segment revenue increased by \$51.2 million, or 56.1 percent to \$142.5 million as compared to \$91.3 million in 2021.
- Incremental revenue of \$29.0 million from acquisitions (Bandstra and Tri Point Intermodal Services Inc.) accounted for the majority of the increase in segment revenue.
- Fuel surcharge revenue increased by \$4.3 million (excluding acquisitions) due to the rise in diesel fuel prices.
- Internal growth of \$17.9 million was due to higher spot market prices, an overall improvement in freight demand at virtually all of our Business Units and from a strong performance at Kleysen Group Ltd. ("Kleysen Group").

Direct Operating Expenses

Q1 – L&W						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Company						
Wages and benefits	15.0	21.3	8.5	23.1	6.5	76.5
CEWS	—	—	(0.8)	(2.2)	0.8	(100.0)
Fuel	6.9	9.8	2.8	7.6	4.1	146.4
Repairs and maintenance	6.8	9.7	4.5	12.2	2.3	51.1
Purchased transportation	9.7	13.8	1.4	3.8	8.3	592.9
Operating supplies	6.5	9.2	6.1	16.5	0.4	6.6
Other	2.1	3.0	1.1	3.0	1.0	90.9
	47.0	66.8	23.6	64.0	23.4	99.2
Contractors	53.0	73.8	41.6	76.6	11.4	27.4
Total	100.0	70.2	65.2	71.4	34.8	53.4

*as a percentage of respective L&W revenue

- DOE were \$100.0 million as compared to \$65.2 million in 2021. The increase of \$34.8 million was due to the \$51.2 million increase in segment revenue.
- As a percentage of revenue these expenses decreased by 1.2 percent to 70.2 percent from 71.4 percent in 2021 due to lower Contractors costs being somewhat offset by higher Company costs.
- Company costs increased as a percentage of Company revenue due to higher purchased transportation associated with our new acquisitions, CEWS recovery of \$0.8 million in 2021 and from higher fuel costs. These increases were somewhat offset by lower operating supplies that were impacted by more efficient operations at our recently reconstructed salt production facility in Esterhazy, Saskatchewan.
- Cost of Contractors as a percentage of Contractors revenue decreased due to the greater availability of Contractors in certain markets.



Selling and Administrative Expenses

Q1 – L&W						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Wages and benefits	10.4	7.3	6.8	7.4	3.6	52.9
CEWS	—	—	(0.4)	(0.4)	0.4	(100.0)
Communications, utilities, and general supplies	4.2	2.9	2.6	2.8	1.6	61.5
Profit share	1.7	1.2	0.8	0.9	0.9	112.5
Foreign exchange	0.1	0.1	0.1	0.1	—	—
Rent and other	0.6	0.4	0.3	0.4	0.3	100.0
Total	17.0	11.9	10.2	11.2	6.8	66.7

*as a percentage of total L&W revenue

- Incremental S&A of \$4.3 million from acquisitions and the \$0.4 million recovery of CEWS in 2021 were the main reasons for the increase in S&A expenses from the prior year.

OIBDA

- OIBDA increased by \$9.6 million due to \$5.1 million of incremental OIBDA from acquisitions and from the strong performance at several of our Business Units including Kleysen Group, which was somewhat offset by \$1.2 million of CEWS being recognized in 2021.
- Operating margin¹ improved by 0.5 percent to 17.9 percent from 17.4 percent in 2021 due to several Business Units implementing rate increases that more than offset higher inflationary costs.
- Adjusted OIBDA¹ was \$25.5 million or 17.9 percent of revenue as compared to \$14.7 million or 16.1 percent in 2021. The increase of \$10.8 million was mainly due to \$5.1 million of Adjusted OIBDA¹ from acquisitions.
- Adjusted operating margin¹ increased by 1.8 percent to 17.9 percent from 16.1 percent in 2021 due to the strong performance at several of our Business Units including Kleysen Group.

Capital Expenditures

- The majority of the capital invested in the first quarter of 2022 consisted of trucks, trailers and various pieces of operating equipment to replace some older less efficient equipment.

Q1 – L&W			
(unaudited) (\$ millions)	2022	2021	Change
	\$	\$	\$
Purchase of property, plant and equipment	4.9	2.9	2.0
Proceeds on sale of property, plant and equipment	(0.3)	(0.3)	—
Net capital expenditures ¹	4.6	2.6	2.0

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".





Highlights

The construction, major pipeline project work and oilfield related activity, the primary drivers of the S&I segment, remained steady year over year. However, because this sector of the economy has yet to fully recover to pre-COVID levels, there has been little opportunity to grow or achieve any pricing leverage. As a result, our first quarter results underwhelmed in terms of both revenues and operating profitability. One positive development was the strong performance of our dewatering and water management business. Canadian Dewatering L.P. ("**Canadian Dewatering**") had an excellent quarter in what is traditionally a slow period.

Over the past two years this segment has benefitted from CEWS, supporting profitability during the COVID-19 induced slowdown. Today, however, the Government of Canada has let the CEWS program expire. This has had a direct impact on profitability of several Business Units in the segment, a negative variance of \$3.8 million on a year over year comparative basis. This is an industry wide scenario that can only be rectified by additional demand and pricing increases.

Market Outlook

After several years of underperformance, there is reason for optimism that this segment will begin to recover in the last half of 2022. Rising commodity prices along with a growing consensus that additional supply is needed to balance the crude oil and natural gas markets should result in a substantial increase in capital spending by oil and natural gas producers. If this occurs, pricing will undoubtedly improve from the current unsustainable levels. Furthermore, additional infrastructure projects are being considered, which will drive future demand for the services our Business Units offer.

Revenue

Q1 – S&I						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	66.0	79.2	61.3	77.3	4.7	7.7
Contractors	17.1	20.5	17.8	22.4	(0.7)	(3.9)
Other	0.2	0.3	0.2	0.3	—	—
Total	83.3	100.0	79.3	100.0	4.0	5.0

- Segment revenue increased by \$4.0 million, or 5.0 percent to \$83.3 million as compared to \$79.3 million in 2021.
- Incremental revenue of \$4.5 million from the acquisition of Babine Truck & Equipment Ltd. ("**Babine**") accounted for the majority of the increase in segment revenue while fuel surcharge revenue increased by \$1.1 million.
- Revenue from our established Business Units declined by \$1.6 million due to a \$9.3 million decrease in pipeline hauling and stringing services revenue that was somewhat offset by greater revenue from those Business Units involved in the transportation of fluids and servicing of wells and from greater demand at Canadian Dewatering.



Direct Operating Expenses

Q1 – S&I						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Company						
Wages and benefits	17.4	26.4	18.2	29.7	(0.8)	(4.4)
CEWS	—	—	(2.8)	(4.6)	2.8	(100.0)
Fuel	6.4	9.7	5.0	8.2	1.4	28.0
Repairs and maintenance	11.5	17.4	10.8	17.6	0.7	6.5
Purchased transportation	0.3	0.5	0.5	0.8	(0.2)	(40.0)
Operating supplies	9.5	14.4	7.8	12.7	1.7	21.8
Other	1.7	2.5	1.5	2.5	0.2	13.3
	46.8	70.9	41.0	66.9	5.8	14.1
Contractors	13.7	80.1	15.4	86.5	(1.7)	(11.0)
Total	60.5	72.6	56.4	71.1	4.1	7.3

*as a percentage of respective S&I revenue

- DOE were \$60.5 million as compared to \$56.4 million in 2021. The increase of \$4.1 million was mainly due to the \$4.0 million increase in segment revenue.
- As a percentage of revenue these expenses increased by 1.5 percent to 72.6 percent from 71.1 percent in 2021 due to higher Company costs being somewhat offset by lower Contractors costs.
- Company costs increased as a percentage of Company revenue due to higher fuel and operating supplies along with recognizing \$2.8 million of CEWS in 2021.
- Cost of Contractors as a percentage of Contractors revenue decreased due to a greater proportion of low margin subcontractors' costs associated with pipeline hauling and stringing services in the first quarter of 2021.

Selling and Administrative Expenses

Q1 – S&I						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Wages and benefits	5.3	6.4	5.2	6.6	0.1	1.9
CEWS	—	—	(1.0)	(1.3)	1.0	(100.0)
Communications, utilities and general supplies	3.3	4.0	2.7	3.4	0.6	22.2
Profit share	0.8	1.0	0.8	1.0	—	—
Foreign exchange	—	—	—	—	—	—
Rent and other	0.1	—	0.2	0.3	(0.1)	(50.0)
Total	9.5	11.4	7.9	10.0	1.6	20.3

*as a percentage of total S&I revenue

- Incremental S&A of \$0.6 million from acquisitions, salary increases and the \$1.0 million recovery of CEWS in 2021 were the main reasons for the increase in S&A expenses from the prior year.

OIBDA

- OIBDA decreased by \$1.7 million due to \$3.8 million of CEWS being recognized in 2021, and a \$2.0 million decline at Premay Pipeline Hauling L.P. These decreases were somewhat offset by improved results at Canadian Dewatering, greater demand from the Business Units involved in the transportation of fluids and servicing of wells, and drilling related services as higher commodity prices resulted in increased activity levels in the Western Canadian Sedimentary Basin ("WCSB").
- Operating margin¹ declined by 2.9 percent to 16.0 percent from 18.9 percent in 2021 due to \$3.8 million of CEWS in 2021 as well as a change in revenue mix.



- Adjusted OIBDA¹ was \$13.3 million or 16.0 percent of revenue as compared to \$11.2 million or 14.1 percent in 2021. The increase of \$2.1 million was mainly due to improved commodity prices resulting in greater activity in the WCSB as well as strong results at Canadian Dewatering.
- Adjusted operating margin¹ increased by 1.9 percent to 16.0 percent from 14.1 percent in 2021 due to the strong performance at Canadian Dewatering.

Capital Expenditures

- The majority of the capital invested in the first quarter of 2022 consisted of pumps, generators, and water management equipment to support demand at Canadian Dewatering.

Q1 – S&I			
(unaudited) (\$ millions)	2022	2021	Change
	\$	\$	\$
Purchase of property, plant and equipment	1.1	1.0	0.1
Proceeds on sale of property, plant and equipment	(1.0)	(1.7)	0.7
Net capital expenditures ¹	0.1	(0.7)	0.8



U.S. & INTERNATIONAL LOGISTICS

Highlights

Freight demand in the United States and international markets remained strong during the first quarter, for many of the same reasons demand was strong in Canada. Consumer spending was robust, the supply chain was still playing catch up to the 2021 bottlenecks in the system and the supply of available truck capacity remained extremely tight. HAUListic had a very strong revenue flow, however margins were negatively impacted by higher than normal Contractors expense due to aggressive spot market pricing, costs that could not totally be recovered from customers. We view this as a temporary situation primarily because the freight surge has now moderated from extremely high levels in the early part of the quarter. In addition, inflationary pressures continued to increase wages and benefits, the principal administrative expense at HAUListic.

Market Outlook

Recent evidence has emerged suggesting that freight demand will moderate in the short term as the supply chain stabilizes and consumer spending in discretionary items moderates due to inflationary pressures. As freight demand slows we expect Contractors will adjust pricing. This should not have a material impact on HAUListic due to the nature of the 3PL business.

Revenue

Q1 – US 3PL						
(unaudited) (\$ millions)	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	—	—	—	—	—	—
Contractors	57.3	100.0	—	—	57.3	—
Other	—	—	—	—	—	—
Total	57.3	100.0	—	—	57.3	—

- HAUListic generated \$57.3 million of gross freight revenue, which was above expectations due to the strong U.S. freight market and new business generated from the addition of new regional Station Agents.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



Direct Operating Expenses

Q1 – US 3PL						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Company						
Wages and benefits	—	—	—	—	—	—
CEWS	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
Repairs and maintenance	—	—	—	—	—	—
Purchased transportation	—	—	—	—	—	—
Operating supplies	—	—	—	—	—	—
Other	0.3	—	—	—	0.3	—
	0.3	—	—	—	0.3	—
Contractors	52.3	91.3	—	—	52.3	—
Total	52.6	91.8	—	—	52.6	—

*as a percentage of respective US 3PL revenue

- HAUListic, a non asset based 3PL, does not own any operating assets other than its proprietary technology platform trademarked as SilverExpress. All freight is moved through a network of licensed and certified contractors.
- HAUListic uses the services of Contractors to transport tendered freight shipments. During the first quarter the availability of Contractors was extremely tight contributing to significantly higher spot market pricing. Total Contractors expense was \$52.3 million, higher than anticipated at the time contracts were signed with customers.

Selling and Administrative Expenses

Q1 – US 3PL						
(unaudited)						
(\$ millions)						
	2022		2021		Change	
	\$	%*	\$	%*	\$	%
Wages and benefits	2.1	3.7	—	—	2.1	—
CEWS	—	—	—	—	—	—
Communications, utilities and general supplies	1.0	1.7	—	—	1.0	—
Profit share	0.1	0.2	—	—	0.1	—
Foreign exchange	0.1	0.2	—	—	0.1	—
Rent and other	0.3	0.5	—	—	0.3	—
Total	3.6	6.3	—	—	3.6	—

*as a percentage of total US 3PL revenue

- S&A expenses consist primarily of salaries and technology costs.

OIBDA

- OIBDA was \$1.1 million or 1.9 percent of revenue. Operating margin¹ as a percentage of net revenue¹ was 23.4 percent.
- OIBDA was negatively impacted by higher than normal Contractors expense.

Capital Expenditures

This asset light operating segment did not have any capital expenditures or dispositions. This segment only had \$2.3 million of property, plant and equipment associated with its SilverExpress transportation management platform as at March 31, 2022 and therefore generates cash in excess of its operating needs.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



CORPORATE

The Corporate Office recorded a loss of \$2.7 million in the first quarter of 2022 as compared to a loss of \$3.1 million in 2021. The \$0.4 million decrease in loss was mainly attributable to a \$0.1 million positive variance in foreign exchange. In the first quarter of 2022, the Corporate Office recorded a foreign exchange loss of \$0.3 million as compared to a foreign exchange loss of \$0.4 million in 2021. This decrease was somewhat offset by higher salaries and acquisition related costs.

CAPITAL RESOURCES AND LIQUIDITY

Consolidated Cash Flow Summary

(unaudited) (\$ millions)	Three month periods ended March 31			
	2022		2021	
Net cash from operating activities	\$	18.0	\$	39.0
Net cash used in financing activities		(4.6)		(16.8)
Net cash used in investing activities		(13.7)		(9.4)
Change in cash and cash equivalents		(0.3)		12.8
Effect of exchange rate fluctuations on cash held		0.3		(0.4)
Cash and cash equivalents, beginning of period		—		105.3
Cash and cash equivalents, end of period	\$	—	\$	117.7

Sources and Uses of Cash

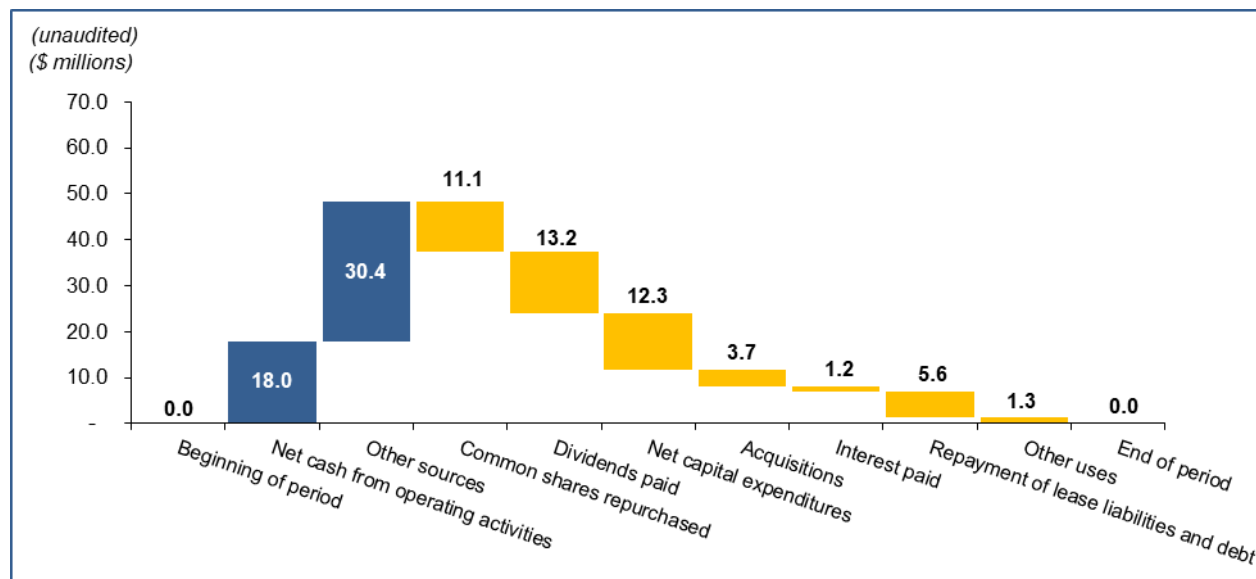
Cash From Operating Activities	We continue to generate cash in excess of our operating needs by generating net cash from operating activities of \$18.0 million in 2022 as compared to \$39.0 million in 2021. The decrease of \$21.0 million was mainly due to the higher working capital requirements associated with the revenue growth we experienced through acquisitions. We also had a slight increase in cash taxes paid in 2022 as compared to the prior year.
Cash Used In Financing Activities	Net cash used in financing activities was \$4.6 million in the first three months of 2022 as compared to using \$16.8 million during the same period in 2021. This \$12.2 million decrease was mainly due to borrowing \$26.0 million from our Credit Facilities (as hereafter defined on page 24) to finance working capital requirements. This was somewhat offset by an increase in cash used to pay dividends to common shareholders, repurchase and cancel Common Shares under the NCIB, and repay lease liabilities.
Cash Used In Investing Activities	Net cash used in investing activities increased to \$13.7 million in 2022 as compared to \$9.4 million in 2021. This \$4.3 million increase was mainly due to an increase in cash used on acquisitions and from a \$2.4 million increase in net capital expenditures ¹ .

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

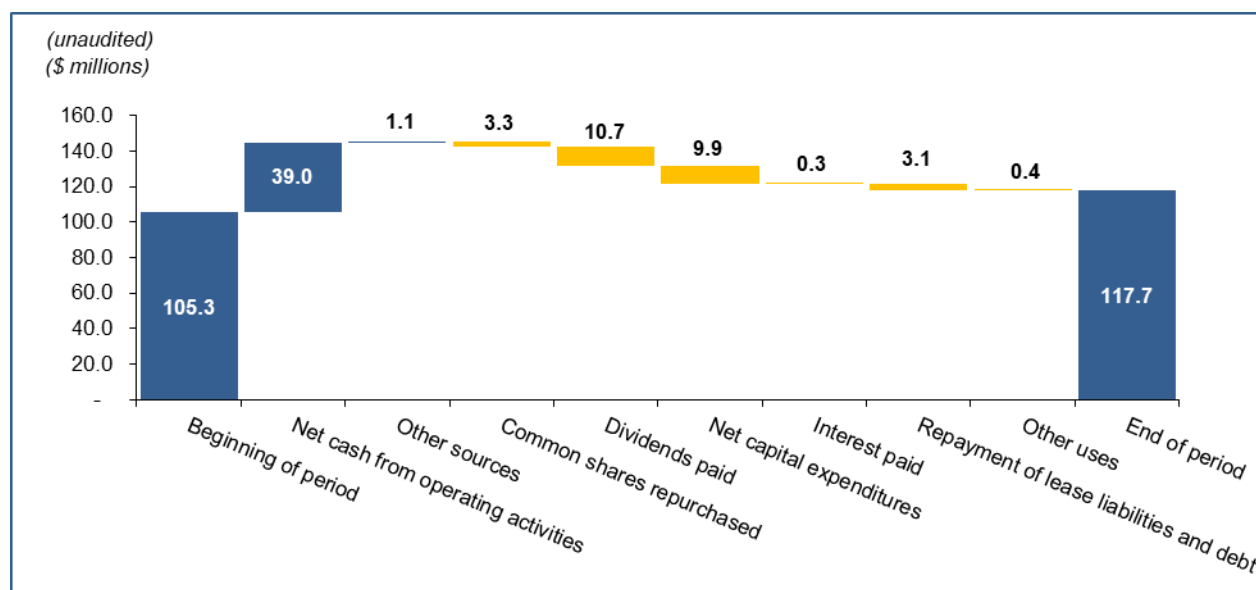


The following charts present the sources and uses of cash for comparative purposes.

Three month period ended March 31, 2022



Three month period ended March 31, 2021



Working Capital

At March 31, 2022, we had \$56.4 million (December 31, 2021 – \$50.8 million) of working capital, which included \$111.2 million of amounts drawn on the Credit Facilities (as hereafter defined on page 24) (December 31, 2021 – \$89.0 million). This working capital also includes a current liability of \$18.3 million (December 31, 2021 – \$17.9 million) related to the current portion of lease liabilities. This working capital, the Credit Facilities, and the anticipated cash flow from operating activities in 2022 are available to finance ongoing working capital requirements, the 2022 dividend, the 2022 capital budget, as well as various special projects and acquisition opportunities.



Debt

The details of our debt can be found on page 44 of the 2021 MD&A. As at March 31, 2022, our debt has not changed significantly from those details.

Mullen Group, has financial covenants associated with its Private Placement Debt. As evidenced by the table below, we are in compliance with our financial covenants.

Financial Covenants	Financial Covenant Threshold	March 31 2022	December 31 2021
Private Placement Debt Covenants			
(a) Total net debt ¹ to operating cash flow cannot exceed	3.50:1	2.55:1	2.52:1
(b) Total earnings available for fixed charges to total fixed charges cannot be less than	1.75:1	9.90:1	10.02:1

Total net debt¹ to operating cash flow was 2.55:1 at March 31, 2022. Assuming the \$638.4 million of total net debt¹ remains constant, we would need to generate approximately \$182.4 million of operating cash flow on a trailing twelve month basis to remain in compliance with this financial covenant. When a business is acquired, the trailing twelve months of operating cash flows generated by the newly acquired business may be added to our trailing twelve months' operating cash flows from the date of acquisition for financial covenant calculation purposes, such has not been included in the above calculation.

Mullen Group is also subject to a priority debt covenant. The term "priority debt" means all indebtedness secured by permitted liens excluding certain qualified subsidiary debt. Priority debt cannot exceed 15.0 percent of total assets. At March 31, 2022, the priority debt was \$0.5 million or an insignificant percentage of total assets.

Convertible Debentures

In June 2019, we issued \$125.0 million of convertible unsecured subordinated debentures (the "**Debentures**"), by way of a bought deal, at a price of \$1,000 per Debenture. The Debentures are publicly traded and are listed on the TSX under the symbol "MTL.DB". The Debentures will mature on November 30, 2026 and bear interest at an annual rate of 5.75 percent payable semi-annually in arrears on May 31 and November 30 in each year beginning November 30, 2019. Each \$1,000 Debenture is convertible into 71.4286 Common Shares of Mullen Group (such is based on a conversion price of \$14.00) at any time at the option of the holders of the Debentures.

Credit Facilities

On October 1, 2021, we entered into a credit agreement (the "**CIBC Credit Facility**") with Canadian Imperial Bank of Commerce ("**CIBC**"). The CIBC Credit Facility is a \$100.0 million revolving demand credit facility to finance the Corporation's general operating requirements including acquisition transactions. The CIBC Credit Facility is unsecured although MT has granted an unlimited guarantee of any indebtedness owing on the CIBC Credit Facility. We also have a loan agreement to borrow up to \$150.0 million on an unsecured credit facility with the Royal Bank of Canada (the "**RBC Credit Facility**"). MT has granted an unlimited guarantee of any indebtedness owing on the RBC Credit Facility. As at March 31, 2022, there was \$111.2 million drawn on the CIBC Credit Facility and the RBC Credit Facility (collectively, the "**Credit Facilities**").

Contractual Obligations

An overview of Mullen Group's contractual obligations can be found on page 46 of the 2021 MD&A. As at March 31, 2022, Mullen Group's contractual obligations have not changed significantly from this overview.

¹ Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".



Share Capital

The authorized share capital of the Corporation consists of an unlimited number of 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 prior to the creation and issuance thereof. As at the date hereof, no series of Preferred Shares has been created.

Common Shares

Common Shares Authorized: Unlimited Number	# of Common Shares	Amount (\$ millions)
Balance at December 31, 2021	94,532,178	\$ 853.6
Common Shares repurchased and cancelled	(926,961)	(4.8)
Balance at March 31, 2022	93,605,217	\$ 848.8

At March 31, 2022, there were 93,605,217 Common Shares outstanding representing \$848.8 million in share capital. In the first quarter of 2022, we repurchased and cancelled 926,961 Common Shares under the NCIB program. We also repurchased 119,535 Common Shares that are scheduled to be cancelled in April 2022.

Stock Option Plan

	Options	Weighted average exercise price
Outstanding – December 31, 2021	3,755,000	\$ 16.89
Granted	—	—
Expired	—	—
Forfeited	(70,000)	(13.90)
Outstanding – March 31, 2022	3,685,000	\$ 16.95
Exercisable – March 31, 2022	2,620,000	\$ 19.45

There are 3,082,500 stock options available to be issued under our stock option plan. In the first three months of 2022, there were 70,000 stock options forfeited. As at March 31, 2022, Mullen Group had 3,685,000 stock options outstanding under the stock option plan.

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SUMMARY OF QUARTERLY RESULTS

Seasonality of Operations

Revenue and profitability within the LTL and L&W segments are generally lower in the first quarter than during the remainder of the year as freight volumes are typically lower 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. Generally speaking, the third and fourth quarters tend to be the strongest in terms of demand for the services in these segments.

A significant portion of the operations within the S&I segment is comprised of a wide range of unique businesses providing specialized equipment and services to the oil and gas, environmental, construction, pipeline, utility, telecom and civil industries, predominantly in western Canada. Activity levels, revenue and earnings are influenced by the seasonal activity pattern of western Canada's oil and natural gas exploration industry whereby activity peaks in the winter months and declines during the spring. As a result, the demand for these services has historically been highest in the first quarter and lowest in the second quarter.

Financial Results

	TTM ¹	2022	2021				2020		
(unaudited)		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(\$ millions, except per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	1,643.8	456.9	441.9	432.5	312.5	290.5	297.7	290.9	257.5
OIBDA	249.6	60.3	65.8	64.5	59.0	47.1	52.2	65.2	55.0
Net income	75.8	16.4	20.2	17.5	21.7	13.0	10.1	26.2	23.0
Earnings per share									
Basic	0.79	0.17	0.21	0.18	0.23	0.13	0.10	0.27	0.23
Diluted	0.79	0.17	0.21	0.18	0.23	0.13	0.10	0.26	0.23
Other Information									
Net foreign exchange loss (gain)	2.7	3.3	0.8	(0.2)	(1.2)	(0.1)	0.1	(0.1)	(5.2)
Decrease (increase) in fair value of investments	(1.0)	(0.2)	(0.4)	0.3	(0.7)	(0.4)	(0.4)	0.1	(0.2)

¹ TTM represents the "trailing twelve months" and consists of a summary of the Corporation's financial results for the most recently completed four quarters.

Consolidated revenue in the first quarter of 2022 was a record as compared to any previous quarter and increased by \$166.4 million to \$456.9 million as compared to \$290.5 million in 2021. This increase was mainly due to the incremental revenue generated from acquisitions. Net income in the first quarter was \$16.4 million, an increase of \$3.4 million from the \$13.0 million of net income generated in 2021. The increase in net income was mainly attributable to an increase in OIBDA being somewhat offset by a negative variance in net foreign exchange and an increase in income tax expense.

Consolidated revenue in the fourth quarter of 2021 was a record as compared to any previous quarter and increased by \$144.2 million to \$441.9 million as compared to \$297.7 million in 2020. This increase was mainly due to the incremental revenue generated from acquisitions. Net income in the fourth quarter was \$20.2 million, an increase of \$10.1 million from the \$10.1 million of net income generated in 2020. The \$10.1 million increase in net income was mainly attributable to an increase in OIBDA.

Consolidated revenue in the third quarter of 2021 increased by \$141.6 million to \$432.5 million as compared to \$290.9 million in 2020. This increase was mainly due to the incremental revenue generated from acquisitions. Net income in the third quarter was \$17.5 million, a decrease of \$8.7 million from the \$26.2 million of net income generated in 2020. The \$8.7 million decrease in net income was mainly attributable to an increase in amortization of intangible assets, and an increase in depreciation of right-of-use assets.

Consolidated revenue in the second quarter of 2021 increased by \$55.0 million to \$312.5 million as compared to \$257.5 million in 2020. Revenue increased due to the strength in consumer spending and from the incremental revenue generated from acquisitions. Net income in the second quarter was \$21.7 million, a decrease of \$1.3 million from the \$23.0 million of net income generated in 2020. The \$1.3 million decrease in net income was mainly attributable to a negative variance in net foreign exchange being somewhat offset by an increase in OIBDA.



TRANSACTIONS WITH RELATED PARTIES

A description of transactions with related parties can be found on page 68 of the 2021 MD&A. As at March 31, 2022, the transactions with related parties have not changed significantly from these descriptions.

All of the transactions with related parties occurred in the normal course of operations with terms consistent with those offered to arms-length parties and are measured at the exchange amount. Mullen Group has no long-term contracts with any related party other than the \$4.9 million of Debentures held by directors and officers of Mullen Group as at December 31, 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of principal risks and uncertainties can be found beginning on page 69 of the 2021 MD&A. As at March 31, 2022, these risks and uncertainties, identified as strategic, financial and operational risks have not changed significantly from those descriptions.

CRITICAL ACCOUNTING ESTIMATES

This MD&A summarizes Mullen Group's financial condition and results of operations and is based upon our Interim Financial Statements, which have been prepared in accordance with IFRS and comply with IAS 34 Interim Financial Reporting. The Interim Financial Statements require management to select significant accounting policies and make certain critical accounting estimates that affect the reported assets, liabilities, revenue and expenses. A description of critical accounting estimates can be found beginning on page 86 of the 2021 MD&A. As at March 31, 2022, our critical accounting estimates have not changed significantly from such description.

SIGNIFICANT ACCOUNTING POLICIES

New Standards and Interpretations Not Yet Adopted

A description of new standards and interpretations not yet adopted can be found on page 89 of the 2021 MD&A. There have been no new standards or interpretations issued during 2022 that significantly impact Mullen Group.

Changes in Accounting Policies

There have been no changes to our accounting policies in 2022 as compared to those disclosed in our Annual Financial Statements.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Internal Controls over Financial Reporting

As at March 31, 2022, an evaluation of the effectiveness of our disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including the Chief Executive Officer ("CEO") and the Senior Accounting Officer ("SAO"). In accordance with the provisions of National Instrument 52-109, management, including the CEO and the SAO, have limited the scope of their design of the Corporation's disclosure controls and procedures to exclude controls, policies and procedures of APPS, Bandstra, Babine and HAUListic. This scope limitation is in accordance with National Instrument 52-109 section 3.3(1)(b), which allows for an issuer to limit scope for a business it acquired not more than 365 days prior to the end of the fiscal period. Mullen Group acquired APPS on June 24, 2021. Since being acquired, APPS has generated revenue and earnings before tax of \$109.6 million and \$5.7 million, respectively. As at March 31, 2022, APPS had \$29.0 million of current assets and \$15.1 million of current liabilities. Mullen Group acquired Bandstra and Babine on April 16, 2021. Since being acquired, Bandstra and Babine have generated revenue and earnings before tax of \$108.2 million and \$12.9 million, respectively. As at March 31, 2022, Bandstra and Babine had \$37.8 million of current assets and \$14.3 million of current liabilities. Mullen Group acquired the assets and business of HAUListic (previously known as QuadExpress) on June 30, 2021. Since being acquired, HAUListic has generated revenue and earnings before tax of \$175.5 million and \$0.7 million, respectively. As at March 31, 2022, HAUListic had \$34.0 million of current assets and \$30.3 million of current liabilities. Based on this evaluation, the CEO and the SAO concluded that, as at March 31, 2022, the design and operation of Mullen Group's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities were reported within the time periods specified under Canadian securities laws.



Internal control over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with the participation of the CEO and SAO, management conducted an evaluation of the effectiveness of its internal control over financial reporting as at March 31, 2022.

The CEO and SAO limited the scope of their design of the Corporation's internal controls over financial reporting to exclude controls, policies and procedures of APPS, Bandstra, Babine and HAUListic due to the time required for the Corporation's management to assess their internal controls over financial reporting to ensure that they are consistent with those of the Corporation. Based on this evaluation, the CEO and the SAO concluded that internal control over financial reporting was effective as at March 31, 2022, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. We utilize the Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission. As at March 31, 2022, there was no change in our design of internal control over financial reporting that materially affected or is reasonably likely to materially affect our internal control over financial reporting.

FORWARD-LOOKING INFORMATION STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable Canadian Securities laws. Readers are cautioned that expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The following is a list of forward-looking statements contained within this MD&A, along with the respective assumptions:

- Mullen Group's plan to acquire competing and complementary companies; to invest \$70.0 million in capital expenditures with \$60.0 million allocated towards the replacement of operating equipment and productivity improvements and \$10.0 million allocated to our sustainability initiatives; to allocate \$100.0 million as part of our 3-year plan to repurchase our Common Shares under the NCIB program; and to pay annual dividends of \$0.60 per Common Share (\$0.05 per Common Share on a monthly basis) for 2022, as referred to in the Capital Allocations section beginning on page 6. These forward-looking statements are based on the assumption we will generate sufficient cash in excess of our financial obligations to support our plan.
- Mullen Group's comment that we expect overall freight demand and our revenues to remain strong for the foreseeable future, as referred to in the Outlook section within the Consolidated Financial Results Section beginning on page 7. This forward-looking statement is based on the assumption that using the month of March, which was our best month in the quarter, overall freight demand and our revenues should remain strong, although consumer product demand may slow due to consumers being stretched by inflation. Any reduction in consumer discretionary demand should be offset by increases in the demand for capital goods, which appears to be gaining momentum as business investment accelerates. There is also increasing evidence that supply chain bottlenecks will improve from current levels as health protocols associated with COVID-19 are relaxed and overall freight demand moderates. This will undoubtedly help improve productivity levels and reduce excessive costs associated with the bottlenecks.
- Mullen Group's expectations that freight volumes will moderate throughout the balance of the year, as referred to in the LTL segment beginning on page 13. This forward-looking statement is based on the assumption that consumer demand will normalize after two years of exceptional growth, driven by robust consumer spending and shippers adjusting buying cycles due to supply chain constraints. This surge in demand, which was unprecedented, contributed meaningful top line growth but it also led to higher costs as our Business Units struggled to meet customer requests.
- Mullen Group's belief that the L&W segment will continue to produce strong results, as referred to in the L&W segment beginning on page 15. This forward-looking statement is based on the assumption that freight demand will remain robust given that the market is in the early stages of a capital reinvestment cycle, governments have announced infrastructure programs accompanied by reduced capacity in the trucking industry. We have 12 Business Units well positioned to continue capitalizing on these strong market fundamentals.
- Mullen Group's belief that there is reason for optimism that the S&I segment will begin to recover in the last half of 2022, as referred to in the S&I segment beginning on page 18. This forward-looking statement is based on the assumption that rising commodity prices along with a growing consensus that additional supply is needed to balance the crude oil and natural gas markets should result in a substantial increase in capital spending by oil and natural gas producers. If this occurs, pricing will undoubtedly improve from the current unsustainable levels. Furthermore, additional infrastructure projects are being considered which will drive future demand for the services our Business Units offer.
- Mullen Group's expectation that freight demand will moderate in the short term, as referred to in the US 3PL segment beginning on page 20. This forward-looking statement is based on the assumption that the supply chain stabilizes and consumer spending in discretionary items moderates due to inflationary pressures. As freight demand slows, we expect Contractors will adjust pricing. This should not have a material impact on HAUListic due to the nature of the 3PL business.



- Mullen Group's intention to use working capital, the Credit Facilities and the anticipated cash flow from operating activities in 2022 to finance its ongoing working capital requirements, the 2022 dividend, the 2022 capital budget, as well as various special projects and acquisition opportunities, as referred to in the Capital Resources and Liquidity section beginning on page 22. This forward-looking statement is based on our belief that our access to cash will exceed our expected requirements.

Although we believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct.

Forward-looking statements address future events and conditions and, therefore, involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Mullen Group along with the forward-looking statements in this MD&A, may be found in the Advisory on page 1 as well as in reports on file with applicable securities regulatory authorities and may be accessed through the Corporation's issuer profile on SEDAR at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. We rely on litigation protection for "forward-looking" statements.

GLOSSARY OF TERMS AND RECONCILIATION OF NON-GAAP TERMS

The Interim Financial Statements attached and referred to in this MD&A were prepared according to Canadian GAAP. References to Adjusted OIBDA, adjusted operating margin, operating margin, net income – adjusted, earnings per share – adjusted, net capital expenditures, net debt, total net debt, net revenue, cash flow per share and consolidated direct operating expenses – adjusted for CEWS and HAUListic are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. This MD&A reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate our ability to fund our operations and information regarding our liquidity. In addition, these measures are used by management in its evaluation of performance. These Non-GAAP Terms may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Investors are cautioned that these indicators should not replace the foregoing Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt.

Adjusted OIBDA

Adjusted OIBDA is a Non-GAAP term and is calculated by subtracting CEWS from OIBDA. Management calculates Adjusted OIBDA by excluding CEWS to more clearly reflect earnings from an operating perspective.

(unaudited) (\$ millions)	Three month periods ended March 31			
	2022		2021	
OIBDA	\$	60.3	\$	47.1
CEWS		—		(6.0)
Adjusted OIBDA	\$	60.3	\$	41.1

(unaudited) (\$ millions)	Three month periods ended March 31					
	2022		2021		Change	
	\$	%	\$	%	\$	%
LTL	23.1	38.3	18.3	44.5	4.8	26.2
L&W	25.5	42.3	14.7	35.8	10.8	73.5
S&I	13.3	22.1	11.2	27.3	2.1	18.8
US 3PL	1.1	1.8	—	—	1.1	—
Corporate	(2.7)	(4.5)	(3.1)	(7.6)	0.4	(12.9)
Total	60.3	100.0	41.1	100.0	19.2	46.7



Adjusted Operating Margin

Adjusted operating margin is a Non-GAAP term and is defined as Adjusted OIBDA divided by revenue. Management relies on adjusted operating margin as a measurement since it provides an indication of our ability to generate an appropriate return without CEWS.

(unaudited) (\$ millions)	Three month periods ended March 31	
	2022	2021
Adjusted OIBDA	\$ 60.3	\$ 41.1
Revenue	\$ 456.9	\$ 290.5
Adjusted operating margin	13.2%	14.1%

Operating Margin

Operating margin is a Non-GAAP term and is defined as OIBDA divided by revenue. Management relies on operating margin as a measurement since it provides an indication of our ability to generate an appropriate return as compared to the associated risk and the amount of assets employed within our principal business activities.

(unaudited) (\$ millions)	Three month periods ended March 31	
	2022	2021
OIBDA	\$ 60.3	\$ 47.1
Revenue	\$ 456.9	\$ 290.5
Operating margin	13.2%	16.2%

Net Income – Adjusted and Earnings per Share – Adjusted

The following table illustrates net income and basic earnings per share before considering the impact of the net foreign exchange gains or losses, and the change in fair value of investments. Management adjusts net income and earnings per share by excluding these specific factors to more clearly reflect earnings from a operating perspective.

(unaudited) (\$ millions, except share and per share amounts)	Three month periods ended March 31	
	2022	2021
Income before income taxes	\$ 22.9	\$ 16.2
Add (deduct):		
Net foreign exchange loss (gain)	3.3	(0.1)
Change in fair value of investments	(0.2)	(0.4)
Income before income taxes – adjusted	26.0	15.7
Income tax rate	25%	25%
Computed expected income tax expense	(6.5)	(3.9)
Net income – adjusted	19.5	11.8
Weighted average number of Common Shares outstanding – basic	94,184,879	96,849,066
Earnings per share – adjusted	\$ 0.21	\$ 0.12

Net Capital Expenditures

Net capital expenditures are calculated by subtracting the amount of cash received from the sale of property, plant and equipment from the amount of cash used to purchase property, plant and equipment. Management calculates net capital expenditures to evaluate and manage its capital expenditure budget and to assist in allocating capital amongst its Business Units.

(unaudited) (\$ millions)	Three month periods ended March 31	
	2022	2021
Purchase of property, plant and equipment	\$ 14.4	\$ 12.5
Proceeds on sale of property, plant and equipment	(2.1)	(2.6)
Net capital expenditures	\$ 12.3	\$ 9.9



Net Debt

Net debt is calculated by subtracting total working capital (current assets less current liabilities) from total debt (long-term debt plus the debt component of lease liabilities and Debentures). Management calculates net debt to monitor its capital structure and makes adjustments to it in light of changes in economic conditions.

(unaudited) (\$ millions)	March 31, 2022		December 31, 2021	
Long-term debt (including bank indebtedness)	\$	572.4	\$	550.5
Convertible debentures - debt component		114.0		113.5
Lease liabilities (non-current portion)		73.6		63.3
Total debt		760.0		727.3
Less working capital:				
Current assets		352.6		309.1
Current liabilities (excluding bank indebtedness)		(181.2)		(169.3)
Total working capital		171.4		139.8
Net debt	\$	588.6	\$	587.5

Total Net Debt

The term "total net debt" means all debt excluding the Debentures but includes the Private Placement Debt, lease liabilities, the Credit Facilities and letters of credit 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. Management calculates total net debt to monitor its capital structure and makes adjustments to it in light of changes in economic conditions.

(unaudited) (\$ millions)	March 31, 2022	
Private Placement Debt	\$	456.5
Lease liabilities (including the current portion)		91.9
Bank indebtedness		115.0
Letters of credit		4.0
Long-term debt (including the current portion)		0.9
Total debt		668.3
Less: unrealized gain on Cross-Currency Swaps		(29.9)
Add: unrealized loss on Cross-Currency Swaps		—
Total net debt	\$	638.4

Net Revenue

Net revenue is calculated by subtracting DOE (primarily comprised of expenses associated with the use of Contractors) from revenue. Management calculates and measures net revenue within the US 3PL segment as it provides an important measurement in evaluating our financial performance and it provides an indication of our ability to generate an appropriate return in the 3PL market.

(unaudited) (\$ millions)	Three month periods ended March 31			
	2022		2021	
Revenue	\$	57.3	\$	—
Direct operating expenses		52.6		—
Net revenue	\$	4.7	\$	—



Cash Flow per Share

Cash flow per share is calculated by dividing net cash from operating activities by the weighted average number of Common Shares outstanding. Management measures cash flow per share to provide investors with an indication of the amount of cash being generated on a per share basis, after consideration of working capital and income taxes paid.

<i>(unaudited)</i> (\$ millions, except share and per share amounts)	Three month periods ended March 31			
	2022		2021	
Net cash from operating activities	\$	18.0	\$	39.0
Weighted average number of Common Shares outstanding		94,184,879		96,849,066
Cash flow per share	\$	0.19	\$	0.40

Q1 Consolidated Direct Operating Expenses – Adjusted for CEWS and HAUListic

Q1 Consolidated Direct Operating Expenses – Adjusted for CEWS and HAUListic is calculated by subtracting DOE CEWS and HAUListic's DOE from consolidated DOE. Management uses this calculation to assess DOE as a percentage of revenue as it provides an indication of our ability to generate an appropriate return without CEWS and provides an indication of our ability to generate an appropriate return as compared to the associated risk and the amount of assets employed.

<i>(unaudited)</i> (\$ millions)	2022		2021		Change	
	\$	%	\$	%	\$	%
Company	209.7	71.4	141.2	69.1	68.5	48.5
CEWS	—	—	4.3	2.1	(4.3)	(100.0)
HAUListic	(0.3)	—	—	—	(0.3)	—
Company – adjusted	209.4	71.3	145.5	71.2	63.9	43.9
Contractors	127.4	78.9	63.7	75.1	63.7	100.0
HAUListic	(52.3)	—	—	—	(52.3)	—
Contractors – adjusted	75.1	72.1	63.7	75.1	11.4	17.9
Total – adjusted	284.5	71.3	209.2	72.0	75.3	36.0

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