Mullen Group Ltd.

MARCH 31, 2025

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	Note		March 31 2025		December 31 2024
Assets					
Current assets:					
Cash and cash equivalents		**$**	**131,150**	$	126,286
Trade and other receivables	**5**		**303,276**		292,273
Inventory			**46,647**		45,735
Prepaid expenses			**24,679**		22,612
Current tax receivable			**8,899**		7,519
			514,651		494,425
Non-current assets:					
Property, plant and equipment			**1,038,250**		1,046,150
Right-of-use assets			**204,370**		217,682
Goodwill			**374,877**		374,205
Intangible assets			**110,190**		112,221
Investments			**44,207**		44,216
Deferred tax assets			**7,015**		7,142
Derivative financial instruments	**6**		**31,116**		30,560
Other assets			**8,067**		5,887
			1,818,092		1,838,063
Total Assets		**$**	**2,332,743**	$	2,332,488
Liabilities and Equity					
Current liabilities:					
Bank indebtedness	**9**	**$**	**7,200**	$	—
Accounts payable and accrued liabilities			**171,494**		159,023
Dividends payable	**7**		**6,123**		6,137
Current tax payable			**509**		4,322
Lease liabilities – current portion			**42,576**		43,433
Current portion of long-term debt	**9**		**25**		25
			227,927		212,940
Non-current liabilities:					
Convertible debentures – debt component	**9**		**121,088**		120,501
Long-term debt	**9**		**649,102**		649,257
Lease liabilities			**175,037**		184,340
Decommissioning liabilities			**1,658**		1,652
Deferred tax liabilities			**145,437**		146,925
			1,092,322		1,102,675
Equity:					
Share capital	**10**		**795,035**		797,814
Convertible debentures – equity component			**9,116**		9,116
Contributed surplus			**21,144**		20,880
Accumulated other comprehensive income			**4,258**		4,283
Retained earnings			**182,941**		184,780
			1,012,494		1,016,873
Subsequent event	**17**				
Total Liabilities and Equity		**$**	**2,332,743**	$	2,332,488

The notes which begin on page 38 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on April 22, 2025, after review by the Audit Committee.

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

"Signed: Richard Whitley"
Richard Whitley, Director

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(unaudited) *(thousands, except per share amounts)*	Note	Three month periods ended March 31 2025	2024
Revenue	**13**	**$ 497,143**	$ 462,585
Direct operating expenses		**355,381**	330,341
Selling and administrative expenses		**73,785**	66,052
Operating income before depreciation and amortization		**67,977**	66,192
Depreciation of property, plant and equipment		**17,769**	17,343
Depreciation of right-of-use assets		**12,226**	7,505
Amortization of intangible assets		**4,129**	3,209
Finance costs		**11,455**	9,125
Net foreign exchange (gain) loss	**6**	**(799)**	184
Other (income) expense	**14**	**(1,498)**	(1,019)
Income before income taxes		**24,695**	29,845
Income tax expense	**8**	**6,968**	7,627
Net income		**$ 17,727**	$ 22,218
Earnings per share:	**11**		
Basic		**$ 0.20**	$ 0.25
Diluted		**$ 0.20**	$ 0.25
Weighted average number of Common Shares outstanding:	**11**		
Basic		**87,646**	88,053
Diluted		**87,831**	97,254

The notes which begin on page 38 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited) *(thousands)*	Three month periods ended March 31 2025	2024
Net income	**$ 17,727**	$ **22,218**
Other comprehensive income *Items that may be reclassified subsequently to statement of income*		
Exchange differences from translating foreign operations	**(25)**	**577**
Other comprehensive (loss) income, net of tax	**(25)**	**577**
Total comprehensive income	**$ 17,702**	$ **22,795**

The notes which begin on page 38 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited) *(thousands)*	Note	Share capital	Convertible debentures – equity component	Contributed surplus	Accumulated Other Comprehensive Income	Retained earnings	Total
Balance at January 1, 2025		**$ 797,814**	**$ 9,116**	**$ 20,880**	**$ 4,283**	**$ 184,780**	**$ 1,016,873**
Net income for the period		**—**	**—**	**—**	**—**	**17,727**	**17,727**
Other comprehensive (loss) income, net of tax		**—**	**—**	**—**	**(25)**	**—**	**(25)**
Common Shares repurchased	**10**	**(2,779)**	**—**	**—**	**—**	**(1,174)**	**(3,953)**
Stock-based compensation expense		**—**	**—**	**264**	**—**	**—**	**264**
Dividends declared to common shareholders	**7**	**—**	**—**	**—**	**—**	**(18,392)**	**(18,392)**
Balance at March 31, 2025		**$ 795,035**	**$ 9,116**	**$ 21,144**	**$ 4,258**	**$ 182,941**	**$ 1,012,494**

(unaudited) *(thousands)*	Note	Share capital	Convertible debentures – equity component	Contributed surplus	Accumulated Other Comprehensive Income	Retained earnings	Total
Balance at January 1, 2024		$ 801,255	$ 9,116	$ 20,141	$ 2,298	$ 142,074	$ 974,884
Net income for the period		—	—	—	—	22,218	22,218
Other comprehensive (loss) income, net of tax		—	—	—	577	—	577
Common Shares repurchased	**10**	(577)	—	—	—	(214)	(791)
Common Shares issued on exercise of stock options	**10**	482	—	(76)	—	—	406
Stock-based compensation expense		—	—	188	—	—	188
Dividends declared to common shareholders	**7**	—	—	—	—	(15,848)	(15,848)
Balance at March 31, 2024		$ 801,160	$ 9,116	$ 20,253	$ 2,875	$ 148,230	$ 981,634

The notes which begin on page 38 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	**Note**	**Three month periods ended March 31** **2025**	**2024**
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 17,727**	$ 22,218
Adjustments for:			
Depreciation and amortization		**34,124**	28,057
Finance costs		**11,455**	9,125
Stock-based compensation expense		**264**	188
Foreign exchange (gain) loss on cross-currency swaps	**6**	**(556)**	(7,235)
Foreign exchange (gain) loss		**(333)**	7,597
Other (income) expense	**14**	**(1,498)**	(1,019)
Income tax expense	**8**	**6,968**	7,627
Cash flows from operating activities before non-cash working capital items		**68,151**	66,558
Changes in non-cash working capital items from operating activities	**15**	**(13,364)**	(15,286)
Cash generated from operating activities		**54,787**	51,272
Income tax paid		**(14,881)**	(12,638)
Net cash from operating activities		**39,906**	38,634
Cash flows from financing activities:			
Bank indebtedness	**9**	**7,200**	17,800
Repurchase of Common Shares	**10**	**(2,653)**	(791)
Cash dividends paid to common shareholders		**(18,406)**	(15,849)
Interest paid		**(1,843)**	(2,165)
Repayment of long-term debt and loans		**(4)**	(806)
Repayment of lease liabilities		**(11,729)**	(8,044)
Net proceeds from Common Share issuances		**—**	406
Changes in non-cash working capital items from financing activities	**15**	**1,015**	846
Net cash used in financing activities		**(26,420)**	(8,603)
Cash flows from investing activities:			
Acquisitions net of cash acquired		**(1,641)**	—
Purchase of property, plant and equipment		**(13,697)**	(19,155)
Proceeds on sale of property, plant and equipment		**5,013**	1,594
Interest received		**1,492**	250
Net investment in finance leases		**267**	44
Other assets		**(25)**	(32)
Dividends from equity investees		**300**	—
Changes in non-cash working capital items from investing activities	**15**	**(440)**	(2,210)
Net cash used in investing activities		**(8,731)**	(19,509)
Change in cash and cash equivalents		**4,755**	10,522
Cash and cash equivalents at January 1		**126,286**	2,295
Effect of exchange rate fluctuations on cash held		**109**	(725)
Cash and cash equivalents at March 31		**$ 131,150**	$ 12,092

The notes which begin on page 38 are an integral part of these condensed interim consolidated financial statements.

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

1. Reporting Entity

Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") was incorporated pursuant to the laws of the Province of Alberta and is a publicly-traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol 'MTL'. The Corporation maintains its registered office in Okotoks, Alberta, Canada. The business of Mullen Group is operated through wholly-owned (either directly or indirectly) subsidiaries and limited partnerships ("**Business Units**"). The Corporation is recognized as one of the leading suppliers of trucking and logistics services in Canada providing a wide range of service offerings including less-than-truckload, truckload, warehousing, logistics, transload, oversized and specialized hauling transportation. The Corporation also operates as a third-party logistics provider in the U.S. In addition, Mullen Group provides a diverse set of specialized services related to the energy, mining, forestry and construction industries in western Canada, including water management, fluid hauling and environmental reclamation. These unaudited condensed interim consolidated financial statements (**Interim Financial Statements**") include the accounts of the Corporation, its subsidiaries and its limited partnerships.

2. Basis of Presentation

(a) Statement of Compliance

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

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

3. Material Accounting Policies

The accompanying Interim Financial Statements should be read in conjunction with Note 3 to Mullen Group's audited annual consolidated financial statements for the year ended December 31, 2024, (the "**Annual Financial Statements**") as the accounting policies applied by the Corporation in these Interim Financial Statements are the same as those disclosed therein.

4. Determination of Fair Values

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

March 31, 2025 **Financial Instrument**	**Fair Value Hierarchy**		**Carrying Amount**		**Fair Value**
Investments (excluding investments accounted for by using the equity method)	Level 1	$	1,635	$	1,635
Derivative Financial Instruments[(1)]	Level 2	$	31,116	$	31,116
Private Placement Debt	Level 2	$	649,032	$	639,252
Convertible Debentures – debt component	Level 2	$	121,088	$	120,486

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

5. Trade and Other Receivables

		March 31 **2025**		**December 31** **2024**
Trade receivables	**$**	**256,462**	$	256,404
Other receivables		**42,192**		30,138
Net investment in finance leases		**1,215**		983
Contract assets		**3,407**		4,748
	$	**303,276**	$	292,273

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

6. Derivative Financial Instruments

On July 25, 2014, Mullen Group entered into two cross-currency swap contracts with a Canadian bank to swap $117.0 million U.S. dollars and $112.0 million U.S. dollars into Canadian dollars (collectively, the "**Cross-Currency Swaps**") at foreign exchange rates of $1.1047 and $1.1148 that matured on October 22, 2024 and mature on October 22, 2026, respectively. These Cross-Currency Swaps provide an economic hedge on the principal amount of the Series G and Series H Notes. As at March 31, 2025, the carrying value of these Cross-Currency Swaps was $31.1 million (December 31, 2024 – $30.6 million) and was recorded in the condensed consolidated statement of financial position within derivative financial instruments.

For the three month period ended March 31, 2025, Mullen Group has recorded a net foreign exchange (gain) loss of $(0.8) million (2024 – $0.2 million). This was due to the impact of the change over the period in the value of the Canadian dollar relative to the U.S. dollar on the Corporation's U.S. dollar debt and from the change in the fair value of its Cross-Currency Swaps as summarized in the table below:

Net Foreign Exchange (Gain) Loss	**Three month periods ended March 31**			
	CDN. $ Equivalent			
		2025		**2024**
Foreign exchange (gain) loss on U.S. $ debt	**$**	**(243)**	$	7,419
Foreign exchange (gain) loss on Cross-Currency Swaps		**(556)**		(7,235)
Net foreign exchange (gain) loss	**$**	**(799)**	$	184

For the three month period ended March 31, 2025, Mullen Group recorded a foreign exchange (gain) loss on U.S. dollar debt of $(0.2) million (2024 – $7.4 million) as summarized in the table below:

Foreign Exchange (Gain) Loss on U.S. $ Debt	**Three month periods ended March 31**					
	2025			**2024**		
($ thousands, except exchange rate amounts)	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Beginning – January 1	**187,000**	**1.4389**	**269,074**	229,000	1.3226	302,875
Ending – March 31	**187,000**	**1.4376**	**268,831**	229,000	1.3550	310,294
Unrealized foreign exchange (gain) loss on U.S. debt			**(243)**			7,419

For the three month period ended March 31, 2025, Mullen Group recorded a foreign exchange (gain) loss on its Cross-Currency Swaps of $(0.6) million (2024 – $(7.2) million). This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

Foreign Exchange (Gain) Loss on Cross-Currency Swaps	**Three month periods ended March 31**			
	2025		**2024**	
	U.S. $ Swaps	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap matured October 22, 2024		**—**	**117,000**	(4,071)
Cross-Currency Swap maturing October 22, 2026	**112,000**	**(556)**	**112,000**	(3,164)
Foreign exchange (gain) loss on Cross-Currency Swaps		**(556)**		(7,235)

7. Dividends Payable

For the three month period ended March 31, 2025, Mullen Group declared dividends totalling $0.21 per Common Share (2024 – $0.18 per Common Share). On December 9, 2024, Mullen Group announced its intention to pay annual dividends of $0.84 per Common Share ($0.07 per Common Share on a monthly basis) for 2025. At March 31, 2025, Mullen Group had 87,467,834 Common Shares outstanding and a dividend payable of $6.1 million (December 31, 2024 – $6.1 million), which was paid on April 15, 2025. Mullen Group also declared a dividend of $0.07 per Common Share on April 21, 2025, to the holders of record at the close of business on April 30, 2025.

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

8. Income Taxes

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

	Three month periods ended March 31	
	2025	**2024**
Income before income taxes	**$ 24,695**	$ 29,845
Combined statutory tax rate	**25%**	25%
Expected income tax	**6,174**	7,461
Add (deduct):		
Non-deductible (taxable) portion of net foreign exchange (gain) loss	**(92)**	21
Non-deductible (taxable) portion of the change in fair value of investments	**7**	(20)
Stock-based compensation expense	**61**	43
Changes in unrecognized deferred tax asset	**961**	21
Other	**(143)**	101
Income tax expense	**$ 6,968**	$ 7,627

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

As at March 31, 2025, Mullen Group had four credit facilities (the "**Bank Credit Facilities**") that provide revolving demand credit and borrowing capacity to the Corporation of $525.0 million. The Bank Credit Facilities rank pari passu with the Private Placement Debt and are secured. As at March 31, 2025, there was $7.2 million drawn on the Bank Credit Facilities. The Bank Credit Facilities do not have any financial covenants, however, Mullen Group cannot be in default of its 2014 Notes, its 2024 Notes, and it must be in compliance with certain reporting and general covenants. Mullen Group is in compliance with all of these reporting and general covenants. The Bank Credit Facilities are included within bank indebtedness on the consolidated statement of financial position.

The Private Placement Debt and the Bank Credit Facilities are guaranteed by Mullen Group's subsidiaries, MT Investments Inc. ("MT") and MGL Holding Co. Ltd. (each, a "**Guarantor**") and secured by a first ranking charge over all present and after-acquired property of the Corporation and each Guarantor.

Mullen Group has $3.6 million of letters of credit outstanding, which were issued to guarantee certain performance and payment obligations. These letters of credit reduce the amount available under the Bank Credit Facilities.

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

Notes	Principal amount	Maturity	Interest Rate[(1)]
Series H	$ 112,000 U.S.	October 22, 2026	3.94%
Series J	$ 3,000 CDN.	October 22, 2026	4.00%
Series L	$ 80,000 CDN.	October 22, 2026	4.07%
Series M	$ 300,000 CDN.	July 10, 2034	5.93%
Series N	$ 75,000 U.S.	July 10, 2034	6.50%

(1) Interest is payable semi-annually.

Together the Series H Notes, Series J Notes and Series L Notes are collectively referred to as the "**2014 Notes**". Mullen Group has certain financial covenants that must be met under its secured 2014 Notes, which include a total net debt to operating cash flow ratio and a total earnings available for fixed charges to total fixed charges ratio. Mullen Group's total net debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results normalized for acquisitions. The term "**2014 total net debt**" is defined in the 2014 Notes agreement as all debt including the 2014 Notes, the 2024 Notes, lease liabilities, the Bank 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. 2014 total net debt specifically excludes the Debentures. The term "**2014 operating cash flow**" is also defined in the 2014 Notes agreement and means, for any quarterly period, the trailing twelve month consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, including interest on the Debentures and lease liabilities; and (iv) non-cash charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results. Mullen Group is in compliance with all the 2014 Notes financial covenants.

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

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

On July 10, 2024, the Corporation closed a private placement (the "**Offering**") whereby it issued the Series M Notes and Series N Notes (collectively, the "**2024 Notes**"). Interest on the 2024 Notes accrue from the date of issuance and are payable semi-annually in arrears on June 7 and December 7, beginning December 7, 2024.

Mullen Group has certain financial covenants that must be met under its 2024 Notes, which include a total net debt to operating cash flow ratio and a total fixed charges coverage ratio. Mullen Group's total net debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results normalized for acquisitions. The term "**2024 total net debt**" is defined in the 2024 Note agreement as all debt including the Debentures, the 2014 Notes, the 2024 Notes, lease liabilities associated with operating equipment, the Bank 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. 2024 total net debt specifically excludes any real property lease liabilities. The term "**2024 operating cash flow**" is also defined in the 2024 Note agreement and means, for any quarterly period, the trailing twelve month consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, (iv) interest charges with respect to the Debentures; and (v) non-cash charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results. Mullen Group is in compliance with all the 2024 Note financial covenants.

Mullen Group's unamortized debt issuance costs of $2.8 million related to its Private Placement Debt have been netted against its carrying value at March 31, 2025 (December 31, 2024 – $2.9 million).

The following table summarizes the Corporation's long-term debt, lease liabilities and Bank Credit Facilities:

		March 31, 2025		December 31, 2024
Current liabilities:				
Lease liabilities – current portion		**42,576**		43,433
Current portion of long-term debt		**25**		25
Bank indebtedness		**7,200**		—
		49,801		43,458
Non-current liabilities:				
Private Placement Debt		**649,032**		649,182
Lease liabilities		**175,037**		184,340
Long-term debt		**70**		75
		824,139		833,597
	$	**873,940**	$	877,055

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

	Year of Maturity	Interest Rate	March 31, 2025 Face Value	March 31, 2025 Carrying Amount	December 31, 2024 Face Value	December 31, 2024 Carrying Amount
			$	**$**	$	$
Bank indebtedness	—	Variable	**7,200**	**7,200**	—	—
Lease liabilities	2025 – 2059	3.20%	**247,009**	**217,613**	257,474	227,773
2014 Notes	2026	3.94% - 4.07%	**244,012**	**243,890**	244,157	244,015
2024 Notes	2034	5.93% - 6.50%	**407,820**	**405,142**	407,918	405,167
Various financing loans	2025 – 2027	5.99%	**95**	**95**	100	100
			906,136	**873,940**	909,649	877,055

In addition, Mullen Group has an aggregate principal amount of $125.0 million of convertible unsecured subordinated debentures (the "**Debentures**"). The Debentures mature on November 30, 2026, and are publicly listed on the TSX under "MTL.DB". The Debentures bear interest at a rate of 5.75 percent per annum, payable semi-annually in arrears on May 31 and November 30 of each year. The carrying amount of the debt component of the Debentures at March 31, 2025, was $121.1 million (December 31, 2024 – $120.5 million). The conversion price of the Debentures is subject to adjustment per the Debentures agreement. As of March 31, 2025, the conversion price of the Debentures was $13.71. Each $1,000 Debenture is convertible into 72.9395 Common Shares of Mullen Group.

On March 7, 2025, Mullen Group received approval to commence a normal course issuer bid for the Debentures (the "**Debenture NCIB**"). Mullen Group may repurchase from time to time up to a maximum of $12.0 million principal amount of Debentures, representing 10% of the Corporation's Public Float of the Debentures. The Debenture NCIB commenced on March 11, 2025, and expires at the closing of trading on March 10, 2026. For the three month period ended March 31, 2025, Mullen Group did not repurchase any Debentures under the Debenture NCIB.

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

10. Share Capital

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

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

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

	# of Common Shares	
	2025	**2024**
Issued Common Shares at January 1	**87,670,314**	88,074,042
Common Shares repurchased and cancelled	**(202,480)**	(56,608)
Stock Options exercised	**—**	40,000
Issued Common Shares at March 31	**87,467,834**	88,057,434

Mullen Group had a normal course issuer bid ("**NCIB**"), commencing March 11, 2024, to purchase for cancellation up to 8,220,349 Common Shares in the open market on or before March 10, 2025. On March 7, 2025, Mullen Group announced the renewal of its NCIB commencing March 11, 2025, to purchase for cancellation up to 8,157,012 Common Shares in the open market on or before March 10, 2026. For the three month period ended March 31, 2025, Mullen Group had purchased and cancelled 202,480 Common Shares for $2.7 million under its NCIB programs. Mullen Group has also repurchased 107,840 Common Shares that are scheduled to be cancelled in April 2025.

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

11. Earnings per Share

(a) Basic Earnings per Share

Basic earnings per share is calculated as net income attributable to common shareholders divided by the weighted average number of Common Shares outstanding for the period. Net income attributable to common shareholders for the three month period ended March 31, 2025, was $17.7 million (2024 – $22.2 million). The weighted average number of Common Shares outstanding for the three month periods ended March 31, 2025 and 2024 was calculated as follows:

		Three month periods ended March 31	
	Note	**2025**	**2024**
Issued Common Shares at beginning of period	**10**	**87,670,314**	88,074,042
Effect of Common Shares repurchased and cancelled	**10**	**(24,156)**	(37,946)
Effect of stock options exercised	**10**	**—**	16,703
Weighted average number of Common Shares at end of period – basic		**87,646,158**	88,052,799

(b) Diluted Earnings per Share

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

	Three month periods ended March 31	
	2025	**2024**
Net income	**$ 17,727**	$ 22,218
Effect of the Debentures	**—**	1,788
Net income – adjusted	**$ 17,727**	$ 24,006

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

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

	Three month periods ended March 31	
	2025	**2024**
Weighted average number of Common Shares – basic	**87,646,158**	88,052,799
Effect of "in the money" stock options	**185,052**	272,957
Effect of the Debentures	**—**	8,928,571
Weighted average number of Common Shares at end of period – diluted	**87,831,210**	97,254,327

For the three month period ended March 31, 2025, 3,010,000 stock options (2024 – 2,717,500) were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive. The average market value of the Corporation's Common Shares for the purposes of calculating the dilutive effect of stock options was based on quoted market prices for the periods ended March 31, 2025 and 2024. For the three month period ended March 31, 2025, the Common Shares that would be issued upon conversion of the Debentures were excluded from the diluted weighted average calculation as their effect was anti-dilutive. For the three month period ended March 31, 2024, the Common Shares that would be issued upon conversion of the Debentures were included in the diluted weighted average calculation as their effect was dilutive.

12. Seasonality of Operations

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

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

13. Revenue

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

At March 31, 2025, the Less-Than-Truckload segment consisted of 12 Business Units and is often referred to as the final or last mile delivery of general freight consisting of smaller shipments, packages and parcels. Through an extensive terminal network the pickup, handling and delivery of a wide range of freight including ambient, temperature controlled and consumer goods is coordinated from regional hubs located in Ontario and western Canada.

At March 31, 2025, the Logistics & Warehousing segment consisted of 11 Business Units and provides shippers throughout North America with a wide range of trucking and logistics service offerings including full truckload, specialized transportation, warehousing, fulfillment centres that handle e-commerce transactions, and transload facilities designed for intermodal and bulk shipments. Operations and customer service are supported by a robust suite of leading edge technology solutions including a fully integrated transportation management system, customized inventory management and warehouse systems along with our proprietary Moveitonline® and Haulistic™ technology platforms, applications that are positioning our organization for an evolving and changing supply chain.

At March 31, 2025, the Specialized & Industrial Services segment consisted of 15 Business Units and is comprised of a wide range of unique businesses providing specialized equipment and services to the oil and natural gas, environmental, construction, pipeline, utility, telecom and civil industries. Strategically located throughout western Canada, these specialty Business Units are focused on providing advanced technology solutions and leading edge service capabilities.

At March 31, 2025, the U.S. & International Logistics segment consisted of one Business Unit, being a global technology enabled, non-asset based third-party logistics service provider focused on freight brokerage services across multiple modes of transportation. The operations and customer service are provided through its proprietary transportation management system technology platform known as SilverExpress, which aligns customer shipments with transportation carriers.

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

Disaggregation of revenue:

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

Three month period ended March 31, 2025	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	**190,809**	**83,070**	**52,503**	**—**	**—**	**—**	**326,382**
Logistics	**4,265**	**35,034**	**9,917**	**44,895**	**—**	**—**	**94,111**
Rental	**132**	**2,244**	**8,791**	**—**	**952**	**—**	**12,119**
Other	**1,628**	**32,438**	**41,897**	**—**	**17**	**—**	**75,980**
Eliminations	**(5,350)**	**(985)**	**(908)**	**—**	**—**	**(4,206)**	**(11,449)**
	191,484	**151,801**	**112,200**	**44,895**	**969**	**(4,206)**	**497,143**
Timing of revenue recognition							
Over time	**190,940**	**85,315**	**69,080**	**—**	**952**	**—**	**346,287**
Point in time	**5,894**	**67,471**	**44,028**	**44,895**	**17**	**—**	**162,305**
Eliminations	**(5,350)**	**(985)**	**(908)**	**—**	**—**	**(4,206)**	**(11,449)**
	191,484	**151,801**	**112,200**	**44,895**	**969**	**(4,206)**	**497,143**

Three month period ended March 31, 2024	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	174,233	75,301	56,261	—	—	—	305,795
Logistics	12,322	23,976	14,165	44,354	—	—	94,817
Rental	45	1,862	6,939	—	973	—	9,819
Other	828	26,257	35,230	—	17	—	62,332
Eliminations	(4,888)	(1,136)	(698)	—	—	(3,456)	(10,178)
	182,540	126,260	111,897	44,354	990	(3,456)	462,585
Timing of revenue recognition							
Over time	174,278	77,163	69,297	—	974	—	321,712
Point in time	13,150	50,233	43,298	44,354	16	—	151,051
Eliminations	(4,888)	(1,136)	(698)	—	—	(3,456)	(10,178)
	182,540	126,260	111,897	44,354	990	(3,456)	462,585

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

14. Other (Income) Expense

	Three month periods ended March 31	
	2025	**2024**
Change in fair value of investments	**$ 51**	$ (170)
Gain on sale of property, plant and equipment	**(1,185)**	(505)
Earnings from equity investments	**(370)**	(350)
Accretion on decommissioning liabilities	**6**	6
Other (income) expense	**$ (1,498)**	$ (1,019)

15. Changes in Non-Cash Working Capital

	Three month periods ended March 31	
	2025	**2024**
Trade and other receivables	**$ (10,781)**	$ 278
Inventory	**(912)**	767
Prepaid expenses	**(2,077)**	(3,094)
Accounts payable and accrued liabilities	**981**	(14,601)
	$ (12,789)	$ (16,650)

	Three month periods ended March 31	
	2025	**2024**
Changes in non-cash working capital items from:		
Operating activities	**$ (13,364)**	$ (15,286)
Financing activities	**1,015**	846
Investing activities	**(440)**	(2,210)
	$ (12,789)	$ (16,650)

16. Operating Segments

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

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

The following tables provide financial results by segment:

						Intersegment eliminations				
Three month period ended March 31, 2025	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	**191,484**	**151,801**	**112,200**	**44,895**	**969**	**(1,241)**	**(1,719)**	**(1,246)**	**—**	**497,143**
Direct operating expenses	**133,307**	**104,664**	**80,420**	**41,240**	**(44)**	**(1,241)**	**(1,719)**	**(1,246)**	**—**	**355,381**
Selling and administrative expenses	**28,906**	**21,750**	**12,979**	**3,567**	**6,583**	**—**	**—**	**—**	**—**	**73,785**
Income (loss) before income taxes	**11,251**	**10,482**	**10,140**	**(966)**	**(6,212)**	**—**	**—**	**—**	**—**	**24,695**
Depreciation of property, plant and equipment	**6,297**	**3,678**	**6,036**	**—**	**1,758**	**—**	**—**	**—**	**—**	**17,769**
Amortization of intangible assets	**2,095**	**1,129**	**420**	**485**	**—**	**—**	**—**	**—**	**—**	**4,129**
Capital expenditures[(1)]	**8,757**	**1,209**	**3,286**	**—**	**575**	**—**	**(130)**	**—**	**—**	**13,697**
Total assets at March 31, 2025	**618,966**	**532,650**	**394,220**	**73,642**	**713,265**	**—**	**—**	**—**	**—**	**2,332,743**

[(1)] *Excludes business acquisitions.*

						Intersegment eliminations				
Three month period ended March 31, 2024	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	182,540	126,260	111,897	44,354	990	(1,156)	(789)	(1,511)	—	462,585
Direct operating expenses	123,689	87,232	82,311	40,553	12	(1,156)	(789)	(1,511)	—	330,341
Selling and administrative expenses	28,024	16,508	12,837	3,284	5,399	—	—	—	—	66,052
Income (loss) before income taxes	14,647	13,658	6,443	(483)	(4,420)	—	—	—	—	29,845
Depreciation of property, plant and equipment	5,660	3,498	6,651	—	1,534	—	—	—	—	17,343
Amortization of intangible assets	1,698	635	420	456	—	—	—	—	—	3,209
Capital expenditures[(1)]	12,386	2,995	3,591	—	679	(26)	(50)	(420)	—	19,155
Total assets at December 31, 2024	599,298	560,517	395,044	67,304	710,325	—	—	—	—	2,332,488

[(1)] *Excludes business acquisitions.*

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

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

The following geographical information is based upon the Business Unit's head office location for the three month periods ended March 31, 2025 and 2024.

2025	Revenue	Operating Income Before Depreciation and Amortization	Property, Plant and Equipment	Total Non-Current Assets	Total Assets
Canada	$ 452,248	$ 67,889	$ 1,038,250	$ 1,771,358	$ 2,259,101
United States	44,895	88	—	46,734	73,642
Total	$ 497,143	$ 67,977	$ 1,038,250	$ 1,818,092	$ 2,332,743

2024	Revenue	Operating Income Before Depreciation and Amortization	Property, Plant and Equipment	Total Non-Current Assets	Total Assets
Canada	$ 418,231	$ 65,675	$ 1,035,915	$ 1,612,829	$ 1,991,043
United States	44,354	517	—	46,311	67,166
Total	$ 462,585	$ 66,192	$ 1,035,915	$ 1,659,140	$ 2,058,209

17. Subsequent Event

On April 14, 2025, Mullen Group announced that it had entered into a definitive share purchase agreement to acquire the shares of Cole Group Inc., Cole International Inc., ABCO International Freight Inc. and all related entities (collectively the "**Cole Group**"). This transaction is scheduled to close in the second quarter, subject to receiving regulatory approvals.

The Cole Group is an industry leading privately owned, full spectrum logistics services company specializing in customs brokerage, freight forwarding and trade consulting operating throughout Canada and the U.S. Employing over 700 employees and operating from 43 locations throughout Canada and the U.S., which includes strategically situated offices at various air and seaports of entry and land border crossings, the Cole Group provides industry leading customs and logistics services to a diverse group of North American and international customers through a suite of proprietary technology solutions.