ANNUAL INFORMATION FORM

Dated: February 9, 2022

FOR THE FISCAL YEAR ENDED

December 31, 2021

CONTENTS

CORPORATE OVERVIEW

SUMMARY:

- ❖ Mullen Group owns a network of independently operated businesses
- ❖ We are one of North America's largest logistics providers
- ❖ The markets we serve are vital to the economy
  - Leading supplier of LTL, logistics and warehousing in Canada
  - We provide a diverse set of specialized services to the energy, mining, forestry, environmental, construction, pipeline, utility, telecom and civil industries
  - We provide technology based 3PL services throughout North America

LONG TERM STRATEGY:

- ❖ Provide returns to shareholders
- ❖ Maintain a well-structured balance sheet
- ❖ Maximize operational performance of Business Units
- ❖ Effective deployment of capital

RESULTING IN:

- ❖ DIVERSITY
- ❖ RELIABILITY
- ❖ STABILITY
- ❖ SUSTAINABILITY

3 million+
Shipments/Year

7,202
Personnel

5,000+
Communities Served

37
Business Units

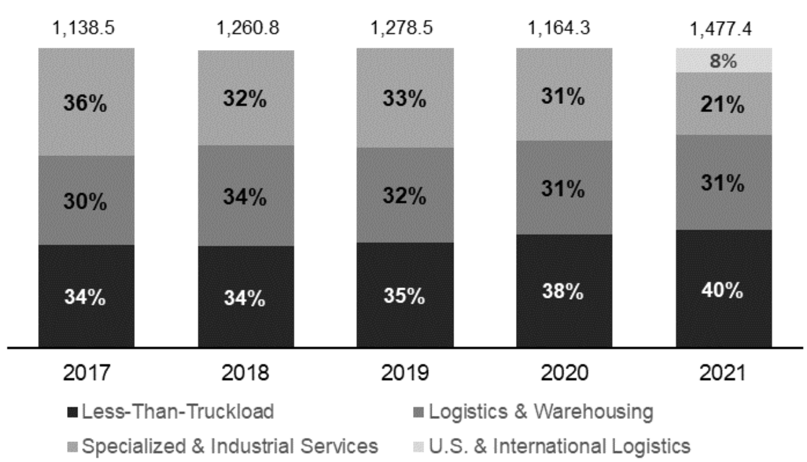
1

STRONG BRAND

WE THINK tomorrow™

REVENUE TREND

($millions)



IMPORTANT INFORMATION ABOUT THIS DOCUMENT

This Annual Information Form ("**AIF**"), dated February 9, 2022, has been prepared by management of Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") for the fiscal year ended December 31, 2021. Unless otherwise specified, information in this AIF is provided as at such date and any reference to "Mullen Group", "we", "us", "our" or the "Corporation" means Mullen Group Ltd., a corporation incorporated under the laws of the Province of Alberta and includes its predecessors where the context so requires. All dollar amounts set forth in this AIF are in Canadian dollars, except where otherwise indicated. Any document referred to in this AIF and described as being filed on the Corporation's issuer profile on SEDAR at www.sedar.com may be accessed on our website at www.mullen-group.com or obtained free of charge from our Corporate Investor Services group at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3, telephone 403-995-5200, or ir@mullen-group.com.

Throughout this document we make reference to certain defined terms that may be specific to Mullen Group and/or the industry in which our services are provided. For ease of reference, the definition of each such term is provided in the **Glossary of Terms** beginning on page 61. Unless otherwise stated, or the context otherwise requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

FORWARD-LOOKING STATEMENTS

Mullen Group may make statements in this AIF that reflect management's current beliefs and assumptions and are based on information currently available to management and contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. The use of any of the words "anticipate", "may", "will", "believe", "likely", "seek" "goal", "expect", "potential", "continue", "view", "objective", "should", "plan", "strategy", "intend", "ongoing", "estimate", "project", "future" or similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward-looking statements included or referred to in this AIF include, but are not limited to statements with respect to, the long-term strategy of the Corporation and the anticipated results thereof; the Corporation's plans for capital expenditures and strategic acquisitions including the amount, timing and costs thereof; the Corporation's intention to pay dividends and the amount thereof; the use and timing of the proceeds of any financings completed by the Corporation; the potential impacts of various identified risk factors; the future impact of regulatory measures; and the ability of the Corporation to compete with other carriers.

Although Mullen Group believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, Mullen Group cautions readers not to place undue reliance on any forward-looking statements, which reference only the date of which they are made. With respect to forward-looking information included or referred to in this AIF, assumptions have been made regarding, among other things, the impact of the Corporation's size, operational systems, safety standards and policies, technology solutions and financial position to influence competitiveness; the Corporation's ability to obtain qualified personnel, Owner Operators and Equipment in a cost-efficient manner; no material defaults by counterparties to agreements with Corporation; the regulatory framework governing taxes, environmental matters, transportation and health and safety in the jurisdictions in which the Corporation conducts and will conduct its business; operating costs; future capital expenditures made by the Corporation; the impact of increasing competition on the Corporation; and other risks and uncertainties described from time to time in the filings the Corporation makes with securities regulatory authorities.

This AIF may contain forward-looking information attributed to third-party industry sources. These forward-looking statements are made as of the date of this AIF, and the Corporation does not assume any obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.

Forward-looking statements address future events and conditions and, therefore, involve inherent risks and uncertainties that could cause actual results, performance or achievements to differ materially from historical results, and those presently anticipated or projected. The following important risk factors could cause Mullen Group's actual financial performance to differ materially from that expressed in any forward-looking statement:

STRATEGIC RISKS:	FINANCIAL RISKS:	OPERATIONAL RISKS:

• geopolitical risks
  ◦ general economy
  ◦ natural gas and oil drilling and oil sands development
  ◦ changes in the legal framework
• e-commerce and supply chain evolution
• acquisitions
• competition
	• foreign exchange rates
	• investments
	• interest rates
	• access to financing
	• reliance on major customers
	• impairment of goodwill or intangible assets
	• credit risk
		• employees & labour relations
		• cost escalation & fuel costs
		• potential operating risks & 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
		• regulation
		• litigation

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 41 and are included 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.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or concluded after the date of this AIF. This forward-looking information is made as of the date of this AIF, and other than as required by applicable securities laws, Mullen Group assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

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, operating margin, adjusted operating margin, adjusted OIBDA, net revenue, net income – adjusted, earnings per share – adjusted, net capital expenditures, net debt, total net debt and cash flow per share are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. 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 following Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt. Reconciliations to the most closely related Canadian GAAP measures are included in Mullen Group's 2021 MD&A under the heading "Glossary of Terms and Reconciliation of Non-GAAP Terms" which is incorporated by reference into the AIF and is available on Mullen Group's website at www.mullen-group.com and may also be accessed through the Corporation's issuer profile on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

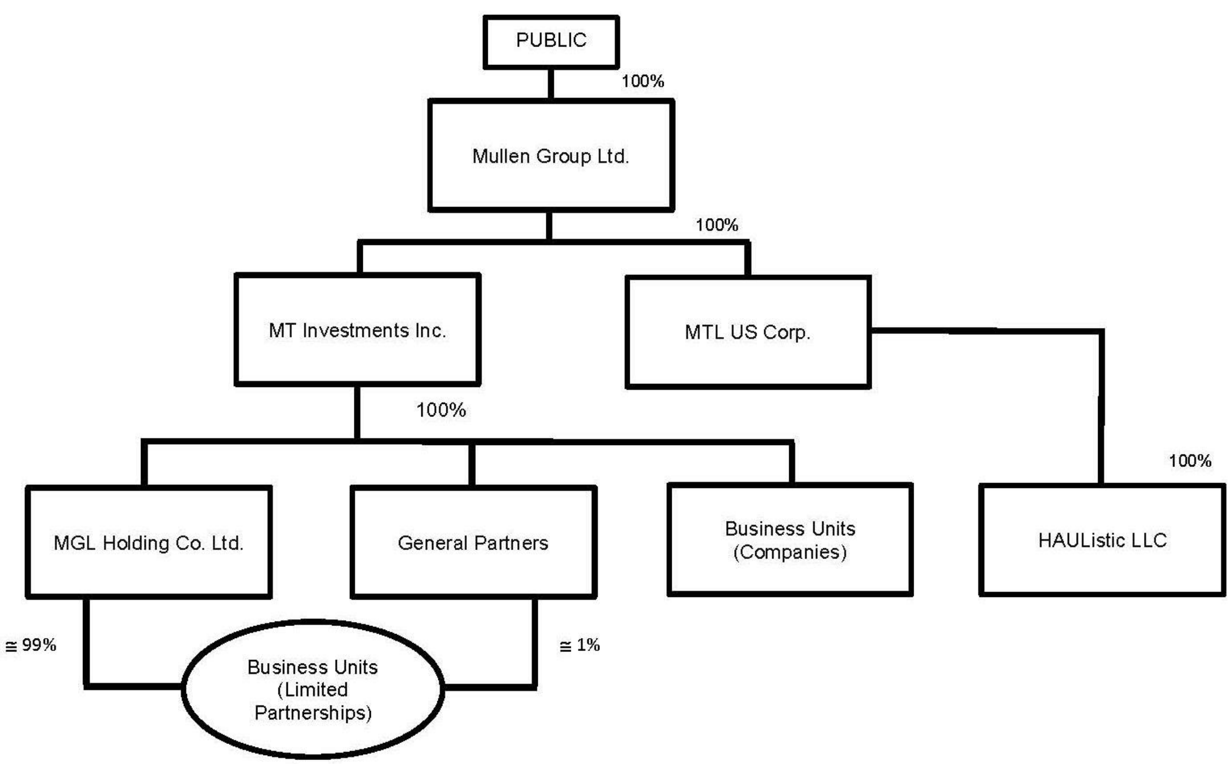
Mullen Group Ltd. is an Alberta company incorporated under the ABCA. We have one class of shares that trade publicly, being our Common Shares that are listed on the TSX under the trading symbol "**MTL**". No other shares of Mullen Group have been issued. We also have Debentures that are listed on the TSX under the trading symbol "**MTL.DB**". Mullen Group's Corporate Office and registered office are located at:

Chimney Rock Centre
121A - 31 Southridge Drive
Okotoks, Alberta T1S 2N3
Telephone: 403-995-5200
Canada/U.S.: 1-866-995-7711
Facsimile: 403-995-5296
Internet: www.mullen-group.com
Email: ir@mullen-group.com

A list of our Executive Officers, directors and other advisors/service providers appear on the back cover of this AIF.

Through a network of wholly-owned companies and limited partnerships (collectively, the "**Business Units**"), Mullen Group is one of North America's largest logistics providers. Our network of independently operated businesses provide a wide range of service offerings including LTL, truckload, warehousing, logistics, transload, oversized, third-party logistics and specialized hauling transportation. In addition, we provide a diverse set of specialized services related to the energy, mining, forestry and construction industries in western Canada, including water management, environmental reclamation, and fluid hauling. We have four reportable segments – Less-Than-Truckload, Logistics & Warehousing, Specialized & Industrial Services and U.S. & International Logistics.

Mullen Group operates a decentralized business model that is non-hierarchical in nature. Each Business Unit operates as a separate subsidiary under its own brand and is held accountable for its own performance and results. The diagram below depicts our inter-corporate relationships. A complete list of the Business Units is set out on the following pages under the heading "Business Units".



MT Investments Inc. ("MT")

MT is an Alberta corporation, amalgamated under the ABCA. It is a wholly-owned subsidiary of Mullen Group. In addition to directly owning a number of Mullen Group's Business Units and other related companies, MT owns a network of real estate holdings and operating facilities that are primarily leased to the Business Units by MT on commercially reasonable terms. MT also holds, from time to time, equity investments, other real estate holdings or operating facilities to earn rental income from third-parties or that Mullen Group considers strategic in facilitating the Business Units' organic growth or development of additional service offerings. MT maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

MTL U.S. Corp. ("U.S. Holdco")

U.S. Holdco is a Delaware corporation and is a wholly owned subsidiary of Mullen Group. U.S. Holdco maintains its registered office at 251 Little Falls Drive, Wilmington, Delaware, 19808.

MGL Holding Co. Ltd. ("Mullen Holdco")

Mullen Holdco is an Alberta corporation, incorporated under the ABCA that is a wholly-owned subsidiary of MT and is the limited partner of various Business Units. Mullen Holdco maintains its registered office at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3.

General Partners

Each general partner was formed for the sole purpose of acting as the general partner of its respective limited partnership. All general partners are Alberta corporations incorporated under the ABCA except the General Partner of Gardewine Group Limited Partnership ("**Gardewine**") which is a Manitoba corporation incorporated under *The Corporations Act (Manitoba)*.

Limited Liability Corporations

HAUListic LLC, is an active Delaware limited liability corporation and is a wholly owned subsidiary of U.S. Holdco. HAUListic LLC is currently the only limited liability corporation owned by Mullen Group and maintains its registered office at 251 Little Falls Drive, Wilmington, Delaware, 19808.

Business Units

As at the date hereof, our business is operated through a network of 37 Business Units. A general description of each Business Unit can be found under the heading "Business and Operations" beginning on page 18. The following table provides the name of each Business Unit, its jurisdiction of incorporation/formation, the percentage of securities indirectly owned by Mullen Group and the operating segment under which its financial results are reported.

Business Unit	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (indirectly)
Less-Than-Truckload Segment		
APPS Cargo Terminals Inc.[(1)]	Canada	100%
APPS Cartage Inc.[(1)]	Ontario	100%
Argus Carriers Ltd.	British Columbia	100%
DirectIT Group of Companies[(2)]	Alberta	100%
Gardewine Group Limited Partnership[(3)]	Manitoba	100%
Grimshaw Trucking L.P.	Alberta	100%
Hi-Way 9 Express Ltd.[(4)]	Alberta	100%
Jay's Transportation Group Ltd.	Saskatchewan	100%
Number 8 Freight Ltd.	British Columbia	100%
Pacific Coast Express Limited[(5)]	Alberta	100%

(1) Acquired June 24, 2021.
(2) Acquired October 1, 2021.
(3) On January 1, 2022, the operations of Courtesy Freight Systems Ltd. and R.S. Harris Transport Ltd., were integrated into Gardewine Group Limited Partnership.
(4) On January 1, 2020, the operations of Load-Way Ltd. and Streamline Logistics Inc., were integrated into Hi-Way 9 Express Ltd.
(5) Acquired September 1, 2020.

Business Unit	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (Indirectly)
Logistics & Warehousing Segment		
24/7 The Storehouse (2015) Ltd.	British Columbia	100%
Bandstra Transportation Systems Ltd. [(1)]	British Columbia	100%
Caneda Transport Ltd.	Alberta	100%
Cascade Carriers L.P.	Alberta	100%
DWS Logistics Inc.	Ontario	100%
International Warehousing & Distribution Inc. [(2)]	Ontario	100%
Kleysen Group Ltd.	Alberta	100%
Mullen Trucking Corp. [(3)]	Alberta	100%
Payne Transportation Ltd.	Alberta	100%
RDK Transportation Co. Inc.	Saskatchewan	100%
Tenold Transportation Ltd. [(4)]	Alberta	100%
Tri Point Intermodal Services Inc. [(5)]	Ontario	100%

(1) Acquired April 16, 2021.
(2) Acquired October 1, 2020.
(3) On January 1, 2022, the operations of Canadian Hydrovac Ltd. were integrated into Mullen Trucking Corp.
(4) On January 1, 2022, the operations of Inter-Urban Delivery Service Ltd. were integrated into Tenold Transportation Ltd.
(5) Acquired June 1, 2021.

Business Unit	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (Indirectly)
Specialized & Industrial Services Segment		
Babine Truck & Equipment Ltd. [(1)]	British Columbia	100%
Canadian Dewatering L.P.	Alberta	100%
Cascade Energy Services L.P.	Alberta	100%
E-Can Oilfield Services L.P.	Alberta	100%
Envolve Energy Services Corp.	Alberta	100%
Formula Powell L.P.	Alberta	100%
Heavy Crude Hauling L.P. [(2)(3)]	Alberta	100%
Mullen Oilfield Services L.P. [(4)]	Alberta	100%
OK Drilling Services L.P.	Alberta	100%
Premay Equipment L.P.	Alberta	100%
Premay Pipeline Hauling L.P.	Alberta	100%
Smook Contractors Ltd.	Manitoba	100%
Spearing Service L.P.	Alberta	100%
TREO Drilling Services L.P.	Alberta	100%

[(1)] *Acquired April 16, 2021.*
[(2)] *On April 1, 2020, the operations of R. E. Line Trucking (Coleville) Ltd. were combined into Heavy Crude Hauling L.P.*
[(3)] *On January 1, 2022, the operations of Recon Utility Search L.P. were combined into Heavy Crude Hauling L.P.*
[(4)] *On January 1, 2020, the operations of Withers L.P. were combined into Mullen Oilfield Services L.P.*

Business Unit	Jurisdiction of Incorporation/ Formation	Percentage owned by Mullen Group (Indirectly)
U.S. & International Logistics Segment		
HAUListic LLC[(1)]	Delaware	100%

[(1)] *Acquired June 30, 2021.*

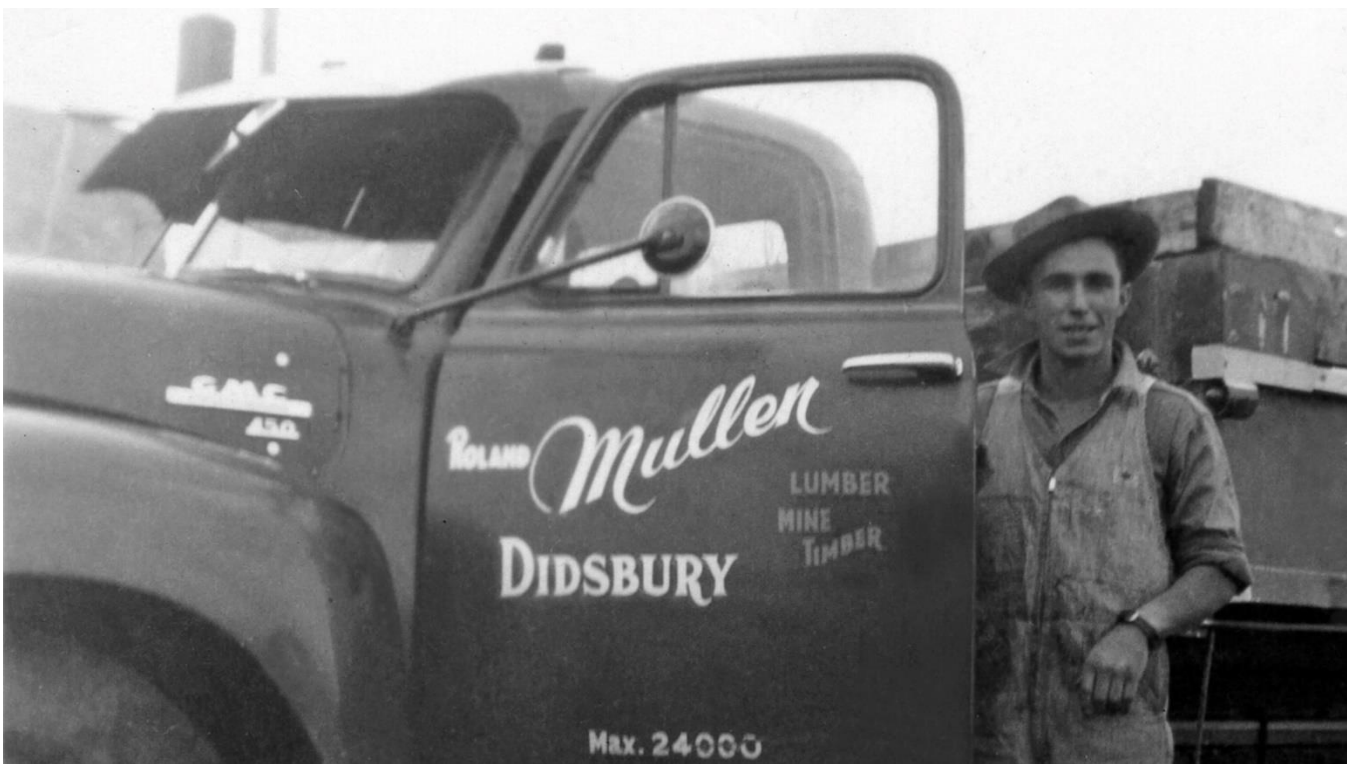
GENERAL DEVELOPMENT

THE EARLY YEARS

The business was originally founded by Roland Mullen in 1949 as a single truck operation. Over the ensuing four decades, the business grew as the economy in western Canada expanded. In 1993 the Mullen family believed the company could expand further by accessing new capital in the public markets. In December 1993, Mullen Trucking Ltd. met the listing requirements of the TSX and issued Common Shares through a public offering, raising $10.5 million to fund its future growth.

Over the next decade Mullen Trucking Ltd. expanded through a combination of internal growth and acquisitions, capitalizing on the expanding economy in western Canada and the strong growth in the oil and natural gas service sector. During this time Mullen Trucking Ltd. changed its name to Mullen Transportation Inc.

In 2005 Mullen Transportation Inc. converted to an open-ended investment trust known as "Mullen Group Income Fund" and all of its Business Units were transformed into limited partnerships. Mullen Group operated under the trust structure until May 2009, when it converted back to the corporation known as "Mullen Group Ltd." in light of the federal government's changes in relation to the tax treatment of income trusts. While the limited partnership structure for the Business Units currently remains in place for certain of those entities owned by Mullen Group prior to 2009, newly acquired businesses are typically integrated into Mullen Group as a corporate entity.



THREE YEAR HISTORY

Over the past three years we have experienced growth by strategically deploying capital to facilitate internal growth, as well as acquiring eleven Stand-Alone Businesses, six in the Less-Than-Truckload segment, three in the Logistics & Warehousing segment, one in the Specialized & Industrial Services segment and one in the U.S. & International Logistics segment. Strategic Tuck-in Acquisitions were also completed to complement our existing Business Units.

Stand-Alone Acquisitions

Acquisition Date	Name	Head Office	Service Provided
2019			
July	Argus Carriers Ltd.	Surrey, BC	Less-Than-Truckload - Regional Scheduled LTL
July	Inter-Urban Delivery Service Ltd.	Surrey, BC	Less-Than-Truckload - Regional Scheduled LTL
2020			
September	Pacific Coast Express Limited	Surrey, BC	Less-Than-Truckload - Regional Scheduled LTL
October	International Warehousing & Distribution Inc.	Mississauga, ON	Logistics & Warehousing - Warehousing and Distribution Services
2021			
April	Babine Truck & Equipment Ltd.	Smithers, BC	Specialized & Industrial – Original Equipment Manufacturer Dealership and Services
April	Bandstra Transportation Systems Ltd.	Smithers, BC	Logistics & Warehousing – LTL, Irregular Route Truckload & Specialized Transportation
June	APPS Cargo Terminals Inc.	Delta, BC	Less-Than-Truckload – Regional Scheduled LTL
June	APPS Cartage Inc.	Mississauga, ON	Less-Than Truckload – Regional Scheduled LTL
June	HAUListic LLC	Naperville, IL	U.S. & International Logistics – Third-Party Logistics
June	Tri Point Intermodal Services Inc.	Mississauga, ON	Logistics & Warehousing – Intermodal Transportation and Storage Services
October	DirectIT Group of Companies	Calgary, AB	Less-Than-Truckload – Regional Scheduled LTL

Tuck-In Acquisitions

Acquisition Date	Name	Business Unit Integration	Operating Segment
2019			
May	Assets of Jen Express Inc.	Hi-Way 9 Express Ltd.	Less-Than-Truckload
June	Assets of Thomlee Enterprises Ltd.	Hi-Way 9 Express Ltd.	Less-Than-Truckload
2020			
December	Assets of Purcell Recycling Inc. dba Lessco Transportation Services	Hi-Way 9 Express Ltd.	Less-Than-Truckload
2021			
July	R.S. Harris Transport Ltd.	Gardewine Group Limited Partnership	Less-Than-Truckload

Further details relating to these acquisitions follow, along with a summary of other factors that have facilitated our growth over the past three years.

2019

Acquisitions and Intangible Assets

On May 1, 2019, we acquired the business and assets of Jen Express Inc. ("**Jen Express**"). We acquired Jen Express as part of our strategy to invest in the transportation sector in western Canada. Located in Stettler, Alberta, Jen Express offers LTL services and has been integrated into the operations of Hi-Way 9 Express Ltd. ("**Hi-Way 9**"), whose financial results are included in the Less-Than-Truckload segment.

On June 1, 2019, we acquired the business and assets of Thomlee Enterprises Ltd., which included a customer list for LTL customers in the Alberta and British Columbia regions. The business and assets were integrated into the operations of Hi-Way 9.

On July 1, 2019, we acquired all of the issued and outstanding shares of Argus Carriers Ltd. ("**Argus**") and Inter-Urban Delivery Service Ltd. ("**Inter-Urban**"). Both Argus and Inter-Urban provide transportation and logistics services in the Lower Mainland of British Columbia. We acquired Argus and Inter-Urban as part of our strategy to invest in transportation and logistics companies that have a strong regional LTL presence centrally located to serve consumers in large urban centres. Argus and Inter-Urban's financial results are included in the Less-Than-Truckload segment.

Argus, a well-established company founded in 1948, has approximately 95 employees and dedicated Owner Operators and operates a fleet of 57 trucks and 46 trailers providing general freight services including: local pick-up and delivery, warehousing, regional LTL, dedicated and linehaul trucking from four British Columbia operating terminals – Burnaby, Kelowna, Victoria, and Nanaimo. In addition, Argus provides daily LTL service to the Pacific Northwest of the United States.

Inter-Urban, also a well-established company founded in 1974, has approximately 70 employees and dedicated Owner Operators and operates 43 trucks and 26 trailers focusing on critical same day delivery service for the healthcare sector including: cross-border linehaul, cross-border LTL cartage, dedicated and local pick-up and delivery. Inter-Urban operates from a terminal based in Abbotsford, British Columbia.

Capital Expenditures

On February 6, 2019, the Board approved a $75.0 million capital budget for 2019 exclusive of corporate acquisitions and special projects with $60.0 million allocated to our operating segments, primarily to replace trucks, trailers and specialized Equipment to support their operations as well as capital to support growth at Envolve Energy Services Corp. ("**Envolve**") and Canadian Dewatering L.P. ("**Canadian Dewatering**") and $15.0 million allocated to the Corporate Office mainly to expand our real estate holdings.

Over the course of 2019 we invested a total of $80.5 million on capital expenditures comprised of $63.7 million for Rolling Stock and $16.8 million for real property and facilities. The Less-Than-Truckload segment had gross capital expenditures of $26.3 million and dispositions of $1.1 million for net capital expenditures(1) of $25.2 million in 2019. The majority of the capital invested in the Less-Than-Truckload segment mainly consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient Equipment. The Logistics & Warehousing segment had gross capital expenditures of $17.2 million and dispositions of $1.5 million for net capital expenditures(1) of $15.7 million in 2019. The majority of the capital invested in the Logistics & Warehousing segment mainly consisted of trucks, trailers and various pieces of operating Equipment to replace some older less efficient Equipment. The Specialized & Industrial Services segment had gross capital expenditures of $19.9 million and dispositions of $9.4 million for net capital expenditures(1) of $10.5 million in 2019. The majority of the capital invested in the Specialized & Industrial Services segment was to expand our disposal capacity and service offering to our customers at Envolve with the addition of a new disposal well. Capital was also allocated to meet strong customer demand by purchasing pumps at Canadian Dewatering and to acquire specialized Equipment at Premay Pipeline Hauling L.P. ("**Premay Pipeline**"). We also acquired some trucks to support the AECOM ISD business acquired in 2018. In 2019, we continued with the sale of older Equipment predominantly within the Specialized & Industrial Services segment. In addition, we transferred approximately $4.7 million of trucks and trailers to the Logistics & Warehousing segment and the Less-Than-Truckload segment from the Specialized & Industrial Services segment to improve asset utilization.

We continued to expand and develop our network of real estate holdings. In 2019 MT invested $16.7 million into real property and facilities, most notably we continued the development our new facility for Jay's Transportation Group Ltd. ("**Jay's**") located in Regina, Saskatchewan. At December 31, 2019, we had carrying costs of $571.4 million of real property included within property, plant and Equipment.

(1) Net capital expenditures is a Non-GAAP Term. Refer to the section entitled “Glossary of Terms and Reconciliation of Non-GAAP Terms” in the 2021 MD&A.

RBC Credit Facility Amendments

On June 21, 2019, the amount available to be borrowed on the RBC Credit Facility was increased by $25.0 million to $150.0 million. All other terms under the RBC Credit Facility remained the same. This facility does not have any financial covenants, however, we cannot be in default of our Private Placement Debt and we must be in compliance with certain reporting and general covenants.

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. Thus, an aggregate of approximately 8.9 million Common Shares of Mullen Group may be issued if all the holders convert their principal amount. The proceeds of the offering will be used for general corporate purposes, which may include future acquisitions within the Less-Than-Truckload and Logistics & Warehousing segments.

Internal Reorganizations

On January 1, 2019, the operations of Bernard Transport Ltd. ("**Bernard**") were integrated into Hi-Way 9.

On May 1, 2019, the operations of 24/7 The Storehouse (2015) Ltd. were moved from DWS to a Stand-Alone Business managed by Tenold Transportation Ltd. ("**Tenold**").

On July 1, 2019, the operations of Dacota Freight Services Ltd. (“**Dacota**”) were integrated into Hi-Way 9.

On September 1, 2019, the operations of Golden Transport Ltd. (“**Golden**”) were integrated into Hi-Way 9.

Haulistic™ ***Mobility App***

In 2019, we completed the development of the initial release of our Haulistic™ Mobility App and web portal that provides and empowers drivers with the ability to choose and accept loads. We deployed this initial release to Tenold as part of our pilot program.

Return to Shareholders

During 2019 we paid an annual dividend of $0.60 per Common Share consisting of $0.05 per Common Share on a monthly basis.

Our share price closed 2019 at $9.27, reflecting a decrease of $2.94 as compared to the 2018 closing price of $12.21. The combined effect of the decrease in the share price and payment of the dividends resulted in a total decrease to the value of our shares of $2.34 per Common Share or 19.2 percent during the 12 - month period ended December 31, 2019.

2020

Acquisitions

On September 1, 2020, we acquired all of the remaining issued and outstanding shares of Pacific Coast Express Limited ("**PCX**") including two of PCX's operating facilities, one in Calgary, Alberta and one in Winnipeg, Manitoba. PCX provides expedited handling of international less-than-truckload and truckload shipments to and from western Canada, the western United States and Mexico, along with shipments between multiple points in western Canada. PCX operates an Owner Operator and logistics model from four locations with its head office in Surrey, British Columbia, along with operating terminals in Edmonton and Calgary, Alberta and Winnipeg, Manitoba. We acquired PCX as part of our strategy to invest in the transportation sector in western Canada. The financial results of PCX's operations are included in the Less-Than-Truckload segment.

In October 2020, we announced an agreement to acquire all of the issued and outstanding shares of International Warehousing & Distribution Inc. ("**IWD**"). IWD is based out of Mississauga, Ontario and provides sufferance warehousing and distribution services in Ontario. We acquired IWD as part of our strategy to invest in the warehousing and transportation sector in eastern Canada. The acquisition of IWD expands our service offering to the greater Toronto, Ontario market.

On December 1, 2020, we acquired the business and assets of Purcell Recycling Inc. dba Lessco Transportation Services ("**Lessco**"). We acquired Lessco as part of our strategy to invest in the transportation sector in western Canada. Located in Cranbrook, British Columbia, Lessco offers LTL services and has been integrated into the operations of Hi-Way 9, whose financial results are included in the Less-Than-Truckload segment.

Capital Expenditures

On February 12, 2020, the Board approved a $50.0 million capital budget for 2020 exclusive of corporate acquisitions and special projects. The $50.0 million capital budget was allocated to our operating segments, primarily to replace trucks, trailers and specialized Equipment to support their operations.

In 2020, we invested a total of $67.0 million on capital expenditures comprised of $44.3 million for Rolling Stock and $22.7 million for real property and facilities. The Less-Than-Truckload segment had gross capital expenditures of $25.2 million and dispositions of $0.8 million for net capital expenditures(1) of $24.4 million in 2020. The majority of the capital invested in the Less-Than-Truckload segment mainly consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient Equipment. The Logistics & Warehousing segment had gross capital expenditures of $7.7 million and dispositions of $2.1 million for net capital expenditures(1) of $5.6 million in 2020. The majority of the capital invested in the Logistics & Warehousing segment mainly consisted of growth capital to expand our service offerings and rail capacity at our Edmonton, Alberta distribution center as well as purchase trucks, trailers and various pieces of operating Equipment to replace some older less efficient Equipment. The Specialized & Industrial Services segment had gross capital expenditures of $11.4 million and dispositions of $6.0 million for net capital expenditures(1) of $5.4 million in 2020. The majority of the capital invested in the Specialized & Industrial Services segment mainly consisted of various pieces of operating Equipment to support strong demand at Premay Pipeline, to support growth opportunities at

Cascade Energy Services L.P. ("**Cascade**") and to replace some Equipment at Smook Contractors Ltd. ("**Smook**").

In the Corporate Office, capital was invested to continue the development of our real estate holdings, mainly through expanding our LTL network. In Regina, Saskatchewan we completed the construction of our 24,000 square foot 40-door cross-dock facility situated on approximately 9 acres of land to both expand and improve the operating efficiencies of Jay's. We also purchased several LTL facilities in Ontario that were previously leased by Gardewine which reduced our lease obligations on a go forward basis. In addition, we purchased strategic parcels of land in both Calgary, Alberta and Kamloops, British Columbia to further expand our LTL network.

(1) Net capital expenditures is a Non-GAAP Term. Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms" in the 2021 MD&A.

Normal Course Issuer Bid

On March 4, 2020, we announced a normal course issuer bid ("**NCIB**"), commencing March 9, 2020, to purchase for cancellation up to 7,972,926 Common Shares in the open market on or before March 8, 2021. As at December 31, 2020, we had repurchased and cancelled 7,972,926 Common Shares for $53.4 million under this NCIB program. All purchases were made in accordance with the NCIB at prevalent market prices as permitted by the TSX. At December 31, 2020, the Corporation had 96,852,047 Common Shares issued and outstanding. This completed the NCIB as the Corporation repurchased the maximum allowable number of Common Shares under the program. Early in 2020 we announced a plan to allocate $100.0 million over the course of three years to repurchase Common Shares of Mullen Group via an authorized share buyback program. In 2021 we renewed our NCIB.

New Operating Segments

In the first quarter of 2020, we commenced reporting our financial results in three new segments: Less-Than-Truckload; Logistics & Warehousing; and Specialized & Industrial Services. The change in the segment reporting structure more accurately reflects our strategic direction and the business of Mullen Group today and aligns with how financial information will be regularly reviewed internally for the purposes of decision making, capital allocation and assessing performance.

Internal Reorganizations

On January 1, 2020, the operations of Load-Way Ltd. ("**Load-Way**") and Streamline Logistics Inc. ("**Streamline**"), were integrated into Hi-Way 9.

On January 1, 2020, the operations of Withers L.P. ("**Withers**") were combined into Mullen Oilfield Services L.P ("**Mullen Oilfield**").

On March 31, 2020, Pe Ben Oilfield Services L.P. ceased operations and is no longer considered a Business Unit for reporting purposes.

On April 1, 2020, the operations of R. E. Line Trucking (Coleville) Ltd. ("**R. E. Line**") were combined into Heavy Crude Hauling L.P. ("**Heavy Crude**").

Return to Shareholders

On February 12, 2020, we announced our intention to pay annual dividends of $0.60 per Common Share ($0.05 per Common Share on a monthly basis) for 2020. On March 20, 2020, Mullen Group announced the temporary suspension of the monthly dividend of $0.05 per Common Share for three months, effective April 1, 2020. The suspension of the dividend was in response to the government mandated closure of many businesses, steps initiated to stop the spread of COVID-19. On July 22, 2020, Mullen Group announced the reinstatement of the monthly dividend by paying $0.03 per Common Share on a monthly basis.

Our share price closed 2020 at $10.90, reflecting an increase of $1.63 as compared to the 2019 closing price of $9.27. During 2020, we paid annual dividends of $0.35 per Common Share. The combined effect of the increase in the share price and payment of the dividends resulted in a total increase to the value of our shares of $1.98 per Common Share or 21.4 percent during the 12 - month period ended December 31, 2020.

Haulistic™ Mobility App

We continued to enhance our Haulistic™ Mobility App in 2020, rolling the mobility App out to Mullen Trucking Corp. ("**Mullen Trucking**") and commenced planning for a further roll out to Caneda Transport Ltd. ("**Caneda**") and Payne Transportation Ltd. ("**Payne**").

Moveitonline®

As of December 31, 2020, we had 424 certified carriers registered with Moveitonline® with 18,698 trucks and 39,043 trailers.

2021

Acquisitions

On April 16, 2021, we acquired all of the issued and outstanding shares of Bandstra Transportation Systems Ltd. ("**Bandstra**") and Babine Truck & Equipment Ltd. ("**Babine"**). Bandstra is headquartered in Smithers, British Columbia and provides a wide range of transportation and logistics services to communities in northern British Columbia including truckload, general freight, LTL and specialized hauling services. Babine is an original equipment manufacturer ("**OEM**") parts and service dealer providing parts, service and maintenance work from three locations in British Columbia supporting the natural resources, energy and transportation industries. We acquired Bandstra and Babine as part of our strategy to invest in the transportation sector. The financial results of Bandstra are included within the Logistics & Warehousing segment while Babine's financial results are included within the Specialized & Industrial Services segment.

On June 1, 2021, we acquired all of the issued and outstanding shares of Tri Point Intermodal Services Inc. and Trillium Drayage Services Inc. (collectively, "**Tri Point**"). Tri Point is based out of Mississauga, Ontario and mainly provides intermodal transportation and storage services to and from the Greater Toronto Area. We acquired Tri Point as part of our strategy to invest in the transportation sector in eastern Canada. The financial results of Tri Point's operations are included in the Logistics & Warehousing segment.

On June 24, 2021, we acquired all of the issued and outstanding shares of APPS Transport Group Inc. including its operating businesses APPS Cartage Inc. and APPS Cargo Terminals Inc. (collectively, "**APPS**"). APPS, based in Mississauga, Ontario with operations in western Canada, provides LTL, truckload and intermodal along with warehousing services. Through a combination of company trucks, independent Owner Operators, and interline partners, APPS and its dedicated group of 300 plus employees, service the commercial supply; food and beverage; and retail and consumer sectors which supports the business-to-business along with the business-to-consumer e-commerce space. We acquired APPS as part of our strategy to invest in the transportation sector in Canada. The financial results of APPS are included in the Less-Than-Truckload segment.

On June 30, 2021, we acquired all the assets and business of QuadExpress ("**QuadExpress**") from Quad Logistics Services, LLC, an indirect subsidiary of Quad/Graphics, Inc., ("**Quad**"). QuadExpress was rebranded as HAUListic LLC ("**HAUListic**") and provides 3PL, logistics, technology, delivery and freight transportation services to its customers throughout the United States and internationally, by utilizing its proprietary transportation management platform known as SilverExpress, through an expansive agency network. HAUListic operates out of Naperville, Illinois. We acquired the assets and business of HAUListic as part of our strategy to grow and expand our service offerings into the United States and internationally. The financial results of HAUListic's operations are included in the U.S. & International Logistics segment.

On July 1, 2021, we acquired all of the issued and outstanding shares of R.S. Harris Transport Ltd. ("**Harris**"). Harris is headquartered in Winnipeg, Manitoba and provides a wide range of transportation and logistics services including intermodal, truckload and general freight services. The acquisition of Harris aligns with our strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of Harris are included within the Less-Than-Truckload segment. Harris is managed by Gardewine.

On October 1, 2021, we acquired the DirectIT Group of Companies consisting of all of the issued and outstanding shares of West Direct Express Ltd., including certain related companies and tradenames ("**DirectIT**"). Based in Calgary, Alberta, DirectIT provides courier and small package delivery transportation services within the Calgary regional district. The acquisition of DirectIT aligns with our strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of DirectIT are included within the Less-Than-Truckload segment.

Capital Expenditures

On December 9, 2020, the Board approved a capital budget of $60.0 million for 2021, exclusive of corporate acquisitions or investment in facilities, land and buildings, with $50.0 million allocated towards maintenance capital primarily to replace trucks, trailers, specialized Equipment and technology to support the operations of the business. In addition, we allocated $10.0 million to fund growth and create jobs in Canada.

In 2021, we invested a total of $69.6 million on capital expenditures comprised of $52.9 million for Rolling Stock and $16.7 million for real property and facilities. The Less-Than-Truckload segment had gross capital expenditures of $29.0 million and dispositions of $2.0 million for net capital expenditures[(1)] of $27.0 million in 2021. The majority of the capital invested in the Less-Than-Truckload segment mainly consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient Equipment. The Logistics & Warehousing segment had gross capital expenditures of $17.5 million and dispositions of $2.2 million for net capital expenditures[(1)] of $15.3 million in 2021. The majority of the capital invested in the Logistics & Warehousing segment mainly consisted of growth capital to construct a new salt warehouse at our Esterhazy, Saskatchewan production facility and from purchasing trucks, trailers and operating Equipment to replace some older less efficient Equipment. The Specialized & Industrial Services segment had gross capital expenditures of $11.0 million and dispositions of $8.2 million for net capital expenditures[(1)] of $2.8 million in 2021. The majority of the capital invested in the Specialized & Industrial Services segment mainly consisted of pumps, generators and water management Equipment along with civil construction Equipment to support demand at Canadian Dewatering and Smook. There were no gross capital expenditures or disposals in the U.S. & International Logistics segment.

In the Corporate Office, capital was invested to expand our real estate holdings with the $8.5 million purchase of a 29,000 square foot cross dock facility in Edmonton, Alberta to support growth in our LTL network. We also commenced construction of our 32,000 square foot cross dock facility in Kamloops, British Columbia to support the future expansion of our LTL operations in that province.

(1) Net capital expenditures is a Non-GAAP Term. Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms" in the 2021 MD&A.

Normal Course Issuer Bid

On March 3, 2021, we announced that we received approval from the TSX for the renewal of our NCIB, commencing March 9, 2021, to purchase for cancellation up to 7,928,623 Common Shares in the open market on or before March 8, 2022. As at December 31, 2021, we had repurchased and cancelled 3,469,869 Common Shares for $44.3 million under this NCIB program. All purchases were made in accordance with the NCIB at prevalent market prices as permitted by the TSX. The NCIB can be cancelled at the discretion of the Corporation at any time provided the Corporation is not in a blackout period. At December 31, 2021, the Corporation had 94,532,178 Common Shares issued and outstanding.

As at February 28, 2021, the ADTV for the most recently completed six calendar months was 286,151. Pursuant to TSX policies, the maximum number of Common Shares that may be purchased in one day pursuant to the NCIB was the greater of 1,000 and 25.0 percent of ADTV, which amounts to 71,537 Common Shares, subject to certain prescribed exceptions.

The Corporation entered into the ASPP with its broker, to allow for the repurchase of Common Shares at all times during the course of the NCIB including when the Corporation ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. The funding for the purchase of Common Shares under the NCIB is financed out of the working capital of the Corporation. The ASPP can be cancelled at the discretion of the Corporation at any time provided the Corporation is not in a blackout period.

New and Amended Credit Facility

On October 1, 2021, we entered into 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. Interest on the CIBC Credit Facility is based on either the Canadian bank prime rate plus 0.50 percent or U.S. bank base rate plus 0.50 percent, in each case payable in arrears or banker's acceptance rates plus an acceptance fee of 1.50 percent payable upon acceptance. The CIBC Credit Facility is unsecured although MT has granted an unlimited guarantee of any indebtedness owing on the CIBC Credit Facility.

We also amended the terms of our existing RBC Credit Facility to add MT as a guarantor. MT has granted an unlimited guarantee of any indebtedness owing on the RBC Credit Facility. All other material terms of the RBC Credit Facility remain the same.

As at December 31, 2021, there was $89.0 million drawn on our Credit Facilities.

New Operating Segment

In the third quarter of 2021, we commenced reporting financial results in four segments with the addition of the U.S. & International Logistics segment. The new segment reflects the strategic decision to expand our business beyond the Canadian market. The change in segment reporting structure more accurately reflects our strategic direction and the business of Mullen Group today and aligns with how financial information is reviewed internally for the purpose of decision-making; capital allocation and assessing performance.

SmartWay

In 2021, 81.0 percent of our Business Units were SmartWay certified partners. The SmartWay Transport Partnership is a collaboration designed to help businesses reduce fuel costs while transporting goods in the cleanest most efficient way possible. SmartWay works with freight carriers and shippers committed to benchmarking their operations, tracking their fuel consumption and improving their annual performance ("**Smartway**"). We continue to strive to have all Business Units that can be Smartway certified partners work toward achieving such status.

Return to Shareholders

During 2021 we paid an annual dividend of $0.48 per Common Share consisting of $0.04 per Common Share on a monthly basis. On December 8, 2021, we announced that the Board approved an increase to the annual dividend to Shareholders from $0.48 to $0.60 per Common Share ($0.05 per Common Share on a monthly basis) to commence January 2022. Since going public in 1993, we have distributed over $1.3 billion in cash dividends and distributions to our shareholders.

Our share price closed 2021 at $11.63, reflecting an increase of $0.73 as compared to the 2020 closing price of $10.90. The combined effect of the increase in the share price and payment of the dividends resulted in a total increase to the value of our shares of $1.21 per Common Share or 11.1 percent during the 12 - month period ended December 31, 2021.

Significant Acquisitions

Mullen Group did not complete any significant acquisitions during 2021 for which disclosure was required under part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

CURRENT DEVELOPMENTS

Dividends

On December 8, 2021, we announced our intention to continue paying an annual dividend of $0.60 per Common Share, such dividend will be paid on a monthly basis, subject to Board approval.

2022 Capital Expenditures Budget

On December 8, 2021, the Board approved a net capital budget of $70.0 million for 2022, exclusive of corporate acquisitions or investment in facilities, land and buildings, with $60.0 million allocated towards maintenance capital primarily to invest in trucks, trailers, specialized Equipment and technology to improve the operations of the Business Units. In addition, we allocated $10.0 million to invest specifically towards sustainability initiatives.

Internal Reorganizations

On January 1, 2022, the following internal reorganizations occurred:

- The operations of Canadian Hydrovac Ltd. ("**Canadian Hydrovac**") were integrated into Mullen Trucking.
- The operations of Inter-Urban were integrated into Tenold.
- The operations of Courtesy Freight Systems Ltd. ("**Courtesy**") and R.S. Harris Transport Ltd. were integrated into Gardewine.
- The operations of Recon Utility Search L.P. ("**Recon**") were combined into Heavy Crude.

Acquisitions

Effective January 1, 2022, we acquired the assets and business of Monarch Messenger Services Ltd. ("**Monarch**"). We acquired the business and assets of Monarch as part of our strategy to acquire transportation and logistics companies that have a strong regional presence. Monarch provides courier and transportation services and has been integrated into the operations of DirectIT and Caneda, whose financial results are included in the Less-Than-Truckload segment and Logistics & Warehousing segment, respectively.

BUSINESS AND OPERATIONS

As at the date hereof, Mullen Group conducts its business through the operations of 37 Business Units, each of which is operated separately under its own brand and is held accountable for its own performance and profitability. Our Corporate Office provides oversight and support to the Business Units by coordinating business strategies, monitoring financial and business performance, providing management services, centralized banking and financial expertise, and offering shared services such as payroll, human resources support, information technology ("**IT**") support, legal and accounting. The Corporate Office also owns a network of real estate holdings and facilities, through MT, which are primarily leased to the Business Units on commercially reasonable terms. The Corporate Office employs 63 people in Okotoks, Alberta.

While the Corporate Office provides the referenced support services, the day-to-day operations of the Business Units are the responsibility of each Business Unit's management team. As at December 31, 2021, Mullen Group actively employed or engaged approximately 7,202 people, including Owner Operators and Dedicated Subcontractors. The Business Units utilize their own Equipment, as well as the services and Equipment of Owner Operators and Dedicated Subcontractors. Through our Business Units, we owned or leased the following:

- Approximately 3,185 Power Units and had access to an additional 1,076 Power Units under contract with Owner Operators and Dedicated Subcontractors;
- approximately 8,905 trailers (the vast majority being owned), which include vans, flatbeds, dry bulk trailers, removable gooseneck trailers, specialized trailers and temperature controlled trailers;
- approximately 637 skid and trailer mounted dri-prime diesel pumps, 777 submersible pumps, 152 portable diesel generators, 48 sediment control tanks, 19 fusion machines, 71 portable engineered barges and 3 portable dredges;
- approximately 187 pieces of earthmoving Equipment consisting of excavators, dozers, rock trucks and front-end loaders;
- a fleet of truck mounted drilling units, including 30 hydraulic single rigs capable of coring, surface casing and shallow gas drilling, 9 auger drilling rigs and one dual rotary rig; and
- approximately 787 light duty vehicles.

The Business Units are currently divided into four distinct business segments for reporting purposes – Less-Than-Truckload, Logistics & Warehousing, Specialized & Industrial Services and U.S. & International Logistics segments. These segments are differentiated by the type of service provided, Equipment requirements and customer needs. The table below sets forth the segments' pre-consolidated revenue over the past three years.

($ millions)	2019		2020		2021	
(on a pre-consolidated basis)	Revenue ($)	%	Revenue ($)	%	Revenue ($)	%
Less-Than-Truckload	451.6	35.2	443.8	38.0	**585.3**	**39.5**
Logistics & Warehousing	404.8	31.6	362.0	31.0	**465.6**	**31.4**
Specialized & Industrial Services	426.3	33.2	362.0	31.0	**313.4**	**21.1**
U.S. & International Logistics	-	-	-	-	**118.2**	**8.0**
Total*	1,278.5	100.0	1,164.3	100.0	**1,477.4**	**100.0**

*consolidated

LESS-THAN-TRUCKLOAD SEGMENT						
EQUIPMENT			PERSONNEL	TERMINALS		
POWER UNITS	*TRAILERS*	*OTHER*		*OWNED*	*LEASED*	*TOTAL*
2,014	**3,861**	**1,126**	**3,878**	**71**	**43**	**114**

Less-than-truckload or LTL is often referred to as the final or last mile delivery of general freight consisting of smaller shipments, packages and parcels.

Our Less-Than-Truckload segment operates one of the largest final mile networks in western Canada and Ontario with service capabilities extending into the United States. Through a combination of leading-edge technology, Equipment and connected facilities our Less-Than-Truckload segment delivers over 3.0 million shipments of consumer related goods, on behalf of our 500 customers to 5,000 communities each year. Our strong financial position and focus on investing in leading edge track and trace technology makes Mullen Group a key player in the consumer focused LTL industry. Areas of particular focus include: Ambient and temperature controlled delivery services along with pharmaceutical and package delivery capabilities through traditional temperature controlled trailers along with sprinter style Ambient vans.

As at the date hereof, this segment is comprised of the following 10 Business Units:

APPS Cargo Terminals Inc.	APPS Cartage Inc.
Argus Carriers Ltd.	DirectIT Group of Companies
Gardewine Group Limited Partnership	Grimshaw Trucking L.P.
Hi-Way 9 Express Ltd.	Jay's Transportation Group Ltd.
Number 8 Freight Ltd.	Pacific Coast Express Limited

As a provider of trucking and logistics services to customers throughout North America, our results are affected by the state of the economy and the associated demand for freight transportation and logistics services. These and other risks and uncertainties are discussed beginning on page 41.

As of the date of this report, the Less-Than-Truckload segment employed approximately 3,316 full and part-time employees and further contracted the services of approximately 562 Owner Operators or Dedicated Subcontractors. The employees in the Less-Than-Truckload segment operate both specialized and regular highway Equipment that require unique instruction, training and operating skills. While this segment has many long-term employees, it faces the same demand for its workers as any other trucking company. Some Business Units within this segment are subject to collective agreements with their employees. Management believes that we have fostered a positive working relationship with our employees and Contractors.

The following pages provide a summary of the business carried on by the 10 Business Units in the Less-Than-Truckload segment.

(Founded 1985)

Equipment	Personnel	Head Office	Areas of Operation
88 Power Units 33 Trailers	253	Delta, BC	Western Canada

APPS Cargo was acquired by Mullen Group in 2021. APPS Cargo is a LTL and truckload logistics company that provides daily overnight service between Vancouver and Kelowna, British Columbia and Calgary and Edmonton, Alberta. Through a combination of company trucks, Owner Operators, and interline partners, APPS Cargo services the commercial supply; food & beverage; and retail & consumer sectors which supports the business-to-business along with the business-to-consumer e-commerce space. In addition, APPS Cargo provides stuffing/de-stuffing services for major importers and exporters at their bonded transload facility in Delta, British Columbia as well as stores freight in their full-service warehouse facilities totaling approximately 500,000 square feet. APPS Cargo is a SmartWay partner.

(Founded 1985)

Equipment	Personnel	Head Office	Areas of Operation
130 Power Units 392 Trailers	365	Mississauga, ON	Ontario

APPS Cartage was acquired by Mullen Group in 2021. APPS Cartage is a well-established transportation and logistics company that provides truckload, intermodal and some warehousing services primarily from their head office in Mississauga, Ontario. Through a combination of company trucks, Owner Operators, and interline partners, APPS Cartage services the commercial supply; food & beverage; and retail & consumer sectors which supports the business-to-business along with the business-to-consumer e-commerce space. APPS Cartage provides next business day delivery to most points in Ontario and second day service to Quebec and Atlantic Canada as well as moves millions of pounds of freight from eastern to western Canada. APPS Cartage services major retailers, consumer packaged goods firms, wholesalers and commercial/industrial suppliers. APPS Cartage is a SmartWay partner.

(Founded 1948)

Equipment	Personnel	Head Office	Areas of Operation
61 Power Units 52 Trailers	107	Surrey, BC	British Columbia Pacific Northwest (United States)

Argus was acquired by Mullen Group in 2019. Argus is a well-established company that provides general freight services including: local pick-up and delivery, warehousing, regional LTL, dedicated and linehaul trucking from four British Columbia operating terminals – Burnaby, Kelowna, Victoria, and Nanaimo. In addition, Argus provides daily LTL service to the Pacific Northwest of the United States.

(Founded 1990)

Equipment	Personnel	Head Office	Areas of Operation
17 Power Units 0 Trailers	135	Calgary, AB	Alberta

DirectIT was acquired by Mullen Group in 2021. DirectIT is a Calgary, Alberta based courier and small package delivery business that has built a state-of-the-art proprietary transportation management system that utilizes algorithmic based dispatching. DirectIT has over 150 Contractors that provide courier solutions to government, education, professional service firms and natural resources companies along with the medical, healthcare and e-commerce space.

(Founded 1952)

Equipment	Personnel	Head Office	Areas of Operation	
992 Power Units 1,916 Trailers	1,683	Winnipeg, MB	Ontario Manitoba	Alberta

Gardewine was acquired by Mullen Group in 2015 and is our largest Business Unit. On January 1, 2022, Courtesy and Harris were integrated into Gardewine.

Gardewine provides a comprehensive range of transportation services, conducting its operations through a network of 38 owned and leased terminals. Gardewine provides regional scheduled LTL, Ambient transportation, truckload and specialized truckload services primarily in Manitoba and Ontario and is one of the largest transportation carriers in Canada. With over 65 years of experience, Gardewine has also grown into a leading regional LTL provider in Canada.

Gardewine is comprised of the following businesses: Gardewine North (LTL and truckload services), Northern Cartage (contract hauling with dedicated long distance or local cartage services), Northern Deck (truckload and LTL open deck hauling), Northern Bulk (transportation and handling of bulk commodities and products related to the forestry and mining industry), Northern Logistics (logistics services) and Winnipeg Moving (moving and storage services). Gardewine is a SmartWay partner.

(Founded 1949)

Equipment	Personnel	Head Office	Areas of Operation	
130 Power Units 327 Trailers	235	Edmonton, AB	Northern Alberta Northeastern British Columbia	Northwest Territories

Grimshaw Trucking L.P. ("**Grimshaw**"), through its predecessor companies, was acquired by Mullen Group in 1995 and is known as "Your Gateway to the North®"[1].

Grimshaw provides regional scheduled LTL deliveries of freight of all kinds to communities in northern Alberta, British Columbia and the Northwest Territories. Grimshaw maintains a network of 19 service centers, of which five are operated by independent agencies. In addition, Grimshaw provides project logistics services to meet the winter road demands of the diamond mine operators in the Northwest Territories. Grimshaw is a SmartWay partner.

[1] Your Gateway to the North® is a registered trademark of Mullen Group Ltd.

(Founded 1969)

Equipment	Personnel	Head Office	Areas of Operation
289 Power Units 692 Trailers	489	Drumheller, AB	Alberta Southern British Columbia

Hi-Way 9 was acquired by Mullen Group in 2011 and the business was initially operated as Hi-Way 9 Express Ltd., Load-Way and Streamline. On July 1, 2019, the operations of Dacota were integrated into Hi-Way 9 followed by Golden on September 1, 2019. In addition, on January 1, 2019, the operations of Bernard were combined into Hi-Way 9. On January 1, 2020, the operations of Load-Way and Streamline were integrated into Hi-Way 9.

Hi-Way 9 provides LTL and truckload services to communities in western Canada, with a strong focus on southern Alberta. Other services include dry van and flat deck transportation, as well as freight handling, warehousing and logistics. Hi-Way 9 has a network of support depots strategically located throughout Alberta and southeastern British Columbia and offers flexible transportation solutions to its customers throughout western Canada. Hi-Way 9 is a SmartWay partner.

(Founded 1964)

Equipment	Personnel	Head Office	Areas of Operation
205 Power Units 371 Trailers	419	Regina, SK	Saskatchewan Alberta

Jay's was acquired by Mullen Group in 2013.

Jay's is a recognized leader in the regional scheduled LTL transportation business within the Province of Saskatchewan operating out of full service terminals and warehouses. With its vast distribution network in Saskatchewan, Jay's services local markets on an expedited or scheduled basis. Other services include Ambient transportation and dry van transportation, as well as moving services. Jay's is a SmartWay partner.

(Founded 2006)

Equipment	Personnel	Head Office	Areas of Operation
59 Power Units 0 Trailers	72	Surrey, BC	Southwest British Columbia

On August 1, 2018, we acquired the business and assets of 1007474 B.C. Ltd. doing business as Number 8 Freight, which were contributed to a newly formed corporation named Number 8 Freight Ltd. Predominantly through the use of Dedicated Subcontractors, Number 8 provides same day LTL, full load and expedited transportation services to the greater Vancouver and Fraser Valley regions of British Columbia.

(Founded 1994)

Equipment	Personnel	Head Office	Areas of Operation
43 Power Units 78 Trailers	120	Surrey, BC	Western Canada

PCX was acquired in stages with an initial investment in 2018 and subsequent acquisition of the remaining shares on September 1, 2020.

PCX primarily operates an owner operator and logistics business model. PCX provides expedited handling of international LTL and truckload shipments to and from western Canada, the western United States and Mexico from four locations with their head office in Surrey, British Columbia along with operating terminals in Edmonton and Calgary, Alberta and Winnipeg, Manitoba.

Competitive Conditions and Industry Position

The transportation and distribution of freight is a multi-billion dollar business in North America and is generally described as both highly competitive and fragmented. All Business Units in this segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. The business is highly competitive requiring the Business Units to maintain good relations with both its customers and drivers. The business is also highly regulated requiring strict adherence to safety and governmental standards. Due to the nature of the industry, it is imperative that the Business Units have access to experienced and well-trained personnel. We believe that our size, accompanied by our operational systems, safety standards and policies, technology solutions and well structured balance sheet provide us with the ability to compete with any carrier in this market. Furthermore and subject to regulatory requirements, we are positioned to consolidate complimentary or competing firms, if and when, such opportunities arise. Our vast network of connected LTL facilities, most of which are owned by MT, provides our Business Units with the ability to service over 5,000 points of service and is difficult to replicate.

Intangible Properties

Intangible assets are normally acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over their estimated life from the date of acquisition.

Seasonality

Seasonal factors may lead to changes in demand for freight volumes. Further discussion of this risk and how we manage it may be found in the "*Principal Risks and Uncertainties*" section of this AIF under the heading "*Weather and Seasonality*" on page 51.

Economic Dependence

The Business Units in the Less-Than-Truckload segment haul a wide variety of freight for a broad customer base. Certain of these Business Units have entered into longer term contracts or master service agreements with well-established customers, which facilitate the engagement of the Business Unit should the customer desire. In 2021 the top 10 customers in this segment were all well-known companies, accounting for 21.2 percent of this segment's revenue. During 2021 no one customer in the Less-Than-Truckload segment accounted for more than 10.0 percent of Mullen Group's total consolidated revenue.

LOGISTICS & WAREHOUSING SEGMENT

EQUIPMENT			PERSONNEL	TERMINALS		
POWER UNITS	*TRAILERS*	*OTHER*		*OWNED*	*LEASED*	*TOTAL*
1,055	2,604	1,114	1,857	26	43	69

The logistics and warehousing industries are essential contributors to the Canadian economy and have grown to be a critical component of the overall supply chain.

Our Logistics & Warehousing segment provides transportation and logistics solutions to customers throughout North America. With a diverse network of terminals and transload facilities, this segment provides the safe and reliable movement of freight through a multimode transportation service. Services include: full truckload, specialized trucking, warehousing, intermodal, and transload along with warehousing and fulfillment centres that handle e- commerce transactions. 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. The asset-light and technology centric nature of logistics will be a continued focus for Mullen Group as we continue to develop the Logistics & Warehousing segment.

As of the date hereof, this segment currently consists of 12 Business Units:

24/7 The Storehouse (2015) Ltd.	Bandstra Transportation Systems Ltd.
Caneda Transport Ltd.	Cascade Carriers L.P.
DWS Logistics Inc.	International Warehousing & Distribution Inc.
Kleysen Group Ltd.	Mullen Trucking Corp.
Payne Transportation Ltd.	RDK Transportation Co. Inc.
Tenold Transportation Ltd.	Tri Point Intermodal Services Inc.

As a provider of trucking and logistics services to customers throughout North America, our results are affected by the state of the economy and the associated demand for freight transportation and logistics services. These and other risks and uncertainties are discussed beginning on page 41.

As of the date of this report, the Logistics & Warehousing segment employed approximately 1,306 full and part-time employees and further contracted the services of approximately 551 Owner Operators or Dedicated Subcontractors. The employees in the Logistics & Warehousing segment operate both specialized and regular highway Equipment that require unique instruction, training and operating skills. While this segment has many long-term employees, it faces the same demand for its workers as any other trucking company. Some Business Units within this segment are subject to collective agreements with their employees. Management believes that we have fostered a positive working relationship with our employees and Contractors.

The Logistics & Warehousing segment consists of a network of full service terminals throughout Canada each of which is designed to meet the specific needs of the Business Unit with an office location and warehousing or service facility as required. In addition to our network of full service terminals, we have additional capacity through our two technology platforms – Moveitonline® and Haulistic™ Mobility App, which allows us to expand our service offerings geographically and improve on efficiencies within our supply chain and logistics systems.

The following pages provide a summary of the business carried on by the 12 Business Units in the Logistics & Warehousing segment.

(Founded 2015)

Warehousing	Personnel	Head Office	Areas of Operation
2 Distribution Centres 200,000 sq ft	51	Surrey, BC	Lower Mainland, British Columbia

24/7 Storehouse was acquired as part of the DWS Logistics Inc. ("**DWS**") acquisition in February 2018 and on May 1, 2019 was moved under Tenold as part of an internal reorganization. 24/7 Storehouse is a 3PL provider that offers value-added warehousing and distribution services which includes warehousing, distribution, order fulfilment, cross docking, and transloading, all of which are supported by a proprietary inventory management system. With approximately 200,000 square feet of warehousing space situated in two distribution centres in Lower Mainland, British Columbia, 24/7 Storehouse focuses on servicing the consumer products sector.

(Founded 1955)

Equipment	Personnel	Head Office	Areas of Operation
159 Power Units 333 Trailers	330	Smithers, BC	British Columbia

Bandstra was acquired by Mullen Group in 2021. Bandstra, based in Smithers, British Columbia, provides a wide range of transportation and logistics services to communities in the greater Vancouver Area and northern British Columbia including truckload; general freight; LTL; and specialized hauling services. Bandstra has a long history of servicing customers through its network of facilities located throughout British Columbia.

(Founded 1975)

Equipment	Personnel	Head Office	Areas of Operation
52 Power Units 102 Trailers	100	Calgary, AB	Canada Continental United States

Caneda was acquired by Mullen Group in 2016.

Caneda offers its customers a range of services utilizing a combination of Owner Operators and company owned Equipment. Caneda provides cross-border, specialized LTL, truckload, dedicated and intermodal services primarily throughout Canada and the western United States. Through its dry vans, Ambient vans and trailers, Caneda hauls a variety of products, including hazardous materials. In addition, Caneda provides 3PL services and warehousing. Caneda is a SmartWay partner.

(Founded 1919)

Equipment	Personnel	Head Office	Areas of Operation
88 Power Units 370 Trailers	129	Calgary, AB	Western Canada

Cascade Carriers L.P. ("**Cascade**"), through its predecessor companies, was acquired by Mullen Group in 1996.

Cascade provides customers in the construction and oil and natural gas industries in western Canada with dry bulk transportation services, hauling a wide variety of dry bulk commodities including cement, blend, fly ash, industrial and frac sand, salt and lime. Cascade is the primary carrier for LafargeHolcim in Alberta.

Cascade operates one of the largest fleets of pneumatic dry bulk trailers in Canada. Cascade's fleet includes tractors, trailers, portable silos, portable blower units and portable dust collection units. In addition, Cascade also utilizes specialized cyclone units, spreader units and a pneumatic recovery unit. Cascade is a SmartWay partner.

(Founded 2002)

Warehousing	Personnel	Head Office	Areas of Operation
2 Distribution Centres 335,000 sq ft	82	Mississauga, ON	Greater Toronto Area

DWS is a 3PL provider that offers value-added warehousing and distribution services which includes warehousing, distribution, order fulfilment, cross docking, and transloading, all of which are supported by a proprietary warehouse management system. With approximately 335,000 square feet of warehousing space situated in two distribution centres in the Greater Toronto Area, DWS focuses on servicing the consumer products sector. DWS is a SmartWay partner.

(Founded 1993)

Equipment	Warehousing	Personnel	Head Office	Areas of Operation
52 Power Units 71 Trailers	1 Distribution Centre 42,500 sq ft.	80	Mississauga, ON	Greater Toronto Area

IWD was acquired by Mullen Group in October 2020.

IWD specializes in customs sufferance warehousing, air import/export deliveries and less-container-load/full container deliveries. With over 42,500 square feet of warehousing space, IWD utilizes a dedicated group of Contractors that provide pick-up and delivery service in the Greater Toronto Area.

(***Founded 1935)***

Equipment	Personnel	Head Office	Areas of Operation
240 Power Units 918 Trailers	389	Winnipeg, MB	Western Canada

Kleysen Group Ltd. ("**Kleysen**") was formed in 2006 when Mullen Group acquired the Kleysen Group of Companies.

Kleysen is a diversified transportation and logistics provider that offers dry bulk, deck, intermodal, transload, inventory management, storage and logistics services primarily in the western Canadian marketplace. Its significant rail capabilities, "know how" and substantial storage handling capacity provides Kleysen with the ability to efficiently and effectively service its customers. In addition, Kleysen distributes and markets road salt through its industrial products division operating as Kayway Industries.

Kleysen owns Equipment including tractors, trailers, railcars, containers, heavy Equipment and other auxiliary Equipment. Kleysen also has access to a network of other assets through strategic partner arrangements. Kleysen operates from strategically located facilities, including transload facilities situated in Calgary and Edmonton, Alberta. Kleysen is a SmartWay partner.

(Founded 1949)

Equipment	Personnel	Head Office	Areas of Operation
115 Power Units 259 Trailers	187	Aldersyde, AB	Canada Continental United States

Mullen Trucking was part of Mullen Group's founding operations and has over 70 years' experience. Through its wide range of Equipment, Mullen Trucking provides services such as heavy haul, dedicated fleet and van services, logistics, cross border mixed load and truckload services throughout Canada and the continental United States, transporting a wide variety of freight, commodities and Equipment for the energy and mining sectors.

Mullen Trucking offers its customers a range of services utilizing a combination of company owned Equipment, Owner Operators and subcontractors who are approved and certified. This combination allows it the flexibility to offer customers a total transportation solution, to maximize Equipment utilization and the ability to adjust rapidly to changes in customer demand and market volatility.

Mullen Trucking's fleet includes tractors, trailers including specialized heavy haul trailers, flat deck, dry van, and support Equipment. Additionally, Mullen Trucking's fleet consists of hydrovacs, vacuum trucks and related support Equipment. The main facility in Aldersyde, Alberta has rail access and includes a separate storage area for freight storage and transfer. Mullen Trucking also has facilities in Calgary, Alberta and Delta, British Columbia.

On January 1, 2022, the operations of Canadian Hydrovac were integrated into Mullen Trucking expanding its service offerings to include hydrovacing, high pressure testing, water hauling, industrial cleaning and pipeline maintenance to the oil, natural gas, construction and utility industries in western Canada. Mullen Trucking is a SmartWay partner.

(Founded 2000)

Equipment	Personnel	Head Office	Areas of Operation
123 Power Units 212 Trailers	158	Winnipeg, MB	Canada Continental United States

The predecessor company to Payne was acquired in stages with an initial investment in 2000 and subsequent acquisition of the remaining shares in 2005.

Payne primarily operates an owner operator business model and focuses on the transportation of truckload and mixed shipment general freight across Canada and the United States transporting a wide range of commodities. Payne also specializes in the transportation of large agricultural, forestry and construction machinery as well as servicing the oil and natural gas industry. Payne is a SmartWay partner.

(Founded 2004)

Equipment	Personnel	Head Office	Areas of Operation
57 Power Units 109 Trailers	67	Saskatoon, SK	Canada Continental United States

RDK Transportation Co. Inc. ("**RDK**") was acquired by Mullen Group in 2017.

RDK is based in Saskatoon, Saskatchewan and operates an asset light owner operator business model servicing the agricultural, construction and industrial sectors by providing truckload deck services throughout Canada and the continental United States. Their fleet includes step decks, double drops, removable goosenecks and specialized bulk trailers. RDK is a SmartWay partner.

(Founded 1968)

Equipment	Personnel	Head Office	Areas of Operation
119 Power Units 93 Trailers	238	Surrey, BC	North America Lower Mainland, British Columbia

Tenold, through its predecessor company, was acquired by Mullen Group in 2005.

Tenold provides its customers with multimodal transportation services throughout North America, utilizing open deck, container and flat car Equipment primarily for the cable industry. In addition, Tenold provides logistics, warehousing, container de-stuffing, distribution and non-transportation services such as cable cutting, reel and electronic inventory management services to its existing customers in the wire and cable, telephone, hydro and construction industries. In 2019, hydrovacing capabilities and services were added to Tenold's service offering which operates under the name of Tenold Hydrovac. On January 1, 2022, the operations of Inter-Urban were integrated into Tenold expanding Tenold's service capabilities to include transportation services focusing on critical same day delivery service for the healthcare sector including: cross-border linehaul, cross-border LTL cartage, dedicated and local pick-up and delivery.

Tenold utilizes Owner Operators, subcontractors, company-owned Equipment and yards to provide a complete range of services supported by Tenold employees. This business model allows Tenold personnel to focus on providing quality service to meet the needs and demands of its customers as well as adapt to the rapidly changing market conditions. Tenold is a SmartWay partner.

(Founded 2005)

Equipment	Personnel	Head Office	Areas of Operation
50 Power Units 137 Trailers	46	Mississauga, ON	Greater Toronto Area

Tri Point was acquired by Mullen Group in 2021. Tri Point provides container drayage service within the Greater Toronto Area and southern Ontario through a combination of company trucks, Owner Operators and a fleet of approximately 190 chassis trailers. In addition, Tri Point provides container storage in the Vaughan, Ontario region.

Competitive Conditions and Industry Position

The logistics and warehousing industries are one of the leading and fastest-growing industries in the world. It is a multi-billion dollar business in North America with a rise in e-commerce largely fueling the growth of this sector. All Business Units in this segment operate in a competitive environment with competitors ranging from small local or regional businesses to large national and international companies.

The business is highly competitive requiring the Business Units to maintain good relations with its customers, drivers and suppliers. A network of strategically located facilities, capable of multimode transportation services along with value added warehousing capabilities are a key competitive advantage to this business. With the growth in e-commerce, the demand for industrial warehousing facilities is high particularly in large metropolitan centres where many consumers are situated. This has resulted in a highly competitive industrial warehousing real estate sector in metropolitan areas characterized by low vacancy rates, escalating lease rates and increasing purchase costs.

The Logistics & Warehousing segment is also dependent on effective and secure information technology systems that allow for transparency and visibility through track and trace capabilities; integration to shippers' enterprise resource planning systems; all of which is shifting to mobility based platforms.

Like our LTL segment, this business is also highly regulated requiring strict adherence to safety and governmental standards. Due to the nature of the industry, it is imperative that the Business Units have access to experienced and well-trained personnel. We believe that our size, accompanied by our operational systems, safety standards and policies, technology solutions, existing real estate network and well-structured balance sheet provide us with the ability to compete with any carrier in this market and position ourselves strategically from a real property perspective. Furthermore and subject to regulatory requirements, we are positioned to consolidate complimentary or competing firms, if and when, such opportunities arise.

Intangible Properties

Intangible assets are normally acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over their estimated life from the date of acquisition.

Seasonality

Seasonal factors may lead to changes in demand for freight volumes. Further discussion of this risk and how we manage it may be found in the "*Principal Risks and Uncertainties*" section of this AIF under the heading "*Weather and Seasonality*" on page 51.

Economic Dependence

The Business Units in the Logistics & Warehousing segment haul a wide variety of freight for a broad customer base. Certain of these Business Units have entered into longer term contracts or master service agreements with well-established customers, which facilitate the engagement of the Business Unit should the customer desire. In 2021 the top 10 customers in this segment were all well-known companies, accounting for 24.8 percent of this segment's revenue. During 2021 no one customer in the Logistics & Warehousing segment accounted for more than 10.0 percent of Mullen Group's total consolidated revenue.

SPECIALIZED & INDUSTRIAL SERVICES SEGMENT

EQUIPMENT			PERSONNEL	TERMINALS		
POWER UNITS	TRAILERS	OTHER		OWNED	LEASED	TOTAL
1,192	2,750	2,502	1,113	43	34	77

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. Strategically located throughout western Canada, these specialty Business Units are focused on providing advanced technology solutions and leading edge service capabilities. The segment includes the following 14 Business Units:

Babine Truck & Equipment Ltd.	Canadian Dewatering L.P.
Cascade Energy Services L.P.	E-Can Oilfield Services L.P.
Envolve Energy Services Corp.	Formula Powell L.P.
Heavy Crude Hauling L.P.	Mullen Oilfield Services L.P.
OK Drilling Services L.P.	Premay Equipment L.P.
Premay Pipeline Hauling L.P.	Smook Contractors Ltd.
Spearing Service L.P.	TREO Drilling Services L.P.

The industries in which the Business Units of the Specialized & Industrial Services segment operate represents a large segment of the economy providing businesses and consumers with a wide range of energy supplies and related products. Generally speaking, the industry is divided into three segments:

- upstream, which refers to oil and natural gas exploration, drilling and well completions;
- midstream, which refers to the transportation, storage and wholesale marketing of crude oil or refined petroleum products; and
- downstream, referred to as the processing, refining and marketing portion of the industry.

The Specialized & Industrial Services segment provides a wide range of products and services to exploration and production companies and, as such, is highly reliant upon the levels of drilling activity and capital expenditures made by such companies. Exploration and production companies base their drilling and capital expenditure decisions on several factors, including but not limited to, hydrocarbon prices, production levels, pipeline capacity, tax implications and access to capital. They tend to examine long-term fundamentals affecting the foregoing factors before they adjust their capital budgets to reflect those factors. In past years commodity prices and, therefore, the level of drilling, production and exploration activity, have been volatile and experienced significant declines. The oil and natural gas industry was under continued pressure throughout 2021 and although there was an increase in commodity prices over the course of the year, the industry continued to be negatively impacted by lack of capital projects, the COVID-19 pandemic as well as a lack of takeaway capacity and access to new markets. As such, we manage our business knowing that the oil and natural gas industry is volatile and cyclical. These and other risks and uncertainties are discussed beginning on page 41.

Our Specialized & Industrial Services segment is comprised of a group of unique businesses servicing Canada's natural resources and infrastructure sectors. These diverse set of specialized services include those that support the energy, mining, forestry and construction industries in western Canada, including water management, environmental reclamation and fluid hauling. This segment's Business Units are strategically situated throughout western Canada and operate fleets of highly specialized Equipment and facilities. Investments in this segment will continue to be focused on advancing technology in leading edge service capabilities. These services we collectively refer to as Specialized & Industrial Services, can generally be grouped into the following three categories:

Production Services	***Specialized Services***	***Drilling & Drilling Related Services***
• well servicing • production fluid transportation • transportation of fluids for disposal • frac support • industrial cleaning and turnaround services • hydrovac excavation services	• dredging and dewatering services • large diameter pipe stockpiling and stringing services • water management • environmental services • civil construction • municipal development and emergency services • hydrostatic testing services to the pipeline industry and midstream sector • transporting of oversize and overweight shipments • original equipment manufacturer parts and services dealer	• the transportation, handling and storage of oilfield fluids, tubulars and drilling mud • drilling rig relocation • general oilfield hauling • well disposal facility • core drilling • setting surface casing • conductor pipe setting

As of the date of this report, the Specialized & Industrial Services segment employed approximately 1,000 full and part-time employees and further contracted the services of approximately 113 Owner Operators or Dedicated Subcontractors. The employees in the Specialized & Industrial Services segment operate specialized Equipment, which requires unique instruction, training and operating skills. Many employees start in entry-level positions and progress to a more specialized position through ongoing in-house training, on the job experience as well as outsourced specialized training programs. Some Business Units within this segment are subject to collective agreements with their employees. We believe that we have fostered positive working relationships with our employees and Contractors.

As at the date hereof, the Specialized & Industrial Services segment maintains a network of full service terminals throughout western Canada, each of which is designed to meet the specific needs of the Business Unit with an office location and warehousing or service facility as required.

The following pages provide a summary of the business carried on by the 14 Business Units in the Specialized & Industrial Services segment.

Production Services

Business Units in the Production Services category provide a broad range of specialized services related to the processing and production of both light and heavy oil as well as natural gas liquids in western Canada. Certain Business Units in this category provide full service offerings to companies utilizing fracking techniques. Mullen Group currently has four Business Units that provide services in this area.

CASCADE Energy Services L.P.

(Founded 1997)

Equipment	Personnel	Head Office	Areas of Operation
316 Power Units 440 Trailers	168	Calgary, AB	Northeastern British Columbia Alberta Southwestern Saskatchewan

Cascade Energy was formed by Mullen Group in 2008 in conjunction with the acquisition of certain business units from Essential Energy Services Trust's oilfield transport division, namely, Cascade Services and Jacar Energy Services.

Cascade Energy provides a wide range of production services, turn-around, industrial cleaning services and chemical solutions to the energy, utility, mining and construction industries in northern British Columbia, Alberta and southwestern Saskatchewan. On January 1, 2013, Mullen Group completed an internal reorganization that integrated the operations of Polaris Petroleum Ltd., a company acquired in 2011, into the operations of Cascade Energy. Cascade Energy expanded its services in 2012, through the integration of Bernie's Hot Oil Service Ltd.'s operations, to include pressure pipeline testing. On June 25, 2018, a portion of the AECOM ISD assets and operations were integrated into Cascade Energy expanding its service offerings within the oil sands regions of Alberta, along with areas in southern Alberta including industrial cleaning and turnaround services.

Cascade Energy's fleet is comprised of specialized trucks and auxiliary Equipment including hydrovac trucks, combo units, vacuum trucks, pressure trucks, hot oiler units, steam trucks and on-site frac water storage with 500 barrel mobile frac tanks and Frac Corrals (ranging in size from 3,200 cubic metre to 7,200 cubic metre modular frac tanks). In 2020, Cascade Energy added zero entry tank cleaning Equipment capabilities to its service offering designed to support large industrial tank cleaning for customers in the midstream sector. Cascade Energy is a SmartWay partner.

E-CAN OILFIELD SERVICES LP

(Founded 1984)

Equipment	Personnel	Head Office	Areas of Operation
150 Power Units 90 Trailers	121	Elk Point, AB	Northeastern Alberta

E-Can Oilfield Services L.P. ("**E-Can**"), through its predecessor companies, was acquired by Mullen Group in 2000.

E-Can provides a wide range of oilfield services to the heavy oil industry in Alberta by utilizing its specialized Equipment and personnel to assist in the handling, transportation and disposal of fluids associated with the processing and production of heavy oil in addition to well servicing. On June 25, 2018, a portion of the AECOM ISD assets and operations were integrated into E-Can expanding its service offerings within the heavy oil regions of Alberta.

E-Can is a market leader providing customers with well servicing using coiled tubing and flushby units, tank cleaning, vacuum, pressure and fluid hauling units, as well as safety and environmental spill clean up services. E-Can is a SmartWay partner.

(Founded 1974)

Equipment	Personnel	Head Office	Areas of Operation
147 Power Units 307 Trailers	139	Lloydminster, AB	Northern Alberta Northern Saskatchewan

Heavy Crude, through its predecessor companies, was acquired by Mullen Group in 2002.

Through the use of Dedicated Subcontractors, Heavy Crude provides fluid transportation of crude oil, produced water and other fluids as well as specialized services for its customers involved in the production of heavy oil in western Canada through the use of its specially designed bulk trailers. Heavy Crude is one of the largest transporters of fluids in northeastern Alberta and northwestern Saskatchewan, an area which is generally referred to as the Lloydminster heavy oil region. On June 25, 2018, a portion of the AECOM ISD assets and operations were integrated into Heavy Crude expanding its service offerings within the heavy oil regions of Alberta. On April 1, 2020, the operations of R. E. Line were integrated into Heavy Crude.

On January 1, 2022, the operations of Recon were combined with Heavy Crude adding hydrovac trucks and vacuum trucks to its fleet and expanding Heavy Crude's service capabilities to include specialized hydrovac, combo, vacuum, steam and pressure services mainly to the energy and midstream infrastructure industry.

Heavy Crude is a SmartWay partner.

(Founded 1956)

Equipment	Personnel	Head Office	Areas of Operation
207 Power Units 528 Trailers	114	Oxbow, SK	Southeastern Saskatchewan Southwestern Manitoba

Spearing Service L.P. ("**Spearing**"), through its predecessor companies, was acquired by Mullen Group in 2006.

Spearing provides fluid hauling, specialized and lease site construction services to oil companies in southeastern Saskatchewan and southwestern Manitoba. Spearing utilizes specially designed Equipment to haul crude oil, produced water, natural gas liquids, condensate and other fluids as well as onsite frac water storage with 500 barrel mobile frac tanks. In addition to oilfield trucking, Spearing stores, distributes and sells aggregate materials for lease and other site preparation activities for the energy sector.

Spearing's fleet includes company and Owner Operator tractors, tank trailers, as well as vacuum trucks, steam trucks, pressure trucks and hot oiler units. Spearing is a SmartWay partner.

Specialized Services

Business Units in the Specialized Services category primarily provide services to Canada's natural resources and infrastructure sectors such as the pipeline, construction, petro-chemical, utility & telecom and oil & natural gas industries and we service municipalities as well. Service offerings include dredging and dewatering services, oversize and overweight transportation services, the transportation, stringing and stockpiling of large diameter oil, natural gas transmission pipe, civil construction, environmental services, industrial cleaning and turnaround services, emergency support services, and OEM parts and service dealer services. Mullen Group currently has five Business Units that provide services in this area.

(Founded 1986)

Equipment	Personnel	Head Office	Areas of Operation
2 Power Units 0 Trailers	46	Prince George, BC	British Columbia

Babine was acquired by Mullen Group in 2021. Babine is an OEM parts and service dealer that operates from three locations in British Columbia: Smithers, Prince George and Prince Rupert. Babine provides Equipment and maintenance services to Bandstra as well as parts and service work that supports the natural resources, energy and transportation industries in northern British Columbia.

(Founded 1972)

Equipment	Personnel	Head Office	Areas of Operation
2 Power Units 42 Trailers	152	Edmonton, AB	Western Canada Northwest Territories

Canadian Dewatering, was formed in stages by Mullen Group acquiring Northern Underwater Systems (N.U.S.) Ltd. in 2004 and combining it in 2006 with the then newly acquired Canadian Dewatering Ltd.

Canadian Dewatering provides fluid management services to the energy, mining, construction, pipeline, utility and petrochemical industries along with infrastructure, environmental and emergency response services to municipalities in western Canada.

Canadian Dewatering's fleet consists of one of the largest fleets of mobile industrial Tier 4 grade pumps in western Canada, portable diesel generators, fusion machines and other support Equipment. In addition, Canadian Dewatering maintains one of the largest inventories of rapid deployment hose in western Canada along with their fleet of portable engineered barges and portable dredges. Canadian Dewatering also operates its commercial diving operations across western Canada through its Northern Underwater Systems division.

(Founded 1964)

Equipment	Personnel	Head Office	Areas of Operation	
33 Power Units 315 Trailers	65	Edmonton, AB	British Columbia Alberta	Saskatchewan

Premay Equipment L.P. ("**Premay Equipment**"), through its predecessor company, was acquired by Mullen Group in 1994.

Premay Equipment provides a wide range of specialized services through the transportation of oversize and overweight modules, vessels, Equipment and machinery for clients in the engineering, procurement, construction, mining, and oil and natural gas related industries.

With specialized tractors, off-highway vehicles, hydraulic lifting Equipment and trailers including specialized hydraulic platform trailers, Premay Equipment is a leader in the specialized transportation market in western Canada. Premay Equipment also provides onsite support work for customers in Fort McMurray, Alberta. Premay Equipment's main facility is fully equipped to perform major repairs to its specialized Equipment including its self-propelled modular transporters (SPMT). It also has the capability to design and build new Equipment or modify existing components. Premay Equipment is a SmartWay partner.

(Founded 1986)

Equipment	Personnel	Head Office	Areas of Operation
77 Power Units 175 Trailers	29	Edmonton, AB	Canada

Premay Pipeline, through its predecessor companies, was acquired by Mullen Group in 1994 in conjunction with the acquisition of Premay Equipment. In 2006, we completed an internal reorganization whereby we contributed the Canadian pipeline operations of Pe Ben Industries Company Ltd. into the operations of Premay Pipeline.

Premay Pipeline provides the mainline large diameter pipeline construction industry with contract services including the handling, hauling, stockpiling and stringing of large diameter oil and natural gas transmission pipe.

The Equipment operated by Premay Pipeline is designed to meet the regulatory and legislated requirements of transporting oversized shipments. Trailers are specifically designed to transport lengths of pipe in excess of 24 metres and to maximize payload. Premay Pipeline currently operates a fleet of trucks and trailers, along with a number of cranes/pickers, side booms, vacuum lifts/deckhands and loaders/forklifts/excavators.

The large diameter pipeline industry is highly regulated and involves much public consultation and regulatory approval. The industry is very project reliant (multi-year, infrastructure related), which can be both fluctuating and sporadic. Premay Pipeline is a SmartWay partner.

(Founded 1949)

Equipment	Personnel	Head Office	Areas of Operation
39 Power Units 74 Trailers	81	Thompson, MB	Northern Manitoba

Smook was acquired by Mullen Group in 2010.

Smook is a multi-disciplined civil contractor based in Thompson, Manitoba and services customers throughout northern Manitoba by providing safe, efficient and quality service in the areas of aggregate production, drilling and blasting, earth and rock excavation, environmental clean-up and soil remediation, road-building and other related services. Smook's business is largely project driven, which is cyclical and sporadic in nature.

Drilling & Drilling Related Services

Business Units in the Drilling and Drilling Related Services category service the upstream market, which refers to oil and natural gas exploration, drilling and well completions and, as such, these Business Units are highly reliant upon the levels of drilling activity and capital expenditures made by the exploration and production companies. The direct services provided include the warehousing, transportation, handling and storage of oilfield fluids, drilling mud, and tubulars, rig relocation services and general oilfield hauling. In addition, drilling services are provided to the oil sands operators and to oil and natural gas companies, including core drilling, conventional drilling to 1,500 metres, and conductor pipe and surface casing setting services. Mullen Group currently has five Business Units that provide services in this area.

ENVOLVE Energy Services

(Founded 2014)

Equipment	Personnel	Head Office	Areas of Operation
1 Facility Class II Disposal Well	10	Grande Prairie, AB	Northwestern Alberta

In 2015 Mullen Group acquired a minority interest in Envolve. In 2017 Mullen Group acquired all of the remaining issued and outstanding shares of Envolve.

Envolve handles, processes and disposes produced water, for oil and natural gas companies. Envolve has a full-service Class II well disposal facility located in the Montney resource play at Gold Creek, 13 kilometers south of Grande Prairie, Alberta. In 2019 a facility expansion was completed increasing Envolve's capacity to handle in excess of 2,000 cubic metres of fluids per day and expanded its capability to handle both sweet and sour produced water. Envolve is a SmartWay partner.

FORMULA POWELL L.P.

(Founded 1970)

Equipment	Personnel	Head Office	Areas of Operation
36 Power Units 345 Trailers	49	Grande Prairie, AB	Northeastern British Columbia Alberta

Formula Powell L.P. ("**Formula Powell**") was acquired in conjunction with the acquisition of Producers Oilfield Services Inc. in 2006.

Formula Powell provides a wide range of services including trucking, warehousing of drilling mud and the storage of drilling fluids for customers involved in the oil and natural gas industry in western Canada.

Through a network of terminals strategically located in areas known for high levels of oil and natural gas drilling activity, Formula Powell provides its customers with the necessary trucks and trailers specifically designed to meet the demanding requirements of off-highway oilfield work. Formula Powell supplies tank farms and related services. Formula Powell provides its clients access to Xpress Inventory™[1], a web-based inventory management system that allows customers real-time tracking of their drilling mud and fluids. Formula Powell is a SmartWay partner.

[1] XpressInventory™ is a trademark of Mullen Group Ltd.

(Founded 1983)

Equipment	Personnel	Head Office	Areas of Operation
155 Power Units 325 Trailers	122	Calgary, AB	Alberta Northeastern British Columbia

Mullen Oilfield was part of Mullen Group's founding operations. It has expanded through the purchase of Equipment, terminals and competitors since first commencing operations.

Mullen Oilfield provides specialized oilfield transportation services to companies drilling for oil and natural gas in western Canada, most notably rig moving. This involves the dismantling, hauling and rigging up of drilling rigs in challenging, difficult, mountainous terrain and extreme weather conditions.

In 2013, Mullen Oilfield made a minority investment in Canol Oilfield Services Inc. ("**Canol**"), an indigenous owned business. Canol is an oilfield transportation company headquartered in Norman Wells, Northwest Territories that provides services in the Canol Shale Oil Region.

On January 1, 2020, the operation of Withers was integrated into Mullen Oilfield expanding the services of Mullen Oilfield to include the transportation, handling, storage and computerized inventory management of Oil Country Tubular Goods ("**OCTG**") for the oil and natural gas industry as well as general oilfield hauling. Mullen Oilfield provides its clients with access to a web-based inventory management system developed by Mullen Group known as PipeOnLine allowing them to track their oilfield tubular products in real-time. Mullen Oilfield is a SmartWay partner.

(Founded 1978)

Equipment	Personnel	Head Office	Areas of Operation
8 Power Units 15 Trailers	15	Red Deer, AB	Alberta Northeastern British Columbia Saskatchewan

OK Drilling Services L.P. ("**OK Drilling**"), through its predecessor companies, has been servicing Alberta, British Columbia and Saskatchewan since 1978. OK Drilling was formed in 2005 through a series of acquisitions by Mullen Group.

OK Drilling has been providing the upstream segment of the oil and natural gas drilling industry with services related to the setting of conductor pipe and surface casing. In addition, OK Drilling drills piling holes and elevator shafts for the construction industry.

OK Drilling operates auger drilling rigs, a dual rotary rig, a fleet of support trucks and trailers and portable welding trucks. OK Drilling is a SmartWay partner.

treo drilling services

(Founded 1958)

Equipment	Personnel	Head Office	Areas of Operation
20 Power Units 94 Trailers	2	Ponoka, AB	Northeastern British Columbia Alberta Saskatchewan

TREO Drilling Services L.P. ("**Treo**"), through its predecessors, has been servicing the Alberta, British Columbia, and Saskatchewan areas since 1958. Mullen Group made its initial investment in core drilling services in 2003 with the acquisition of Cora Lynn Drilling Co. Ltd. followed by the acquisition of Schmidt Drilling Ltd. in 2005. The combined business operates as Treo.

Treo provides drilling services to the energy and resource sector with a focus on core drilling for the oil sands, primarily during the winter season. Treo is a market leader providing customers with core drilling services, which involve drilling and the subsequent recovery of core samples, an essential process service used by exploration and production companies in the analysis and delineation of oil sands deposits in northern Alberta.

Competitive Conditions and Industry Position

All of the Business Units in the Specialized & Industrial Services segment operate in a competitive environment with competitors ranging from small local or regional businesses to large international companies. Entry into the business can be difficult due to large capital requirements, a need for skilled labour, safety and information systems. The business is highly competitive requiring the Business Units to maintain good relations with both its customers and drivers. The business is also highly regulated requiring strict adherence to safety and governmental standards. In addition, the oil and natural gas drilling industry is characterized by its cyclical nature. Exploration and development drilling can be affected by such factors as oil and natural gas commodity prices and government policies. This in turn directly affects the level of activity in these companies. Companies compete primarily on the basis of their ability to provide customers with a safe, reliable and cost efficient service. Due to the nature of the industry it is imperative that the Business Units have access to specialized Equipment and experienced, well-trained personnel. We believe that our size and terminal locations, accompanied by our operational systems, safety standards and policies, technology solutions and well structured balance sheet provide us with the ability to compete with any company in this market. We believe that we have the right Equipment, the best fleet specific to the needs of the industry today and greater capital resources than the majority of our competitors. Furthermore, and subject to regulatory requirements, we are positioned to consolidate complimentary or competing firms, if and when, such opportunities exist.

Intangible Properties

Intangible assets are normally acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over their estimated life from the date of acquisition.

Seasonality

Seasonal factors and unexpected weather patterns may lead to declines in the activity levels of exploration and production companies with corresponding declines in the demand for the goods and services we supply. Further discussion of this risk and how we manage it may be found in the "*Principal Risks and Uncertainties*" section of this AIF under the heading "*Weather and Seasonality*" on page 51.

Economic Dependence

The Business Units in the Specialized & Industrial Services segment provide a wide variety of goods and services for a broad customer base, which are all related to the oil and natural gas industry along with the oil sands, mining sector, utilities and municipalities. Certain Business Units in this segment have entered into longer term contracts or master service agreements with well established customers, which facilitate the engagement of the Business Unit should the customer desire. This segment's top 10 customers are all well-known companies, most of which are publicly-traded. In 2021 these top 10 customers accounted for 34.5 percent of this segment's revenue. During 2021 no one customer in the Specialized & Industrial Services segment accounted for more than 10.0 percent of Mullen Group's total consolidated revenue.

U.S. & INTERNATIONAL LOGISTICS SEGMENT						
EQUIPMENT			PERSONNEL	TERMINALS		
POWER UNITS	*TRAILERS*	*OTHER*		*OWNED*	*LEASED*	*TOTAL*
0	*0*	*0*	*291*	*0*	*1*	*1*

U.S. & International Logistics Segment

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. Third-party logistics ("**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.

Our U.S. & International Logistics segment provides a wide range of logistics services through a combination of professional representatives and a network of independently owned and managed Station Agents to customers in the United States and Mexico.

Our U.S. & International Logistics segment currently consists of one Business Unit, HAUListic LLC.

As a provider of trucking and logistics services to customers throughout North America, our results are affected by the state of the economy and the associated demand for freight transportation and logistics services. These and other risks and uncertainties are discussed beginning on page 41.

As at the date of this report, the U.S. & International Logistics segment employed approximately 68 full and part-time employees and further contracted the services of approximately 223 Station Agents.

The following provides a summary of the business carried on by the one Business Unit in the U.S. & International Logistics segment.

HAUListic

(Founded 2015)

Equipment	Personnel	Head Office	Areas of Operation
0 Power Units 0 Trailers	291	Naperville, Illinois	North America

HAUListic, through its predecessor company, was acquired by Mullen Group in 2021. HAUListic is 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 Canada, 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.

Competitive Conditions and Industry Position

The transportation services industry is highly competitive and fragmented. We compete against many logistics companies, including technology-based service companies, trucking companies, property freight brokers, carriers offering logistics services, and freight forwarders. We also buy from and sell transportation services to companies that compete with us. We often compete with respect to price, scope of services, or a combination thereof, but believe that our most significant competitive advantages are our: people, technology, efficient processes, vast shipper and carrier network, strong relationships and scalability.

Intangible Properties

Intangible assets are normally acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over their estimated life from the date of acquisition.

Seasonality

Seasonal factors may lead to changes in demand for freight volumes. Further discussion of this risk and how we manage it may be found in the "*Principal Risks and Uncertainties*" section of this AIF under the heading "*Weather and Seasonality*" on page 51.

Economic Dependence

The Business Unit in the U.S. & International Logistics segment services a broad customer base through the use of technology, employees and Station Agents. In 2021 the top 10 customers in this segment were all well-known companies, accounting for 37.5 percent of this segment's revenue. During 2021 no one customer in the U.S. & International Logistics segment accounted for more than 10.0 percent of Mullen Group's total consolidated revenue.

ENVIRONMENTAL PROTECTION

Our Less-Than Truckload, Logistics & Warehousing, Specialized & Industrial Services and U.S. & International Logistics segments are subject to numerous environmental regulations and protection requirements. It is difficult to quantify the financial and operational effects of these regulations and requirements on our capital expenditures, profit or loss and competitive position. As part of the overall responsible management of our business, we actively manage, review and evaluate our compliance with these regulations and requirements to reduce risks of non-compliance that may have a negative impact on our competitive position and on our financial results. Further discussion of this risk is found in the "*Principal Risks and Uncertainties*" section of this AIF under the heading "*Environmental Liability Risks*" on page 51.

SmartWay

Responsibility to reduce emissions from supply chains is becoming increasingly important in customer and corporate decision-making. Consequently, companies are reaching out to business partners with similar goals, turning fuel efficiency and emissions reductions into a business-to-business proposition. Originally launched by the United States Environmental Protection Agency (EPA) in 2004, SmartWay has been administered in Canada by Natural Resources Canada (NRCan) since 2012. The SmartWay Transport Partnership is a collaboration designed to help businesses reduce fuel costs while transporting goods in the cleanest most efficient way possible. SmartWay works with freight carriers and shippers committed to benchmarking their operations, tracking their fuel consumption and improving their annual performance. SmartWay Transport Partnership certified carriers are invested in reducing fuel costs, improving efficiency, and encouraging best practices in their freight supply chains. By moving goods in the cleanest, most efficient way possible, SmartWay Partners foster higher productivity while protecting the environment. For nearly a decade, our Business Units have been voluntarily reviewed, certified and recognized as partners in the shared quest to improve the efficiency of freight transportation and reducing our environmental footprint. To date, 22 of our Business Units (81.0 percent) are SmartWay Partners (which includes all of our over the road truckers).

Environmental, Social and Corporate Governance

Environmental, social, and corporate governance ("**ESG**") factors contribute to long-term value for our shareholders. In delivering that value, we must remain committed to workplace safety, environmental stewardship and social responsibility. Our Business Units have the ability to offer multi-faceted solutions including diverse modes of transportation from over the road transportation to intermodal. We are dedicated to creating a more sustainable supply chain by innovating fleet operations, improving fuel mileage and using technology to reduce our environmental footprint. At Mullen Group we are cognizant of the importance of doing our part to contribute to the decarbonization of the world. We have taken steps to refocus our capital investment program away from the oil and natural gas industry to the LTL, and logistics and warehousing industries. For more information on our ESG practices and management, please refer to our ESG Report, which can be found on our website at www.mullen-group.com or on the Corporation's issuer profile on SEDAR at www.sedar.com.

PRINCIPAL RISKS AND UNCERTAINTIES

The nature of both our business and our strategy means that we face a number of inherent risks and uncertainties. We endeavour to manage these risks within the context of our understanding of market trends and our strategic goal of achieving satisfactory shareholder returns.

The operational complexities inherent in our business, together with the highly regulated and competitive environment of the industries in which we operate, leave Mullen Group exposed to a number of risks and uncertainties (collectively the "**risks**"). The transportation business and other related activities are directly affected by fluctuations in the general economy, including the amount of trade between Canada and the United States and the value of the Canadian dollar as compared to the U.S. dollar. Our Specialized & Industrial Services segment is directly affected by fluctuations in the levels of oil and gas drilling activity, oil sands development and production activity carried on by its customers, which in turn is dictated by numerous factors, including but not limited to world energy prices and government policies.

Many risks, for example, the cyclical and volatile nature of the oil and gas industry, may be mitigated to a certain degree but still remain outside of our control. The Board is responsible for approving our organization's level of risk tolerance and for overseeing the management of the risks the organization faces. Risk oversight guidance is set forth in the Mullen Group Board mandate. We define risk as: "The possibility that an event, action or circumstance may adversely affect the organization's ability to achieve its business objectives." A risk management review process has been formalized to assist in mitigating risk. The risk management review process highlights the significant risks that our business is exposed to, which then leads to mitigation plans. Although we have developed and implemented these mitigation plans to assist in managing these risks, there is no certainty these strategies will be successful in whole or in part. In addition, the inability to identify, assess and respond to known and unknown risks through the risk management review process could lead to, among other things, our inability to capture opportunities, recognize threats and inefficiencies and comply with laws and regulations, all of which may have a material adverse effect on our business or share price.

We believe that the risks described below are the ones that could have the most significant impact on the Corporation. Readers are cautioned that the list of risks is not exhaustive and new information, future events or changing circumstances could affect our operations and financial results, which may reduce or restrict our ability to pay a dividend to our shareholders and may materially affect the market price of our securities. We encourage you to review and carefully consider the risks described below, which may impact or materially adversely affect our business, financial condition, results of operations, cash flows or prospects. In turn, this could have a material adverse effect on the trading price of our Common Shares and Debentures. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also adversely affect our business and operations.

The most significant risks identified by Mullen Group are categorized and described as follows:

STRATEGIC RISKS:	FINANCIAL RISKS:	OPERATIONAL RISKS:

• geopolitical risks
   ◦ general economy
   ◦ natural gas and oil drilling and oil sands development
   ◦ changes in the legal framework
• e-commerce and supply chain evolution
• acquisitions
• competition
	• foreign exchange rates
	• investments
	• interest rates
	• access to financing
	• reliance on major customers
	• impairment of goodwill or intangible assets
	• credit risk
		• employees & labour relations
		• cost escalation & fuel costs
		• potential operating risks & 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
		• regulation
		• litigation

STRATEGIC RISKS:

Geopolitical Risks:

Geopolitical risk is viewed as the major strategic risk to our organization impacting everything from the general economy to oil and gas development in western Canada. Political shocks and surprises of the past few years show how easily assumptions about rational markets, legal certainty, international relations and trade can be shaken. In our view, geopolitical volatility has become a key driver of uncertainty, and will remain one over the next few years.

Risk Description & Trend

Geopolitical risk is the risk associated with legislative, judicial, political, economic and regulatory uncertainty. For instance, unexpected events can cause a spike in commodity prices or an unexpected change in trade patterns or currency valuations.

Trend: In the recent past, the rise of populism, the repudiation of existing economic and political systems, global trade tensions and certain judicial decisions have created uncertainty that have negatively impacted investment sentiment in Canada and in the oil and gas sector specifically.

Potential Impact

There are a variety of decisions that various levels of government and the judiciary can make that can negatively affect individual businesses, industries and the overall economy. These include, but are not limited to, regulatory approvals, currency valuation, trade tariffs, labour laws, taxes and carbon pricing, environmental and other regulations. More specifically, we identify geopolitical risks that may impact the following strategic risks:

- General economy
- Natural gas and oil drilling and oil sands development
- Changes in legal framework

Geopolitical Risks – General Economy:

Our results are affected by the state of the economy and trade patterns and the associated demand for freight transportation and logistics services. These general economic factors, as well as instability in financial and credit markets or lockdown measures and government restrictions, which are beyond our control, could adversely affect our business, financial condition, results of operations and cash flows.

Risk Description & Trend

Mullen Group is a significant provider of trucking and logistics services to customers throughout North America. Our results are affected by the state of the economy and trade patterns, both in North America and globally, and the associated demand for freight transportation and logistics services. Trade disruptions may pose a substantial risk to Mullen Group.

Trend: After experiencing a significant decline in economic activity in 2020 due to COVID-19, economic activity in North America rebounded to near pre-pandemic levels in 2021. Employment levels have rebounded and there is yet again labour shortages in certain sectors including the transportation industry. The greatest uncertainty is the continued evolution of the pandemic and its potential impact on the economy. The Omicron variant is the latest reminder that successful vaccination campaigns in advanced countries such as Canada and the United States are not sufficient to put government restrictions in the rear-view mirror. As such, a full economic recovery will continue to take time and the economy will likely remain choppy and uneven for the foreseeable future, particularly for high-contact service industries. Over the medium term, consumption is expected to gain momentum as employment rises. Risks remain in regard to the future path of interest rates, inflation, labour shortages and tensions in the geopolitical and trade environment.

Potential Impact

General economic activity is the main driver of demand levels for our Less-Than-Truckload, Logistics & Warehousing and U.S. & International Logistics segments. Uncertainty with regard to the health of the North American economy or trade patterns could have a material adverse effect on the operations of our Less-Than-Truckload, Logistics & Warehousing and U.S. & International Logistics segments and, to a lesser degree, our Specialized & Industrial Services segment (to the extent that the economy affects commodity pricing with respect to oil and gas, in particular), and our overall financial condition.

An economic recession may result in a decrease or substantial reduction in revenue as a result of:

- lower overall freight levels, which negatively affects our asset utilization and margin;
- customers bidding out freight or selecting competitors that offer lower rates, in an attempt to lower their costs, forcing us to lower our rates or lose freight; and
- customers with credit issues and cash flow problems.

Inflation may cause input costs to rise at a faster pace than rate increases, thereby negatively affecting operating margin. Further, higher prices and higher fuel surcharges to our customers may cause some of our customers to consider alternatives.

Geopolitical Risk – Natural Gas and Oil Drilling and Oil Sands Development:

As a service provider to the oil and gas industry we are reliant on the levels of capital expenditures made by oil sands, oil and gas producers. Our results may be affected by the level of capital expenditures in the WCSB, including investments in natural gas and both for conventional and unconventional oil and oil sands development. Pipeline approvals and natural gas export facilities are critical to the future development of Canada's natural gas and oil resource development.

Risk Description & Trend

Approximately one-fifth of our revenue is directly related to oil and gas drilling activity and oil sands development in western Canada. As a service provider to the oil and gas industries we are reliant on the levels of capital expenditures made by oil and gas exploration and production companies ("**E&Ps**"). In our experience, the level of capital investment made by E&Ps is based on several factors including, but not limited to:

- net hydrocarbon prices and the related impacts of fluctuating light/heavy and sweet/sour crude oil differentials;
- market access and long-term takeaway capacity, including pipeline and rail infrastructure;
- anticipated and actual aggregate production levels;
- access to capital;
- regulatory and stakeholder approvals for exploration and development activities;
- changes in demand for refinery feedstock;
- fuel conservation measures, long-term demand for fossil fuels, the evolution of electric vehicles ("**EV**") and alternative forms of transportation;
- changes to royalty and tax legislation;
- indigenous claims or protests; and
- environmental regulations and approvals.

Negative public perception of oil sands, conventional oil and natural gas development, pipelines, hydraulic fracturing and fossil fuels generally may further impede industry growth in the WCSB. Operators and producers tend to examine long-term fundamentals affecting the foregoing factors before they adjust their capital budgets to reflect these assessments. There can be no certainty that investments will be made by E&Ps, or that approvals for infrastructure or export facilities by regulators or the judiciary will be forthcoming. Market access and long-term takeaway capacity are critical factors to western Canadian oil production growth. Further, the development of LNG export facilities and pipeline infrastructure are critical to the future development of Canada's natural gas sector.

In addition, a change in this regulatory regime may impact our customers and our operations. Climate change regulations and carbon taxes may lead to project delays and additional costs to producers affecting both their profitability and their investments in oil, oil sands and natural gas. Given the evolving nature of the debate related to climate change, it is not currently possible to predict the nature of, or the impact on, our operations and future financial condition, however, it seems unlikely that major oil sands expansion, as seen in the recent past, will be forthcoming.

Further, the industry may become subject to new environmental regulations, which could negatively affect future capital expenditures. In addition to Green House Gas ("**GHG**") emissions regulations, oil sands producers are subject to tailings management regulations, which may become more stringent and require additional capital in order to satisfy. To date, regulations relating to tailings management, such as the Alberta Government's Directive 74, have had no demonstrable or quantifiable negative effect on our business.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons.

<u>Trend:</u> COVID-19 caused an unprecedented and rapid decline in demand for oil that resulted in a brisk decline in oil prices in the spring of 2020. Declines in drilling activity and supply management by OPEC+ resulted in a recovery in prices by year end and demand has rebounded to nearly 100 million barrels per day during December 2021. Oil prices are expected to remain at or near recent levels, however, much economic uncertainty and downside risks remain. As such, investment in the oil and gas industry in western Canada is expected to be up from 2021 but constrained as compared to pre-pandemic levels. In the medium term, the LNG Canada project in Kitimat, British Columbia may eventually boost E&Ps' capital expenditures.

Potential Impact

As a service provider to this sector, we are directly impacted by and reliant on the level of capital and operational expenditures. Another sudden decline as experienced in 2020 or a more prolonged decline of oil and/or natural gas prices will have a negative impact on drilling activity and oil sands maintenance as well as further oil sands development that would negatively affect the operations in our Specialized & Industrial Services segment as well as our overall financial condition. Conversely, a resurgence of oil and/or natural gas prices should have a positive impact on the operations in our Specialized & Industrial Services segment as well as our overall financial condition.

Ultimately, the prices of our services are subject to aggregate industry demand and the availability of service equipment and qualified personnel. In addition, the long-term impact of changing demand for oil and gas products could have a material adverse effect on our business, results of operations and financial condition.

Geopolitical Risk – Changes in the Legal Framework:

We may be adversely affected by changes to existing laws and regulations, trade agreements, change in the permitting process as it relates to oil and natural gas infrastructure projects and subsequent court challenges.

Risk Description:

Our operations are subject to a variety of federal, provincial and local laws, regulations and guidelines and income tax laws ("**Regulations**"). In addition, the operations of Mullen Group may be affected by international trade agreements and the ability to seamlessly cross international borders.

Our customers in the oil and gas sector are subject to various Regulations such as royalties, environmental regulations and the reduction of GHG emissions. In addition, before proceeding with most major projects, including the building of a pipeline, an LNG export facility or significant changes to an existing oil sands plant, E&Ps must obtain various federal, provincial, state and municipal permits and regulatory approvals. These permits may be challenged and subject to denial or the imposition of further conditions by the judiciary.

Changes in tax laws may also adversely affect our results of operations and financial performance. Significant judgement is required in determining our provision for income taxes and various internal and external factors may have favorable or unfavorable effects on our future provision for income taxes, income taxes receivable and our effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, transfer pricing adjustments and changes in the overall mix of income among the different jurisdictions in which we operate. Furthermore, new accounting pronouncements or new interpretations of existing accounting pronouncements can have a material impact on our effective income tax rate and accordingly, our financial performance.

Additionally, since the commencement of the COVID-19 pandemic, various governmental authorities in the jurisdictions where Mullen Group operates have implemented benefit programs (collectively the "COVID-19 Programs") in response to the financial hardship experienced by or expected to be experienced by businesses during the COVID-19 pandemic. The terms of the COVID-19 Programs are subject to interpretation by the governmental authorities implementing them and are subject to changes in legislation and administrative practice, which may include changes having retroactive effect. Mullen Group has claimed and received benefits under certain COVID-19 Programs. Any material changes in the governing legislation or administrative practice for a COVID-19 Program accessed by Mullen Group could cause an unanticipated obligation to repay that may negatively impact the results of operations and financial performance of Mullen Group.

Potential Impact

There can be no assurance that such Regulations, including those relating to the oil and gas industry and the transportation industry, as well as environmental and otherwise applicable operating legislation will not be changed in a manner that adversely affects our organization. Any such change could have a material adverse effect on our business, results of operations and financial condition. Our customers are similarly subject to Regulations and there can be no assurance that the Regulations governing our customers will not be changed in a manner that adversely affects them and, thereby, Mullen Group.

E-Commerce and Supply Chain Evolution:

Our results may be affected by disruptive technologies and supply chain innovations. Technology continues to evolve at a rapid pace, which has the potential to impact everything, including how markets conduct transactions as well as how we manage our business. As the retail marketplace continues to evolve, digital technology is disrupting traditional operations. The impact on supply chain management is particularly great as businesses reinvent their supply chain strategies.

Risk Description & Trend

Disruptive technologies continue to change the structure of the North American economy due to the continuous growth of e-commerce. The use of web based and mobile technology is increasingly becoming the preferred method by consumers and retailers to both shop for and ship orders. As a result, supply chains have undergone enormous change with more frequent direct to consumer shipments replacing transportation from distribution centers to traditional retail stores. In addition, our organization is reliant on certain Information Technology ("**IT**") systems (see Digital Infrastructure and Cyber Security on page 50).

Trend: Containment measures implemented by governments caused an acceleration in e-commerce sales. E-commerce sales in Canada that averaged 10.9 percent of total retail sales in 2021 and represented a $72.4 billion industry as compared to $61.8 billion in 2020. This resulted in greater demand for LTL transportation and home delivery options.

Potential Impact

E-commerce and omni-channel marketing requires a different distribution model than traditional retail or big-box store logistics. Generally, it is negatively affecting demand for truckload and long-haul transportation services, however, it is creating greater demand for warehousing as well as LTL and small package Final Mile™ deliveries.

The added complexity of e-commerce and the change in the supply chain presents an opportunity to expand our logistics revenue.

Acquisitions:

Our company strategy includes pursuing selected and strategic acquisitions focused primarily on the segments of the economy where we have strong market penetration and customer relationships, however, we may not be able to execute or integrate future acquisitions successfully.

Risk Description & Trend

Historically, a key component of our growth strategy has been to pursue acquisitions of strategic and/or complementary businesses. We continually evaluate acquisition candidates and may acquire assets and businesses that we believe complement our existing businesses or enhance our service offerings.

The processes of evaluating acquisitions and performing due diligence procedures include risks. Further, we face competition from both peer group and non-peer group firms for acquisition opportunities. This external competition may hinder our ability to identify and/or consummate future acquisitions successfully. If the prices sought by sellers of these potential acquisitions were to rise or otherwise be deemed unacceptable, we may find fewer suitable acquisition opportunities.

Achieving the benefits of acquisitions will depend, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner. In addition, non-core assets may be periodically disposed of so that we can focus our efforts and resources more efficiently. Depending on the state of the market such non-core assets, if disposed of, could realize a price less than their carrying value resulting in a loss on disposal.

Trend: Opportunities for acquisitions continue. In 2021 we successfully acquired six new businesses for total cash consideration of $207.5 million and share consideration of $14.7 million as compared to two new businesses in 2020 for total consideration of $20.2 million.

Potential Impact

Entities that are acquired may not increase our OIBDA or yield other anticipated benefits. The possible difficulties of integration include, among others:

- we may be unable to retain customers or key employees including drivers and Contractors;
- the business may not achieve anticipated revenue, earnings, or cash flows;
- we may be unable to integrate successfully and realize the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays;
- we may have limited experience in the acquiree's market and may experience difficulties operating in its market;
- we may assume liabilities beyond our estimates or what was disclosed to us;
- the acquisition could disrupt our ongoing business, distract our management, and divert our resources; and
- we may incur indebtedness or issue additional Common Shares.

The risks involved in successful integration could be heightened if we were to complete a large acquisition or multiple acquisitions within a short period of time.

If any one, or a combination, of the described possibilities results in our failure to execute our acquisition strategy successfully in the future, it could limit our ability to continue to grow in terms of revenue, OIBDA and cash flow. In addition, there is a risk of impairment of acquired goodwill and intangible assets. This risk of impairment to goodwill and intangible assets exists because the assumptions used in the initial valuation of these assets, such as interest rate or forecasted cash flows, may change when testing for impairment is required.

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Competition:

We operate in a highly competitive industry, and certain market segments have mature characteristics and face commoditization. Our business could suffer if we are unable to adequately address downward pricing pressures and other factors that could adversely affect our profitability.

Risk Description & Trend

Our various Business Units operate in highly competitive and fragmented industries with low barriers to entry, especially within the trucking industry. We compete with several large companies both in the transportation and energy services industries that may have greater financial and other resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of services that we compete for or that new competitors will not enter our various markets.

Trend: North American freight volumes and economic growth deteriorated during 2020, however, economic activity and freight volumes began to recover after the initial COVID-19 shock and the North American economy has largely returned to pre-pandemic levels. This recovery allowed volumes and freight rates in the spot market to recover, however, port congestion and labour shortages has led to supply chain disruptions resulting in pricing opportunities for carriers such as Mullen Group. Due to continued COVID-19 related containment measures by various levels of government, we expect the economy to continue to experience short-term interruptions. As such, there is no certainty that freight rates will continue to improve in 2022.

Potential Impact

Numerous competitive factors could impair our ability to maintain or improve our profitability. These factors include but are not limited to the following:

- Many of our competitors periodically reduce their rates to gain business, especially during times of reduced oilfield activity or economic recessions. This may make it difficult for us to maintain or increase rates, or may require us to reduce our rates, or lose business. Additionally, it may limit our ability to maintain or expand our business.
- Competition from logistics and brokerage companies may negatively impact our customer relationships and rates.
- Higher prices and higher fuel surcharges to our customers may cause some of our customers to consider alternatives, including deciding to transport more of their own product with their own assets or substituting trucking for rail transportation.
- Many customers periodically solicit bids from multiple providers for their transportation needs, which may depress freight rates or result in a loss of business to competitors.

FINANCIAL RISKS

Foreign Exchange Rates:

Our consolidated financial statements are presented in Canadian dollars, however, a portion of our revenue is derived in U.S. dollars and a portion of our debt is denominated in U.S. currency.

Risk Description & Trend

Mullen Group has foreign exchange risk relating to the relative value of the Canadian dollar vis-à-vis the U.S. dollar. A stronger Canadian dollar is beneficial as it results in a foreign exchange gain on our U.S. dollar debt recognized on our consolidated income statement, as well as an equivalent reduction in the carrying value of such debt on the balance sheet. However, a stronger Canadian dollar also has the potential to reduce the level of Canadian exports thereby potentially negatively affecting the results of operations in the Less-Than-Truckload and Logistics & Warehousing segments. Conversely, a weakening Canadian dollar results in a foreign exchange loss and an equivalent increase in the carrying value related to the U.S. dollar debt. A weaker Canadian dollar has the potential to increase the level of Canadian exports and thereby potentially positively affect the results of operations in the Less-Than-Truckload and Logistics & Warehousing segments. In addition, many of our parts and equipment are built in the U.S. and priced in U.S. dollars. A decrease in the relative value of the Canadian dollar vis-à-vis the U.S. dollar increases the costs of these parts and equipment.

Trend: Foreign exchange rates between the U.S. and Canadian dollar remain volatile. During 2021 the exchange rate fluctuated between $0.7727 and $0.8306 closing the year at $0.7888 as compared to $0.7849 at December 31, 2020.

Potential Impact

At the end of each reporting period we recognize foreign exchange gains or losses as they relate to financial contracts, assets and liabilities held in foreign currencies. This risk mainly arises from our U.S. $229.0 million of Senior Guaranteed Unsecured Notes ("**U.S. Notes**"). Specifically, our U.S. Notes are comprised of Series G (U.S. $117.0 million) and Series H (U.S. $112.0 million) Notes that mature in 2024 and 2026, respectively.

At December 31, 2021, we also had U.S. dollar bank indebtedness of $8.1 million, U.S. dollar trade receivables of $31.6 million and U.S. dollar trade payables and accrued liabilities of $22.6 million.

Investments:

Mullen Group invests in both private and public companies. The value of these investments fluctuate.

Risk Description & Trend

Mullen Group invests in both private and public companies. Fair values of public company investments are based on quoted prices in active markets. There is a risk that the value of an investment may fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment, classes of investments or factors affecting all investments traded in the market. As such, there is a risk that a portion of the original investment may be lost.

Trend: In 2021 we recorded an increase in the fair value of investments of $1.2 million as compared to a decrease of $1.0 million in 2020.

Potential Impact

Our investments in public companies are measured at fair value and have an initial cost of $11.5 million. At December 31, 2021, the fair value of these investments was $2.4 million.

We use the equity method to account for investments in private companies in which we have significant influence or joint control. At December 31, 2021, the carrying value of these investments totalled $36.1 million and consisted of the investments in Canol Oilfield Services Inc., Kriska Transportation Group Limited, Cordova Oilfield Services Ltd., Butler Ridge Energy Services (2011) Ltd. and Thrive Management Group Ltd.

The timing of future dispositions and the realized share price are uncertain. There is no assurance that the Corporation will realize any benefits from its investment portfolio.

Interest Rates:

Changes in interest rates may result in fluctuations in our future cash flows.

Risk Description & Trend

We are susceptible to fluctuations in interest rates. Our Credit Facilities are priced at variable rates. To the extent we utilize our Credit Facilities we incur the risk of interest rates rising. Our Private Placement Debt, the Debentures and our Various Financing Loans are issued at fixed rates. The majority of our long-term debt, specifically $461.5 million, matures in 2024 and 2026.

Trend: At December 31, 2021, we had $745.2 million (2020 – $607.8 million) of borrowings at an average interest rate of 4.1 percent. In January 2022, the Bank of Canada provided guidance that the Bank expects that interest rates will need to increase in order to achieve the Bank of Canada's commitment to the 2.0 percent inflation target.

Potential Impact

Borrowings issued at fixed rates, like our Private Placement Debt, expose Mullen Group to fair value interest rate risk. The majority of our borrowings are issued at fixed rates, specifically $656.2 million of our $745.2 million are at fixed rates. Therefore, we are exposed to fair value interest rate risk on these borrowings that mature at various tenures. More specifically, we are susceptible to the opportunity costs associated with interest rate decreases on our fixed borrowings. In the event that we refinance our borrowings, there can be no guarantee we can borrow at our current average interest rate of 4.1 percent.

In the event that interest rates increase, the cost of borrowing under our Credit Facilities, to the extent that they are utilized, will increase. If fully drawn and interest rates increased by 1.0 percent on our $250.0 million Credit Facilities, we would incur additional annual interest expenses of approximately $2.5 million.

Access to Financing:

We may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to fund acquisitions.

Risk Description & Trend

We may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to fund acquisitions. There can be no assurance that additional financing will be available when needed or on acceptable terms, which could limit our growth and could have a material adverse effect on our business, results of operations and financial condition. In addition, we have certain financial and other covenants under our Private Placement Debt that are customary for financings of this type including, but not limited to, a maximum leverage ratio and a minimum interest coverage ratio. A breach of a covenant and failure to obtain appropriate amendments to or waivers under the applicable financing arrangement may cause our borrowings under such facilities to be immediately declared due and payable.

Trend: At December 31, 2021, our debt covenant leverage ratio was 2.52:1 as compared to 2.10:1 in 2020.

Potential Impact

We may need to incur additional debt, or issue debt or equity securities in the future. We could face constraints on generating sufficient cash from operations, obtaining sufficient financing on favorable terms, or maintaining compliance with financial and other covenants in our financing agreements.

If any of these events occur, then we may face liquidity constraints and it may impair our future ability to secure financing on satisfactory terms, or at all. A liquidity constraint may impair Mullen Group's ability to continue as a going concern. Although we expect that we will be able to obtain additional financing when needed, in the amounts required and on acceptable terms there is no assurance that such would occur.

Reliance on Major Customers:

There is an inherent risk that arises to all businesses when economic dependence on a major customer hinders a company's ability to maximize profit.

Risk Description & Trend

Although we do not have a significant customer concentration, the growth of our business could be materially impacted and our results of operations would be adversely affected if we lost all or a portion of the business of some of our large customers because they:

- chose to divert all or a portion of their business with us to one of our competitors;
- demand pricing concessions for our services;
- require us to provide enhanced services that increase our costs; or
- develop their own shipping and distribution capabilities.

Trend: In 2021 our top ten customers accounted for 12.5 percent of revenue (2020 – 18.6 percent), and the largest customer accounted for approximately 2.4 percent (2020 – 2.9 percent) of such revenue.

Potential Impact

The loss of one or more major customers, any significant decrease in services provided, decreases in rates charged, or any other changes to the terms of service with customers, could have a material adverse effect on our business, results of operations and financial condition. Furthermore, a concentration of revenue with a major customer, or a small group of major customers, may lead to an enhanced ability of those customers to influence pricing and other contract terms, which may have a material adverse effect on our results.

Impairment of Goodwill or Intangible Assets:

Our total assets include goodwill and intangible assets. If we determine that these assets have become impaired in the future, our net income could be adversely affected.

Risk Description & Trend

There is also a risk of impairment of acquired goodwill and intangible assets. This risk of impairment of goodwill and intangible assets exists because the assumptions used in the initial valuation of these assets, such as the interest rate or forecasted cash flows, may change when testing for impairment is conducted either annually or upon a triggering event.

Trend: At December 31, 2021, our goodwill and intangible assets accounted for $457.9 million, or 23.8 percent of our total assets as compared to $317.2 million, or 18.5 percent of total assets in 2020.

Potential Impact

Our regular review of the carrying value of our goodwill and intangible assets has resulted, from time to time, in significant impairments, and we may in the future be required to recognize additional impairment charges. Such did occur in 2007 when the Federal government implemented changes to the tax regime governing specified investment flow-through ("**SIFT**") entities such as Mullen Group's predecessor Mullen Group Income Fund. In addition, the Alberta Government announced changes to the oil and gas royalty regime in Alberta that impacted many of our customers.

Changes in government regulations, or economic or market conditions have resulted and may result in further substantial impairments of our goodwill or intangible assets. In 2018 Mullen Group recognized a $100.0 million goodwill impairment charge. As at December 31, 2021, we had goodwill of $358.7 million and intangible assets of $99.2 million. Our impairment testing in 2021 produced no indication of impairment. The results of our impairment evaluations, assumptions and sensitivities can be found in our 2021 MD&A on page 86.

Credit Risk:

Credit risk is the risk of financial loss to Mullen Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. This risk arises predominately from our trade receivables generated from our customers.

Risk Description & Trend

A significant portion of our accounts receivable are with customers involved in the oil and gas industry, whose revenues may be impacted by fluctuations in commodity prices thereby potentially impacting their ability to meet contractual obligations. Although collection of these receivables could be influenced by this and other economic factors affecting the industries we serve, management considers the risk of a significant loss to be remote at this time.

Trend: At December 31, 2021, accounts receivable were $248.9 million comprised of $85.2 million within our Less-Than-Truckload segment, $69.5 million within our Logistics & Warehousing segment, $60.7 million within our Specialized & Industrial Services segment, $31.0 million within our U.S. & International Logistics segment, and $2.5 million within the Corporate Office.

Potential Impact

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. Economic conditions and capital markets may adversely affect our customers and their ability to remain solvent. We transport a wide variety of freight for a broad customer base that spans numerous industries. The financial failure of a customer may impair our ability to collect on all or a portion of the accounts receivable balance. In addition, we have counter-party risk with our Derivatives and other financial assets.

OPERATIONAL RISKS

Employees and Labour Relations:

We depend on our employees to support our business operations and future growth opportunities. If our relationship with our employees deteriorates or if we have difficulty attracting and retaining employees, we could be faced with labour inefficiencies, disruptions, work stoppages, or delayed growth, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Risk Description & Trend

The success of Mullen Group is dependent upon attracting and retaining key personnel. Any loss of the services of such persons could have a material adverse effect on our business, results of operations and financial condition. We anticipate that our ability to expand services will be dependent upon attracting additional qualified employees, which is constrained in times of strong industry activity. Our senior management team is an important part of our business and loss of key employees could have a material adverse effect on our business, results of operations and financial condition.

Trend:
At December 31, 2021, we employed 7,202 employees, owner operators and dedicated subcontractors as compared to 5,638 in 2020.

Potential Impact

The failure to attract and retain a sufficient number of qualified personnel could have a material adverse effect on our profitability. The largest components of our overall expenses are salary, wages, benefits and costs of Contractors. Any significant increase in these expenses could impact our financial performance. In addition, we are at risk if there are any labour disruptions. Some of our Business Units are subject to collective agreements with their employees. Any work stoppages, or unbudgeted or unexpected increases in compensation could have a material adverse effect on our profitability and reduce cash flow from operating activities.

Further, we benefit from the leadership and experience of our senior management team and other key employees and depend on their continued services to successfully implement our business strategy. The unexpected loss of key employees or inability to execute our succession planning strategies could have an adverse effect on our business, results of operations, and financial condition.

Cost Escalation and Fuel Costs:

Our ability to control our costs is critical to servicing customers at attractive rates and remaining profitable.

Risk Description & Trend

In 2021 the wholesale rack price of diesel fuel in Canada varied from a low of $0.6410 per litre to $0.9670 per litre and exited the year at $0.9670 per litre. Cost escalations due to rising labour and other costs, the effect of inflation, the price of fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles, COVID-19 supply disruptions and national and regional economic conditions are factors over which we have little or no control. Of these costs, fuel represents a significant operating expense for us. Fuel prices fluctuate greatly due to factors beyond our control, such as global supply and demand for crude oil, political events, price and supply decisions by oil producing countries and cartels, terrorist activities, the depreciation of the Canadian dollar relative to other currencies, hurricanes and other natural disasters as well as fuel and carbon taxes.

Trend: The average wholesale rack price of diesel fuel in Canada for 2021 was $0.8130 per litre as compared to $0.5660 per litre in 2020.

Potential Impact

GHG regulations are likely to continue to impact the design and cost of equipment utilized in our operations as well as fuel costs. Rising inflation and significant increases in fuel prices, labour costs, equipment prices, other input prices, interest rates or insurance costs, to the extent not offset by increases in rates or fuel surcharges, would reduce profitability and could adversely affect our ability to carry out our strategic plans. We cannot predict the impact of future economic conditions and there is no assurance that our operations will continue to be profitable.

Potential Operating Risks and Insurance:

Our success is dependent on our ability to manage operational risks. The transportation and other various service sectors that we operate in are subject to inherent risks. Failure to manage these operational risks may have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Risk Description & Trend

Our transportation operations are subject to risks inherent in the transportation industry, including potential liability that could result from, among other things, personal injury or property damage arising from motor vehicle accidents. Our Specialized & Industrial Services segment is subject to risks inherent in the oil and gas industry, such as equipment defects, malfunction, failures and natural disasters. These risks could expose Mullen Group to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution and other environmental damages.

Trend: Our 2021 total recordable injury frequency rate, a leading indicator of operational excellence, was 3.03 as compared to 2.99 in 2020.

Potential Impact

Claims may be asserted against us related to accidents, cargo loss or damage, property damage, personal injury, employment and environmental or other issues occurring in our operations. Although we have obtained insurance coverage against certain of the risks to which we are exposed, such insurance is subject to deductibles and coverage limits and no assurance can be given that such insurance will be adequate to cover our liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the frequency and/or severity of claims increase, our operating results could be adversely affected. If we were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if we were to incur such liability at a time when we are not able to obtain liability insurance, our business, results of operations and financial condition may be materially adversely affected.

Digital Infrastructure and Cyber Security:

We are dependent on computer and communications systems; and a systems failure or data breach could cause a significant disruption to our business.

Risk Description

We believe that a well-functioning and efficient IT system is a prerequisite to growth, operational excellence and superior customer service, aids day-to-day operational management and provides accurate financial information. Our business involves high transaction volumes, complex logistics, the tracking of thousands of orders, the geopositioning of trucks and trailers as well as the communication with drivers and field personnel in real time. We are therefore heavily dependent on certain software, communication systems and network infrastructure. A serious prolonged failure in this area may materially affect our business.

Potential Impact

Our IT systems may be susceptible to damage, disruptions or shutdowns due to: hardware failures, power outages, fire, natural disasters, telecommunications failure, internet failures, computer viruses, data breaches or attacks by computer hackers or malicious actors, user errors or catastrophic events. Such failures or unauthorized access could disrupt our business and could result in the loss of confidential information, intellectual property, litigation, remediation costs, damage to our reputation and negatively impact our ability to service our customers. Any such loss, unauthorized access, disclosure of confidential information or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties. In addition, the cost and operational consequences of reinstituting our IT systems capabilities or implementing further data or system protection measures could be significant.

Business Continuity, Disaster Recovery and Crisis Management:

In the event of a serious incident, the inability to restore or replace critical capacity in a timely manner may impact our business and operations.

Risk Description

Our operations are widespread and geographically diverse. Severe weather conditions and other natural or manmade disasters, including storms, floods, fires, epidemics or pandemics, conflicts or unrest, terrorist attacks or other events affecting one of our major facilities or areas of operations could result in a significant interruption in or disruption of our business.

Potential Impact

A serious event could result in decreased revenue, as our ability to service our customers may be impeded or we may incur increased costs to operate our business, which could have an adverse effect on our results of operations. In addition, a serious event may reduce our customers' needs for our services.

Environmental Liability Risks:

Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties. The costs of compliance with existing or future environmental laws and regulations may be significant and could adversely impact our business, results of operations, financial condition, and cash flows.

Risk Description

The risk of incurring environmental liabilities is inherent in oilfield service and transportation operations. Historically, activities associated with such operations and the ownership, management or control of real estate pose an environmental risk. Some of our Business Units will routinely deal with natural gas, oil and other petroleum products. Our operations are subject to numerous laws, regulations and guidelines governing the management, handling, transportation and disposal of non-regulated and regulated substances and otherwise relating to the protection of the environment. These laws, regulations and guidelines include those relating to the remediation of spills, releases, emissions and discharges of regulated substances into the environment and those requiring removal or remediation of pollutants or contaminants.

Our customers are subject to various laws, regulations, and guidelines that prescribe, among other things, limits on emissions into the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, we cannot predict the nature of the restrictions that may be imposed.

Potential Impact

Failure to comply with an environmental law or regulation may impose civil and criminal penalties. Certain of our Business Units carry significant volumes of dangerous goods. This involves specific insurance requirements, training programs and appropriate permits with the various provinces and states in which our Business Units operate.

We may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

We operate out of numerous owned and leased facilities throughout Canada where storage tanks may be used or may have been used at some prior date. Canadian laws generally impose potential liability on the present or former owners or occupants of properties on which contamination has occurred. Although we are not aware of any contamination which, if remediation or clean-up were required, could have a material adverse effect on Mullen Group. Certain facilities have been in operation for many years and, over such time, Mullen Group or the prior owners, operators or custodians of the properties may have generated and disposed of substances which are or may be considered hazardous.

Weather and Seasonality:

Our operations could be impacted by seasonal fluctuations or harsh weather conditions.

Risk Description & Trend

Harsh weather conditions can impede the movement of goods and increase operating costs.

Revenue and profitability within our Less-Than-Truckload and our Logistics & Warehousing 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.

The level of activity in the Canadian oilfield service industry is influenced by seasonal weather patterns. Typically activity levels are reduced in the spring when wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of heavy equipment.

Additionally, certain oil and gas producing areas are only accessible in the winter months because the ground surrounding the drilling sites in these areas consists of swampy terrain.

Trend: In 2021 revenue was affected by COVID-19. Revenue, excluding the effect of acquisitions, was 24.3 percent of total annual revenue in the first quarter, 23.9 percent in the second quarter, 25.5 percent in the third quarter and 26.3 percent in the fourth quarter.

Potential Impact

An unexpected or harsh weather event could result in decreased revenue, as our ability to service our customer is impeded or we may incur increased costs to operate our business, which could have an adverse effect on our results of operations.

Seasonal factors typically lead to declines in activity levels. In the Less-Than-Truckload and the Logistics & Warehousing segments, operating expenses tend to increase in the winter months due to decreased fuel efficiency and increased repairs and maintenance expense resulting from cold weather conditions at a time when demand is seasonally lower.

In the Specialized & Industrial Services segment, a significant portion of our operations relates to the moving of heavy equipment, drilling rigs and drilling supplies in northern and western Canada. Activity levels, revenue and earnings are influenced by the seasonal activity pattern of western Canada's oil and gas exploration industry whereby activity peaks in the winter months and declines during the spring.

Access to Parts, Development of New Technology and Relationships with Key Suppliers:

We depend on suppliers for fuel, equipment, parts, and services that are critical to our operations. A disruption in the availability of or a significant increase in the cost to obtain these supplies could adversely impact our business and results of operations.

Risk Description

Our ability to compete and expand is most directly tied to our having access at a reasonable cost to equipment, parts and components, which are at least technologically equivalent to those utilized by competitors, and to the development and acquisition of new and competitive technologies.

Potential Impact

Although we have individual distribution agreements with various key suppliers, there can be no assurance that those sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, our ability to compete may be impaired by virtue of diminished availability and/or increased cost of securing certain equipment and parts. We have access to certain distributors and secure discounts on parts and components that would not be available if it were not for our relationships with certain key suppliers. Should the relationships with key suppliers cease the availability and cost of securing certain equipment and parts may be adversely affected.

Regulation:

Various federal, provincial and state agencies exercise broad regulatory powers over the transportation industry, generally governing our activities.

Risk Description

Notwithstanding that the transportation industry is largely deregulated in terms of entry into the industry, each carrier must obtain a license from, or register with, provincial regulatory authorities in order to carry goods extra-provincially or to transport goods within any province. Our operations are subject to a variety of Regulations relating to, among other things: safety, equipment weight, equipment dimensions, driver hours-of-service and the transportation of hazardous materials. Licensing is also required from regulatory authorities in the United States for the transportation of goods between Canada and the United States. In addition, our operations are subject to hours of service regulations and electronic logging and, in certain cases, random drug testing.

Potential Impact

Changes in regulations applicable to Mullen Group could increase operating costs and have a material adverse effect on our business, results of operations and financial condition. The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and regulations. Although we are committed to compliance and safety through our operational excellence initiatives, there is no assurance that we will be in full compliance at all times with such policies, guidelines and regulations. Consequently, at some future time, we could be required to incur significant costs to maintain or improve our compliance record.

Litigation:

From time to time, Mullen Group or its Business Units may be the subject of litigation, claims, administrative proceedings and regulatory actions ("Claims") arising out of its operations or business in general.

Risk Description

Our business is subject to the risk of litigation by employees, customers, vendors, government agencies, shareholders and other parties. Various types of Claims may be made against Mullen Group or its Business Units including but not limited to those pertaining to negligence, breach of contract, environmental, tax, patent infringement, employment matters and safety incidents.

Potential Impact

The outcome of litigation is difficult to assess or quantify, and the magnitude of potential loss relating to such Claims made against Mullen Group or its Business Units may be material or may be indeterminate. The outcome of any such Claims cannot be predicted with certainty and may impact our business, financial condition, results of operations or cash flows. Further, unfavourable outcomes of settlements of Claims could encourage the commencement of additional Claims. We may also be subject to negative publicity with respect to such Claims regardless of fault. We may also be required to incur significant expenses and devote significant resources in defence of any such Claims.

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THE PUBLIC COMPANY

CAPITAL STRUCTURE

The authorized share capital of Mullen Group consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. The material characteristics of these securities are set forth below.

Common Shares

A holder of Common Shares is entitled to one vote per share at meetings of shareholders, to receive dividends, if any, as and when declared by the Board, and to receive pro rata the remaining property and assets of Mullen Group upon its dissolution or winding-up, subject to the rights of shares having priority over the Common Shares. As at December 31, 2021, there were 94,532,178 Common Shares issued and outstanding.

Preferred Shares

While Mullen Group's Articles of Incorporation provide for Preferred Shares to be issued in one or more series, we have not created any series of Preferred Shares. The number of, and the specific rights, privileges, restrictions and conditions attaching to any such series of Preferred Shares would be determined by the Board prior to the creation and issuance thereof, including any preferential rights in relation to the payment of dividends, distribution of assets in the event of liquidation, dissolution or winding-up or such other preferences as may be determined at the time of creation of such series.

Convertible Unsecured Subordinated Debentures

In June 2019, we issued $125.0 million of 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. Thus, an aggregate of approximately 8.9 million Common Shares of Mullen Group may be issued if all the holders convert their principal amount. The proceeds of the offering were used for general corporate purposes and for acquisitions completed within the Less-Than-Truckload and Logistics & Warehousing segments.

Further details relating to the Debentures are contained in the 2019 Trust Indenture, a copy of which is filed on the Corporation's issuer profile on SEDAR at www.sedar.com.

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DIVIDENDS

The declaration of dividends is at the sole discretion of the Board. As reflected in the table below, in 2021 Mullen Group declared an annual dividend of $0.48 per Common Share. For context, on February 12, 2020, we announced our intention to pay annual dividends of $0.60 per Common Share ($0.05 per Common Share on a monthly basis) for 2020. On March 20, 2020, Mullen Group announced the temporary suspension of the monthly dividend of $0.05 per Common Share for three months, effective April 1, 2020. The suspension of the dividend was in response to the government mandated closure of many businesses, steps initiated to stop the spread of COVID-19. On July 22, 2020, Mullen Group announced the reinstatement of the monthly dividend by paying $0.03 per Common Share on a monthly basis. On December 9, 2020, we announced an increase to our annual dividend from $0.36 per Common Share to $0.48 per Common Share to be paid on a monthly basis for 2021.

On December 8, 2021, we announced our intention to increase our annual dividend from $0.48 per Common Share to $0.60 per Common Share ($0.05 per Common Share on a monthly basis) for 2022.

	Record Date	Payment Date	Number of Shares	Amount per Share	Total Dividend
2021	**December 31, 2021**	**January 17, 2022**	**94,532,178**	**$0.04**	$3,781,287
	November 30, 2021	**December 15, 2021**	**94,907,742**	**$0.04**	$3,796,310
	October 31, 2021	**November 15, 2021**	**95,509,463**	**$0.04**	$3,820,379
	September 30, 2021	**October 15, 2021**	**95,334,799**	**$0.04**	$3,813,392
	August 31, 2021	**September 15, 2021**	**95,455,967**	**$0.04**	$3,818,239
	July 31, 2021	**August 16, 2021**	**95,831,531**	**$0.04**	$3,833,261
	June 30, 2021	**July 15, 2021**	**96,207,095**	**$0.04**	$3,848,284
	May 31, 2021	**June 15, 2021**	**95,850,543**	**$0.04**	$3,834,022
	April 30, 2021	**May 17, 2021**	**96,208,223**	**$0.04**	$3,848,329
	March 31, 2021	**April 15, 2021**	**96,583,787**	**$0.04**	$3,863,351
	February 28, 2021	**March 15, 2021**	**96,852,047**	**$0.04**	$3,874,082
	January 31, 2021	**February 16, 2021**	**96,852,047**	**$0.04**	$3,874,082
2020	December 31, 2020	January 15, 2021	96,852,047	$0.03	$2,905,561
	November 30, 2020	December 15, 2020	96,852,047	$0.03	$2,905,561
	October 31, 2020	November 16, 2020	96,852,047	$0.03	$2,905,561
	September 30, 2020	October 15, 2020	96,910,713	$0.03	$2,907,321
	August 31, 2020	September 15, 2020	97,677,213	$0.03	$2,930,316
	July 31, 2020	August 17, 2020	98,286,213	$0.03	$2,948,586
	June 30, 2020	July 15, 2020	0	$0.00	$0
	May 31, 2020	June 17, 2020	0	$0.00	$0
	April 30, 2020	May 15, 2020	0	$0.00	$0
	March 31, 2020	April 15, 2020	103,824,053	$0.05	$5,191,203
	February 29, 2020	March 16, 2020	104,824,973	$0.05	$5,241,249
	January 31, 2020	February 18, 2020	104,824,973	$0.05	$5,241,249
2019	December 31, 2019	January 15, 2020	104,824,973	$0.05	$5,241,249
	November 30, 2019	December 16, 2019	104,824,973	$0.05	$5,241,249
	October 31, 2019	November 15, 2019	104,824,973	$0.05	$5,241,249
	September 30, 2019	October 15, 2019	104,824,973	$0.05	$5,241,249
	August 31, 2019	September 16, 2019	104,824,973	$0.05	$5,241,249
	July 31, 2019	August 15, 2019	104,824,973	$0.05	$5,241,249
	June 30, 2019	July 15, 2019	104,824,973	$0.05	$5,241,249
	May 31, 2019	June 17, 2019	104,824,973	$0.05	$5,241,249
	April 30, 2019	May 15, 2019	104,824,973	$0.05	$5,241,249
	March 31, 2019	April 15, 2019	104,824,973	$0.05	$5,241,249
	February 28, 2019	March 15, 2019	104,824,973	$0.05	$5,241,249
	January 31, 2019	February 15, 2019	104,824,973	$0.05	$5,241,249

The Board has not adopted a formal dividend policy. The Board reviews the financial performance of Mullen Group and makes a determination of the appropriate level of dividends to be declared.

The Board has approved and declared a dividend of $0.05 per Common Share to be paid on February 15, 2022, to the holders of record at the close of business on January 31, 2022.

MARKET FOR SECURITIES

Trading Price and Volume of Listed Securities

We have two classes of securities that are publicly traded, being our Common Shares and our Debentures. The Common Shares are listed on the TSX under the trading symbol "**MTL**". Our Debentures are listed on the TSX under the trading symbol "**MTL.DB**". The following sets forth trading information for our Common Shares and Debentures as reported by the TSX during 2021.

Common Shares

Mullen Group Ltd. January 1, 2021 – December 31, 2021					
	Symbol	Volume	High $	Low $	Close $
January	MTL	3,725,388	11.69	10.32	10.34
February	MTL	7,654,498	11.30	9.80	10.02
March	MTL	7,872,096	12.84	10.06	12.18
April	MTL	6,338,873	13.85	12.11	13.47
May	MTL	4,079,230	13.65	12.64	12.86
June	MTL	6,626,970	13.68	12.04	13.36
July	MTL	6,522,051	13.95	12.08	13.55
August	MTL	4,398,468	13.77	12.86	13.25
September	MTL	3,972,473	13.83	12.82	12.88
October	MTL	6,488,918	14.48	12.67	12.80
November	MTL	6,243,347	13.10	11.40	11.53
December	MTL	6,352,871	12.27	11.00	11.63

Debentures

Mullen Group Ltd. January 1, 2021 – December 31, 2021					
	Symbol	Volume	High $	Low $	Close $
January	MTL.DB	14,390	109.31	105.00	105.00
February	MTL.DB	13,290	107.28	103.42	106.00
March	MTL.DB	17,040	113.78	105.00	112.00
April	MTL.DB	17,690	118.85	111.25	118.85
May	MTL.DB	9,610	117.00	113.75	115.25
June	MTL.DB	5,990	118.45	110.00	114.50
July	MTL.DB	49,670	116.80	110.00	115.50
August	MTL.DB	7,170	116.47	107.00	115.00
September	MTL.DB	8,360	118.00	114.02	116.25
October	MTL.DB	5,130	120.00	112.63	112.63
November	MTL.DB	2,270	114.00	105.00	109.40
December	MTL.DB	35,850	112.00	107.50	112.00

Prior Sales

There were no sales of any class of securities of Mullen Group that are outstanding, but not listed or quoted on a marketplace during 2021.

Escrowed Securities

There are no securities of Mullen Group currently held in escrow.

DIRECTORS AND OFFICERS

Directors are elected each year to hold office until the next annual meeting of the shareholders of Mullen Group. Executive Officers are appointed each year by the Board as per the recommendation of Mullen Group's Compensation, Nomination and Governance Committee. The following table sets forth the names, office held with Mullen Group and principal occupation of each director and Executive Officer.

Name, Province or State, and Country of Residence	Position and Offices Held	Principal Occupation During the Last Five Years	Date First Elected or Appointed as a Director or Officer of Mullen Group (Expiry of Term*)
Stephen H. Lockwood, LLB[1, 2] Alberta, Canada	Director	Special Advisor to the Chair and CEO of ATCO Group of Companies. Former President & COO, ATCO Structures & Logistics Ltd.	2014 (2026)
Christine McGinley, CPA, CA, ICD.D[1, 2] Alberta, Canada	Director	Corporate Director.	2017 (2029)
David E. Mullen Alberta, Canada	Director	Corporate Director. President of LynCorp Manufacturing Ltd. Chairman of Cordy Oilfield Services Inc.	2010 (2025)
Jamil Murji, CFA British Columbia, Canada	Director	Corporate Director. Former President and CEO of Argus Carriers Ltd. and Inter-Urban Delivery Service Ltd.	2021 (2036)
Philip J. Scherman, FCPA, FCA, ICD.D[1, 2, 4] Alberta, Canada	Director	Corporate Director.	2014 (2021)
Sonia Tibbatts, MBA[1, 2, 3] Alberta, Canada	Director	Corporate Director. Former Managing Director, Vice President, Corporate Banking and Vice President, Oil & Gas Banking at RBC Capital Markets until May 31, 2016.	2017 (2025)
Murray K. Mullen Alberta, Canada	Chairman, Chief Executive Officer, President and Director	Chairman of the Board, Chief Executive Officer, President and Director of Mullen Group.	1986 (N/A)
P. Stephen Clark, FCPA, FCMA, ICD.D Alberta, Canada	Chief Financial Officer	Chief Financial Officer of Mullen Group.	2010 (N/A)
Joanna K. Scott Alberta, Canada	Corporate Secretary & Vice President, Corporate Services	Corporate Secretary & Vice President, Corporate Services at Mullen Group.	2014 (N/A)
Richard J. Maloney Alberta, Canada	Senior Vice President	Senior Vice President of Mullen Group.	2016 (N/A)
Carson Urlacher, CPA, CA Alberta, Canada	Corporate Controller	Corporate Controller of Mullen Group.	2018 (N/A)

Notes:
[1] Member of the Audit Committee
[2] Member of the Compensation, Nomination and Governance Committee
[3] Lead Director
[4] On February 10, 2021, the Board unanimously agreed to waive the Corporation's director age term limit of 70 years for Mr. Scherman.
* Expiry of director terms only applies to non-management directors. Maximum tenure for directors is 15 years or upon reaching the age of 70 years.

The directors and Executive Officers of Mullen Group, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 5,590,625 Common Shares, representing 5.9 percent of the issued and outstanding Common Shares as at December 31, 2021. The directors and Executive Officers of Mullen Group, or associates of such persons, as a group, beneficially owned, or controlled or directed, directly or indirectly, Debentures in the aggregate principal amount of $4.85 million, which are convertible into an aggregate of 346,428.71 Common Shares at the option of the holder.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Regulatory Actions

To the best of Mullen Group's knowledge, no director or Executive Officer of Mullen Group is, as of the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the director or Executive Officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an Order that was issued after the director or Executive Officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of Mullen Group's knowledge, no director or Executive Officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, other than as outlined below.

Philip J. Scherman

Mr. Scherman was on the board of directors of Parallel Energy Inc., the administrator of Parallel Energy Trust ("**Parallel**"), a Calgary-based oil and gas producer. On November 9, 2015, Parallel filed an application for protection under the Companies' Creditors Arrangement Act (the "**CCAA**") and voluntary petitions for relief under Chapter 11 of the United States Code. In the Chapter 11 proceedings, the Bankruptcy Court approved the sale of the assets of Parallel and the sale closed on January 28, 2016. Mr. Scherman resigned from the board of directors of Parallel on March 1, 2016 and subsequently the Canadian entities of Parallel filed for bankruptcy under the Bankruptcy and Insolvency Act on March 3, 2016.

Conflicts of Interest

The Board has adopted a board manual which includes an Individual Director Mandate ("**Mandate**"). The Board also approved a Code of Ethics and Conduct Policy ("**Policy**") that applies to directors and Executive Officers among others. While activities that pose a potential or perceived conflict of interest are not prohibited, they are required by the Policy and Mandate to be disclosed to the Board and Executive Officers as they arise. Any such potential conflicts of interest will be dealt with openly with full disclosure of the nature and extent of the potential conflicts of interests with Mullen Group.

Circumstances may arise from time to time where our members of the Board or Executive Officers are also directors or officers of corporations, which have conflicting interests to those of the Corporation. We monitor these situations in a number of ways including requiring our directors and Executive Officers to disclose all other companies in which they serve as an officer or a director.

In the event that any circumstance should arise as a result of such positions being held or otherwise, which in the opinion of the Board constitutes a conflict of interest, which reasonably affects such person's ability to act with a view to the best interests of Mullen Group, the Board will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Corporation. Such actions, without limitation, may include excluding such directors, Executive Officers or employees from certain information or activities of Mullen Group.

The ABCA provides that in the event that an officer or director is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction.

As of the date hereof, we are not aware of any existing or potential material conflicts of interest between Mullen Group or a subsidiary of Mullen Group, including any Business Unit and any director or Executive Officer of Mullen Group or of any subsidiary of Mullen Group, including any Business Unit other than those that have been disclosed and approved or in those cases where members of the Board or Executive Officers of Mullen Group are also directors or officers of corporations doing business with the Corporation. Any such business is done in the normal course of Mullen Group's operations and on similar terms and conditions as transactions we contract with our other customers.

Audit Committee

The following table provides information relating to each current member of the Audit Committee.

Name, Province or State, and Country of Residence	Independent	Financially Literate	Relevant education and business experience
Philip J. Scherman, FCPA, FCA, ICD.D Audit Chairman Alberta, Canada	Yes	Yes	Mr. Scherman is a certified public accountant, who from 1982 to 2012 was an audit partner for both public and private energy and energy service entities of a large accounting firm. He was also the firm's Oil and Gas Industry Leader for many years and served on its Board of Directors for six years. He obtained his Bachelor of Commerce degree from the University of Saskatchewan in 1972. Mr. Scherman is a member of the Canadian and Alberta Institutes of Chartered Professional Accountants and was awarded the Fellow of the Chartered Professional Accountants designation by the Chartered Professional Accountants of Alberta in 2013.
Stephen H. Lockwood, LLB Alberta, Canada	Yes	Yes	Mr. Lockwood is currently employed in the position of Special Advisor to the Chair and CEO of the ATCO Group of Companies. On December 31, 2017, he retired from his position as President and Chief Operating Officer of ATCO Structures & Logistics Ltd., a global infrastructure company. Prior thereto, Mr. Lockwood was the President and Co-Chief Executive Officer of Mullen Group Ltd. until June 30, 2014, positions he held at Mullen Group since September 2004. Mr. Lockwood earned a Bachelor of Commerce degree from the University of Alberta in 1978 and a Bachelor of Laws degree from the University of Calgary in 1981.
Christine McGinley, CPA, CA, ICD.D Alberta, Canada	Yes	Yes	Ms. McGinley was the former Senior Vice President, Operations for Canwest Global Communications Corp. until her retirement in 2010. She has over 25 years of senior management experience, specializing in the areas of operations, technology and finance. Ms. McGinley also serves as a director and audit chairperson on several boards and has an ICD.D designation from the Institute of Corporate Directors in Toronto, Ontario. Ms. McGinley earned her Bachelor of Commerce degree from the University of Alberta in 1980 and is a member of the Canadian and Alberta Institutes of Chartered Professional Accountants.
Jamil Murji, CFA British Columbia, Canada	Yes	Yes	Mr. Murji was President and CEO of Argus Carriers Ltd. from 2016 to 2019 and President and CEO of Inter-Urban Delivery Service Ltd. from 2013 to 2019. Mr. Murji holds an undergraduate degree in Computer Science from Simon Fraser University and a MBA from Western University's Richard Ivey School of Business. He also has a Chartered Financial Analyst designation.
Sonia Tibbatts, MBA Alberta, Canada	Yes	Yes	Ms. Tibbatts has over 33 years' experience in the finance and capital markets industry. Ms. Tibbatts was employed for 33 years with RBC Capital Markets until her retirement in 2016 during which she held positions such as Managing Director, Director, Vice President, Corporate Banking and Vice President, Oil & Gas Banking. Ms. Tibbatts was also the Chairperson of RBC Capital Markets' Energy Industry Operating Committee from 2008-2016. Ms. Tibbatts earned a Bachelor of Home Economics Degree in 1976 from the University of Manitoba, a Master of Science degree in 1980 from the University of Manitoba and a Master of Business Administration degree in 1986 from the University of Calgary.

The Audit Committee Mandate is attached to this AIF as Appendix A.

Audit Committee Oversight

During fiscal 2021, the Board accepted all recommendations made by the Audit Committee in relation to the external auditor's nomination and compensation.

Pre-Approval Policies and Procedures

PricewaterhouseCoopers LLP ("**PwC**") is the external auditor for Mullen Group and has occupied this role since March 12, 2014. Each year the Audit Committee approves a schedule summarizing the services to be provided by PwC, which services it believes will be typical, recurring or otherwise likely to be provided during the upcoming year. The Audit Committee pre-approves fees for audit, audit related services and non-audit services, such as tax advisory or advice on accounting related issues. These fees are presented to the Board for approval.

External Auditor Service

The fees paid by Mullen Group for professional services to its external auditor, PwC, during fiscal 2021 are included in the table below.

($ thousands)	2021 $	2020 $
Audit fees[1]	**793**	669
Audit-related fees[2]	**144**	141
Tax fees[3]	**-**	-
All Other fees[4]	**5**	5
Total	**942**	815

Notes:

1 Audit fees consist of fees paid for the audit of Mullen Group's annual financial statements and the review of quarterly financial reports or services that are normally provided in connection with statutory and regulatory filings or engagements. In 2021 Mullen Group paid $793,000 to PwC of which $382,000 related to the 2020 Audit and $411,000 related to the 2021 Audit with total 2021 Audit fees estimated to be $648,000.

2 Audit-related fees consist of fees paid for internal control testing, assurance and related services that are reasonably related to the performance of the audit or review of Mullen Group's financial statements and are not reported as Audit Fees.

3 Tax fees consist of fees paid for tax compliance services, tax advice and tax planning.

4 Other fees mainly consist of fees paid for due diligence services.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Within the three most recently completed financial years or during the current financial year, there have been no material interests, direct or indirect, of any Executive Officer, director, a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10.0 percent of the outstanding voting securities, or any known associate or affiliate of such persons, in any transaction or in any proposed transaction which has materially affected or would materially affect Mullen Group.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report, opinion or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or related to, our most recently completed financial year other than PwC, our independent auditors. PwC is the auditor of Mullen Group and has confirmed that it is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Mullen Group within the most recently completed financial year, or before the most recently completed financial year that are still material and are still in effect are the following:

- the 2014 Senior Note Purchase Agreement
- the Stock Option Plan
- the 2019 Trust Indenture
- Automatic Repurchase Plan

Copies of each of the foregoing are available on the Corporation's issuer profile on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Mullen Group and its Business Units are involved from time to time in various claims and litigation which arise in the normal course of business. To our knowledge, there are no significant legal proceedings currently in progress, which involve a claim for damages in an amount that exceeds 10.0 percent of the assets of Mullen Group.

During the year ended December 31, 2021, there were no: (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during our most recently completed financial year; (ii) other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into with a court relating to securities legislation or with a securities regulatory authority during our most recently completed financial year.

TRANSFER AGENTS AND REGISTRARS

Computershare is our transfer agent and registrar. Computershare's offices are located in Calgary, Alberta; Vancouver, British Columbia; Toronto and Richmond Hill, Ontario; Halifax, Nova Scotia; and Montreal, Quebec.

ADDITIONAL INFORMATION

Additional information relating to Mullen Group may be found on the Corporation's issuer profile on SEDAR at www.sedar.com, and on our website at www.mullen-group.com. Additional information, including directors' and officers' remuneration and indebtedness, if any, principal holders of Mullen Group's securities and securities issued and authorized for issuance under our equity compensation plans is contained in our 2021 proxy materials relating to our most recently held shareholders' meeting. Additional information will be provided in our 2022 proxy materials relating to our 2022 shareholders' meeting. Additional financial information is contained in the 2021 Financial Statements and the 2021 MD&A.

GLOSSARY OF TERMS

*"**2014 Private Placement Debt**"* means Mullen Group's long-term debt consisting of U.S. $117.0 million of Series G Notes (3.84 percent), U.S. $112.0 million of Series H Notes (3.94 percent), CDN. $30.0 million of Series I Notes (3.88 percent), CDN. $3.0 million of Series J Notes (4.00 percent), CDN. $58.0 million of Series K Notes (3.95 percent) and CDN. $80.0 million of Series L Notes (4.07 percent) and mature in 2024 and 2026.

*"**2014 Senior Note Purchase Agreement**"* means the note purchase agreement dated September 16, 2014 in respect of the 2014 Private Placement Debt;

*"**2019 Trust Indenture**"* means the trust indenture between Mullen Group and Computershare Trust Company of Canada dated June 21, 2019, providing for the issuance of the Debentures;

*"**2021 Financial Statements**"* means the 2021 audited annual consolidated financial statements of Mullen Group for the year ended December 31, 2021, and the accompanying notes to such consolidated financial statements;

*"**2021 MD&A**"* means Mullen Group's annual management's discussion and analysis for the year ended December 31, 2021;

*"**3PL**"* means third-party logistics;

*"**ABCA**"* means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended from time to time;

*"**AECOM ISD**"* means the business and assets of AECOM's Canadian Industrial Services Division that were acquired on June 25, 2018.

*"**Ambient**"* means the temperature of the surrounding environment – which environment in our case is our trucks and trailers including sprinter vans and reefer trailers. Ambient temperature controlled equipment is particularly important for hauling health care related products, pharmaceuticals and food products.

*"**Automatic Repurchase Plan**"* means the automatic purchase plan agreement between Mullen Group and Scotia Capital Inc. dated March 2, 2021.

*"**Board**"* means the board of directors of Mullen Group;

*"**Business Units**"* means the indirectly, wholly-owned companies and limited partnerships that carry on the business of Mullen Group and "***Business Unit***" means any one entity;

*"**Canadian GAAP**"* means Canadian generally accepted accounting principles, which is governed by the principles based on International Financial Reporting Standards;

*"**CEWS**"* means Canada Emergency Wage Subsidy;

*"**CIBC Credit Facility**"* means the $100.0 million revolving demand credit facility entered into by Mullen Group with the Canadian Imperial Bank of Commerce on October 1, 2021;

*"**Common Shares**"* means the Common Shares in the share capital of Mullen Group;

"***Computershare***" means Computershare Trust Company of Canada;

*"**Contractors**"* refers to Owner Operators who provide trucks and/or trailers and work for the Business Unit under annual contracts and subcontractors who own their own equipment and are used during times of peak demand;

*"**Corporate Office**"* means the Mullen Group head office that is located in Okotoks, Alberta;

*"**Credit Facilities**"* means collectively the CIBC Credit Facility and the RBC Credit Facility;

"***Debentures***" means the convertible unsecured subordinated debentures of Mullen Group issued by way of a bought deal on June 21, 2019.

"***Dedicated Subcontractor***" means an individual or business who owns his or her own vehicle and works for a Business Unit, operating under its own authorities and insurance;

"***Equipment***" means both company owned and Owner Operator equipment;

"***Executive Officer***" means an officer of Mullen Group duly appointed by the Board;

"***Frac Corrals***" means modular frac tanks used to contain water on the lease site for the fracking process;

"***LTL***" means less-than-truckload;

"***Non-GAAP Terms***" means additional financial performance measures that are used by management in its evaluation of performance and are not recognized financial terms under Canadian GAAP;

"***OEM***" means original equipment manufacturer;

"***Owner Operator***" means an individual or business who owns and operates his or her own vehicle and works for a Business Unit, operating under the Business Unit's authorities and insurance;

"***Power Units***" refers to heavy duty commercial vehicles, such as trucks and tractors;

"***Private Placement Debt***" means the 2014 Private Placement Debt;

"***RBC Credit Facility***" means the $75.0 million revolving demand unsecured credit facility entered into by Mullen Group with the Royal Bank of Canada on July 30, 2012, and amended on October 24, 2018, to increase to $125.0 million; and further amended on June 21, 2019, to increase to $150.0 million.

"***Rolling Stock***" means wheeled vehicles available for use in transportation services;

"***SmartWay***" means a certification obtained through the SmartWay Transport Partnership which is a public-private partnership between industry, the U.S. Environmental Protection Agency and Natural Resources Canada designed to help businesses reduce fuel costs while transporting goods in the cleanest most efficient way possible;

"***Station Agents***" means groups of independent freight contractors located throughout the United States and Mexico working under the HAUListic platform with distinct customer and carrier relationships;

"***Stand-Alone Business***" means a company that has been acquired by Mullen Group and remains an independent Business Unit under its own brand and is held accountable for its own performance and results.

"***Stock Option Plan***" means the Stock Option Plan approved by Mullen Group shareholders on May 1, 2009, as amended from time to time;

"***TSX***" means the Toronto Stock Exchange; and

"***Tuck-in Acquisition***" means a company that has been acquired by Mullen Group that does not remain an independent subsidiary but is integrated into an existing Business Unit of Mullen Group.

APPENDIX A – AUDIT COMMITTEE MANDATE

Purpose

The audit committee (the "**Audit Committee**") is a committee of the Board of Mullen Group established to assist the Board in fulfilling its oversight responsibilities in relation to the accounting, internal controls, financial reporting and regulatory processes of Mullen Group and the auditing of its financial statements. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of the financial information provided to Mullen Group shareholders, regulatory bodies and other interested parties; (ii) compliance with accounting and finance based regulatory requirements; (iii) the internal financial control systems established by management; (iv) the work of the external auditors, including their qualifications and independence from Mullen Group; and (v) the audit process.

1. Composition and Terms of Office

    a. The Board shall appoint from its members, on an annual basis, not less than three directors to serve on the Audit Committee. Such appointment shall typically take place at the first directors' meeting held after the date of the annual general meeting, and the appointed members shall normally hold office for a one year period.

    b. Each committee member shall qualify as an "**independent director**" and shall be "**financially literate**" for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

    c. The Chairperson of the Audit Committee (the "**Audit Chairperson**") shall be appointed by the Board on the recommendation of the committee members. The Audit Chairperson may be removed and replaced by the Board at any time.

    d. Where a vacancy occurs on the Audit Committee it may be filled by the Board. Any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

2. Meetings

    a. The Audit Committee shall meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements and reports. Additional meetings may be held as deemed necessary by the Audit Chairperson, as requested by any two members of the Audit Committee, by the outside internal control auditors (if any have been retained) or the external auditors.

    b. A quorum for a meeting shall be a majority of the Audit Committee members.

    c. If the Audit Chairperson is not present at any meeting of the Audit Committee, one of the other committee members shall be chosen by the Audit Committee to preside at the meeting.

    d. A member may in any manner waive notice of a meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

    e. The Corporate Secretary or some other person designated by the Audit Committee shall be Secretary to the Audit Committee.

    f. Minutes of the Audit Committee meetings shall be provided to all committee members and the external auditors. The full Board shall be kept informed of the Audit Committee's activities by presentation of a report, verbal or otherwise, at the next Board meeting following each Audit Committee meeting.

3. Attendance at Meetings

a. Certain members of management are expected to be available to attend meetings or portions thereof, as determined by the Audit Chairperson. The Committee is authorized to request the presence, at any meeting, of a representative from the external auditors, senior management, outside internal auditors (if any have been retained), legal counsel or anyone else who could contribute substantively to the subject of the meeting.

b. The Audit Chairperson shall have the right to determine who shall and who shall not be present at any time during a meeting of the Audit Committee.

c. Directors, who are not members of the Audit Committee, may be invited to attend Audit Committee meetings on an ad hoc basis.

4. Duties and Responsibilities

In carrying out its mandate, the Audit Committee is expected to:

a. Financial Control and Reporting Systems

i. The Audit Committee will oversee the Corporation's risk assessment and will review reports from management describing the major financial, tax, legal, operational and other risk exposures of the Corporation and the steps senior management takes to monitor and control those exposures, including the Corporation's policies with respect to monitoring risk assessment and managing and controlling risks. Periodically, the Audit Committee will review reports provided by management regarding amounts to be withheld or collected and remitted by the Corporation in respect of any taxes, levies, assessments, reassessments and other charges payable to any governmental authority.

ii. Review reports from management and/or the external auditors in relation to changes in accounting policies or financial reporting requirements.

iii. Review reports on the sufficiency of Mullen Group's internal control over financial reporting and disclosure controls and procedures from management and/or the annual report of the outside internal control auditor, if any has been retained by Mullen Group.

iv. Review any new appointments to executive positions with financial reporting responsibilities and review and approve Mullen Group's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

v. The Audit Committee may retain any accounting firm, legal counsel, accounting experts and other adviser and utilize the services of the Corporation's regular outside legal counsel or other advisers of the Corporation (collectively, "**Outside Advisers**") at the expense of the Corporation at any time and has the authority to determine the Outside Adviser's fees and other retention terms. The Corporation must provide for appropriate funding, as determined by the Audit Committee, for payment of (a) compensation to any independent registered public accounting firm, including the Auditor, engaged for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Corporation, (b) any other accounting firm engaged to perform services for the Corporation, (c) compensation to any advisers employed by the Audit Committee, and (d) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties. The Audit Committee, and any Outside Advisers retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.

vi. Satisfy itself that Mullen Group has appropriate systems of internal control for the safeguarding of assets and for financial reporting necessary to ensure compliance with legal and regulatory requirements.

vii. Receive and review reports from Mullen Group's Disclosure Committee.

viii. Meet in-camera with the outside internal control auditor, if any, on an annual basis, without management present.

ix. Meet in-camera with the CEO, the CFO and the external auditors on a quarterly basis. In-camera session with the external auditors shall take place in closed sessions without management present.

b. Quarterly Financial Review

i. Review the external auditor's interim review findings reports, including whether any limitations were placed on the scope or nature of the audit procedures.

ii. Review the quarterly financial statements, management's discussion and analysis and associated press release with management and the external auditors, and formally recommend their approval to the Board (such approval to include the authorization for public release).

iii. Review any changes in accounting policies or financial reporting requirements that may affect the current period's financial statements.

c. Annual Financial Statements and Other Financial Information

i. Review summaries of material transactions and other complex matters whose treatment in the annual financial statements merits advance consideration.

ii. Review the external auditor's annual review findings report, including whether any limitations were placed on the scope or nature of the audit procedures.

iii. Review the annual audited financial statements, management's discussion and analysis and associated press release with management and the external auditors, and formally recommend their approval to the Board (such approval to include the authorization for public release).

iv. Review the Information Circular and Annual Information Form as to financial information or other material information or content within the Audit Committee's purview with management, and formally recommend their approval to the Board.

v. Review any other information circular or prospectus as to financial information or other material information or content within the Audit Committee's purview with management, and formally recommend their approval to the Board.

d. External Auditors, Audit Plan and non-Audit Services

i. Recommend to the Board each year

A. the external auditor to be nominated for appointment as external auditors of Mullen Group, and

B. their terms of engagement and remuneration.

This recommendation will be presented to shareholders for ratification at the annual general meeting.

ii. Have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the committee and the ultimate accountability of the external auditor is to the Audit Committee as representatives of its shareholders.

iii. Review the audit plan for the ensuing year with management and the external auditors, and formally recommend its approval to the Board.

iv. Pre-approve all non-audit services to be provided to Mullen Group by the external auditor.

v. Take all reasonable steps to satisfy itself that the external auditor does not provide non-audit services or otherwise operate in a way that would disqualify it as independent under section 161 of the ABCA or Rule 204 of the Canadian Institute of Chartered Professional Accountants.

vi. Perform an evaluation of the external auditor on an annual basis, which review considers

A. The output quality and cost effectiveness of the external auditor; and

B. The relationship between the auditor and executive management to ensure an appropriate balance between independence and objectivity, while working together with management in an environment of constructive challenge.

e. Whistleblower Policy (the "**Guide**")

i. The Audit Committee shall oversee Mullen Group's established facility for the anonymous submission, retention and treatment of complaints received from employees or other interested parties regarding questionable accounting matters, internal accounting controls or auditing matters in accordance with the applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

ii. The Audit Chairperson will be responsible for investigating and resolving all reported complaints and allegations concerning Mullen Group's accounting practices, internal accounting controls or auditing matters. The Audit Chairperson shall provide a quarterly report, verbal or otherwise, to the Audit Committee and the Board. The Audit Chairperson, at his sole discretion, may delegate the investigation and resolution of complaints to a senior executive officer.

f. Other Matters

i. The Audit Committee shall annually review:

A. its mandate; and

B. the adequacy of insurance coverage including directors' and officers' liability coverage.

ii. The Audit Committee is empowered to review the appropriateness and effectiveness of any activity or business practice (including related party transactions), which impacts the financial integrity of Mullen Group, and all employees shall be required to co-operate with the Audit Committee.

5. Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in its mandate, it is not the duty of the Audit Committee to prepare financial statements or plan and conduct audits. These are the responsibilities of management and the external Auditors, respectively. The Audit Committee's responsibility is to satisfy itself that Mullen Group's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable rules and regulations.

6. Delegation of Duties

The Audit Committee, upon approval by a majority of the members of such committee, may delegate authority and duties to subcommittees or individual members of the Audit Committee as it considers appropriate. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, bearing in mind that such services do not compromise the independence of the external auditor.

7. Work Plan

The Audit Committee, in consultation with the Board and management, shall develop and maintain an Audit Committee work plan setting out the scheduled business to be conducted at the Audit Committee's regular meetings throughout the fiscal year on all matters within its mandate and any other matters as may be determined to be necessary or appropriate.

CORPORATE INFORMATION

DIRECTORS | OFFICERS

Murray K. Mullen
Chairman of the Board, Chief Executive Officer,
President and Director

Sonia Tibbatts, MBA
Lead Director

Stephen H. Lockwood, LLB
Director

Christine E. McGinley, CPA, CA, ICD.D
Director

Jamil Murji, CFA
Director

David E. Mullen
Director

Philip J. Scherman, FCPA, FCA, ICD.D
Director

P. Stephen Clark, FCPA, FCMA, ICD.D
Chief Financial Officer

Richard J. Maloney
Senior Vice President

Joanna K. Scott
Corporate Secretary and
Vice President, Corporate Services

Carson Urlacher, CPA, CA
Corporate Controller

CORPORATE OFFICE

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Okotoks, Alberta T1S 2N3
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Canada/U.S.: 1-866-995-7711
Facsimile: 403-995-5296
Internet: www.mullen-group.com
Email: IR@mullen-group.com

BANKER

The Royal Bank of Canada
Calgary, Alberta

AUDITORS

PricewaterhouseCoopers LLP
Calgary, Alberta

STOCK EXCHANGE

Toronto Stock Exchange
Trading Symbol: MTL

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada
Toronto, Ontario
Telephone: 1-800-564-6253
Internet: www.investorcentre.com
Shareholder Inquiries:
www.investorcentre.com/service

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