INTERIM REPORT

QUARTER ONE

FOR THE MONTH ENDED
MARCH 31, 2024

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Mullen Group

INTERIM FINANCIAL REPORT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024

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

This MD&A, dated April 24, 2024, has been prepared by management for the three month period ended March 31, 2024, and should be read in conjunction with (i) the audited annual consolidated financial statements for the fiscal year ended December 31, 2023 (the "**Annual Financial Statements**"), together with the Management's Discussion and Analysis thereon (the "**2023 MD&A**"), and (ii) the unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2024, (the "**Interim Financial Statements**"). Any reference to "Mullen Group", "we", "us", "our" or the "Corporation" refers to Mullen Group Ltd., a corporation incorporated under the laws of the province of Alberta and includes its predecessors where context so requires. The Annual Financial Statements and other additional information are available on the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca and on our website at www.mullen-group.com. These documents are also available upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com. This MD&A and the Interim Financial Statements were reviewed by Mullen Group's Audit Committee and approved by the Board of Directors (the "**Board**") on April 24, 2024.

The Interim Financial Statements have been prepared in accordance to and comply with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") (collectively, "**IFRS Accounting Standards**"). The Interim Financial Statements comply with IAS 34 Interim Financial Reporting and do not include all of the information required for annual financial statements. Unless otherwise indicated, all amounts contained in this MD&A are in Canadian funds, which is the functional currency of the Corporation.

ADVISORY:

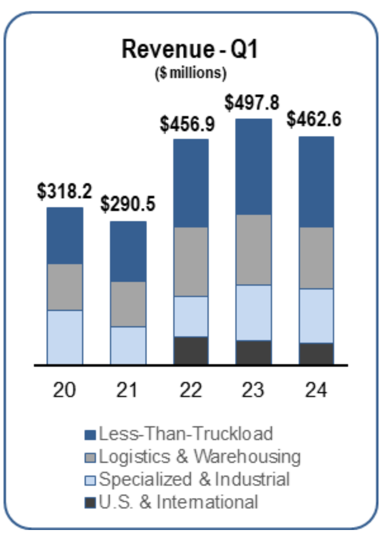
***Forward-looking statements** – This MD&A reflects management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities and contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. Wherever possible, words such as "anticipate", "may", "will", "believe", "expect", "potential", "continue", "view", "objective", "should", "plan", "intend", "ongoing", "estimate", "project" or similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant inherent risks and uncertainties, numerous assumptions and the risk that the predictions and forward-looking statements will not be achieved and that the actual results or events may differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable beliefs and assumptions, Mullen Group cannot assure readers that actual results will be consistent with these forward-looking statements. Some of the risks and uncertainties include, but are not limited to certain strategic, financial and operational risks, most important of which are: (i) strategic risks which include but are not limited to geopolitical risks such as a slowdown in the general economy; reduced oil and natural gas drilling and decreased oil sands and heavy oil activity; changes in legal frameworks applicable to the Corporation; e-commerce and supply chain evolution; acquisitions; competition; (ii) financial risks which include but are not limited to prevailing interest rates; foreign exchange rates; change in the return on fair value of investments; access to financing; reliance on major customers; customer relationships; impairment of goodwill or intangible assets; credit risk; and (iii) operational risks which include but are not limited to employees & labour relations; labour disruption and driver retention; cost escalation & fuel costs; accidents; cost of liability insurance; digital infrastructure & cyber security; business continuity, disaster recovery & crisis management; environmental liability risks; weather & seasonality; access to parts, development of new technology & relationships with key suppliers; pandemics; political unrest or wars; regulatory framework governing matters such as tax and the environment in the jurisdictions in which the Corporation conducts and will conduct its business; government mandates and litigation. Given these risks and uncertainties, readers should not place undue reliance on the forward-looking statements contained in this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. Additional information on these and other factors and risks that could affect the operations or financial results of Mullen Group may be found under the heading "Principal Risks and Uncertainties" starting on page 50 of the 2023 MD&A as well as in reports on file with applicable securities regulatory authorities and may be accessed through the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca. The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements. Additional information regarding the forward-looking statements contained in this MD&A and the material assumptions made in preparing such statements may be found under the heading "Forward-Looking Information Statements" beginning on page 30 of this MD&A.*

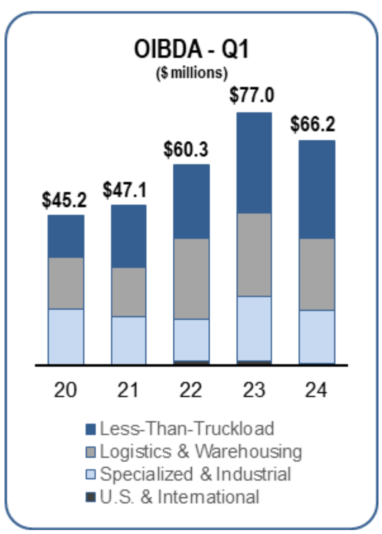
***Non-IFRS Financial Measures and Other Financial Measures** – Mullen Group reports on certain non-IFRS financial measures and ratios, which do not have a standard meaning under IFRS Accounting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Management uses these non-IFRS financial measures and ratios in its evaluation of performance and believes these are useful supplementary measures. We provide shareholders and potential investors with certain non-IFRS financial measures and ratios to evaluate our ability to fund our operations and provide information regarding liquidity. Specifically, net income – adjusted[1], earnings per share – adjusted[1], and net revenue[1] are not measures recognized by IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. For the reader's reference, the definition, calculation and reconciliation of non-IFRS financial measures are provided in the "Non-IFRS Financial Measures" section of this MD&A. These non-IFRS financial measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. Investors are cautioned that these indicators should not replace the forgoing IFRS Accounting Standards terms: net income, earnings per share and revenue. See the "Other Financial Measures" section for supplementary financial measures disclosed by the Corporation.*

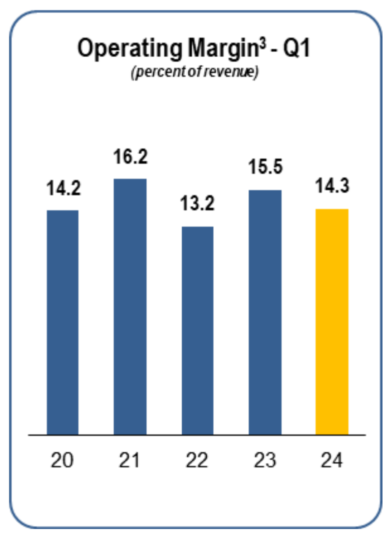
[1] Refer to the section entitled "Non-IFRS Financial Measures".

HIGHLIGHTS

FINANCIAL PERFORMANCE:	Three month periods ended March 31				
(unaudited) *($ millions, except share price and per share amounts)*		**2024**		**2023**	**% Change**
Revenue					
Less-Than-Truckload	**$**	**182.5**	$	192.8	(5.3)
Logistics & Warehousing		**126.3**		144.1	(12.4)
Specialized & Industrial Services		**111.9**		112.8	(0.8)
U.S. & International Logistics		**44.4**		51.0	(12.9)
Corporate and intersegment eliminations		**(2.5)**		(2.9)	—
Total Revenue	**$**	**462.6**	$	497.8	(7.1)
OIBDA[1]					
Less-Than-Truckload	**$**	**30.8**	$	31.8	(3.1)
Logistics & Warehousing		**22.5**		26.1	(13.8)
Specialized & Industrial Services		**16.7**		20.4	(18.1)
U.S. & International Logistics		**0.5**		1.2	(58.3)
Corporate		**(4.3)**		(2.5)	—
Total OIBDA	**$**	**66.2**	$	77.0	(14.0)
Net Income & Share Information					
Net income	**$**	**22.2**	$	31.7	(30.0)
Earnings per share – basic	**$**	**0.25**	$	0.34	(26.5)
Earnings per share – diluted	**$**	**0.25**	$	0.33	(24.2)
Net income – adjusted[2]	**$**	**22.4**	$	31.3	(28.4)
Earnings per share – adjusted[2]	**$**	**0.25**	$	0.34	(26.5)
Net cash from operating activities	**$**	**38.6**	$	34.2	12.9
Net cash from operating activities per share	**$**	**0.44**	$	0.37	18.9
Cash dividends declared per Common Share	**$**	**0.18**	$	0.18	—
Share price – March 31	**$**	**14.52**	$	14.77	(1.7)







[1] Defined as operating income before depreciation and amortization.
[2] Refer to the section entitled "Non-IFRS Financial Measures".
[3] Refer to the section entitled "Other Financial Measures".

FINANCIAL POSITION:

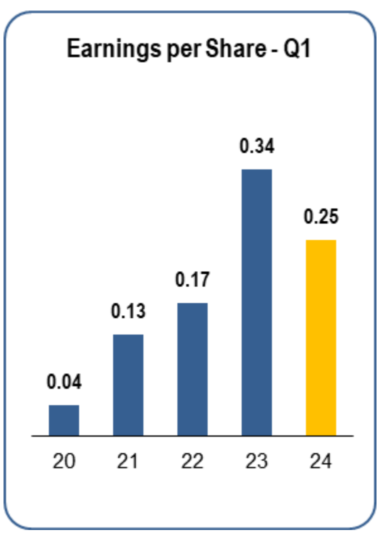
(unaudited) *($ millions)*	As at March 31		
	2024	**2023**	**% Change**
Cash (bank indebtedness) - net	**$ (78.7)**	$ (59.6)	32.0
Working capital (deficit)	**$ (111.7)***	$ 105.2	(206.2)
Private Placement Debt – non-current portion	**$ 234.5**	$ 480.5	(51.2)
Convertible debentures – debt component	**$ 118.7**	$ 116.4	2.0
Lease liabilities – non-current portion	**$ 71.2**	$ 75.2	(5.3)
Total assets	**$ 2,058.2**	$ 2,020.4	1.9

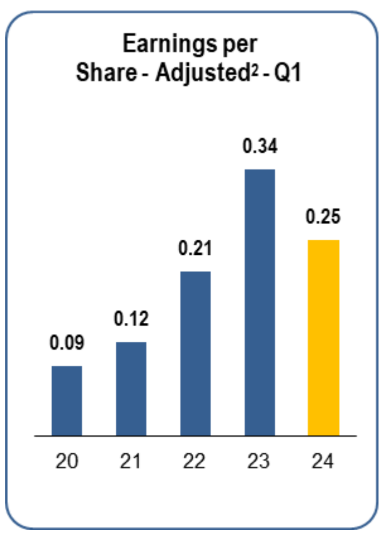
* *Working capital deficit is due to the impact of reclassifying $217.2 million of Private Placement Debt notes (net of Cross-Currency Swaps) maturing in October 2024. We expect to be able to replace these notes with new debt in 2024.*

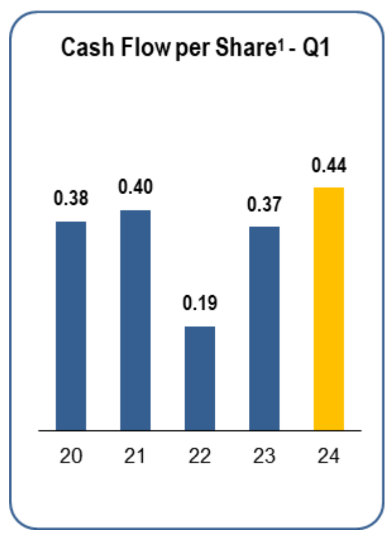
- Well-structured balance sheet
  - Private Placement Debt of $481.0 million (average fixed rate of 3.93 percent per annum) with principal repayments (net of Cross-Currency Swaps) of $217.2 million and $207.9 million due in October 2024 and October 2026, respectively
  - Total net debt[1] ($619.8 million) to operating cash flow ($319.2 million) of 1.94:1 as defined per our Private Placement Debt agreement (threshold of 3.50:1)
- Real estate – historical cost of $653.6 million
- Borrowings of $90.8 million as at March 31, 2024, on $375.0 million of borrowing capacity from our Bank Credit Facilities

Q1 PROGRESS:

- Generated revenues, OIBDA, and net income of $462.6 million, $66.2 million, and $22.2 million, respectively.
- Return on equity was 9.1 percent in the quarter as compared to 13.2 percent in 2023.
- Increased our Bank Credit Facilities to $375.0 million by entering into a new $125.0 million credit agreement with PNC Bank Canada Branch.
- Entered into a share purchase agreement to acquire Richmond, British Columbia based ContainerWorld Forwarding Services Inc. and its operating subsidiaries, which will close on May 1, 2024.
- Continued to invest in real estate to meet future growth plans including the completion of expanding our Thunder Bay, Ontario facility by adding 18 cross dock doors as well as 10,000 square feet of additional ambient temperature controlled warehouse space.
- Invested $19.2 million towards gross capital expenditures to improve operating efficiencies and to support our sustainability goals.
- Repurchased and cancelled 56,608 Common Shares for $0.8 million representing an average price of $13.98.







[1] Refer to the section entitled "Other Financial Measures".

[2] Refer to the section entitled "Non-IFRS Financial Measures".

CORPORATE PROFILE

WE ACQUIRE COMPANIES AND STRIVE TO IMPROVE THEIR PERFORMANCE

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

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

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

LTL — *Less-Than-Truckload*

The LTL segment is comprised of 11 regionally based Business Units focused on providing less-than-truckload ("**LTL**") shipments to over 5,000 communities throughout central and western Canada. Our extensive terminal network is generally regarded as one of the largest LTL networks in Canada, serving local and regional markets with a first and final mile service.

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

L&W — *Logistics & Warehousing*

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

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

S&I — *Specialized & Industrial Services*

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

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

US 3PL

U.S. & International Logistics

The transportation and movement of goods throughout the supply chain is critical to every company and an important component of the global economy representing approximately 10.0 percent of total GDP. 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. $350.0 billion industry.

The US 3PL segment currently consists of one Business Unit, HAUListic LLC ("**HAUListic**"), a Warrenville, Illinois based 3PL provider, that offers a wide range of logistics services through a combination of professional representatives and a network of independently owned and managed Station Agents, to over 2,700 customers in the United States and Mexico, utilizing over 6,000 certified sub-contractor carriers. HAUListic, a non-asset based 3PL provider, does not own any operating assets other than its 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. HAUListic uses the services of contractors to transport tendered freight shipments whereby all freight is moved through a network of licensed and certified contractors.

Corporate Office

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

A more detailed description of the Business Units is set forth in the Annual Information Form, which is dated February 14, 2024, and is available on the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca, our website at www.mullen-group.com or upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com.

ALLOCATING SHAREHOLDER CAPITAL

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

Acquisitions

THE PLAN	Acquire companies and strive to improve their performance.
2024 INVESTMENTS	ContainerWorld Forwarding Services Inc. ("**ContainerWorld**") • Entered into a share purchase agreement on February 2, 2024, which will close on May 1, 2024. • An integrated supply chain solutions company to the alcoholic beverage and hospitality industries. • Operates a network of customs and sufferance bonded warehouses, providing inventory management, freight forwarding, warehousing and distribution services in British Columbia and Ontario. • Financial results to be included within the L&W segment.

Capital Expenditures

2024 PLAN	In December 2023, the Board approved an $80.0 million capital budget for 2024, exclusive of corporate acquisitions, investment in facilities, land and buildings, with $70.0 million allocated towards maintenance capital primarily to invest in trucks, trailers, specialized equipment and technology to improve the operations of the Business Units and $10.0 million to invest specifically towards sustainability initiatives.
2024 PURCHASES	• In the first quarter, invested $18.7 million in new operating equipment and $0.5 million into facilities. • Committed $2.7 million of capital expenditures towards sustainability initiatives. Equipment consisting of CNG powered trucks, intermodal containers and electric material handling units, including forklifts have been ordered and we are waiting for their arrival from suppliers.

Normal Course Issuer Bid

2024 PLAN	The TSX approved the renewal of the normal course issuer bid ("**NCIB**") on March 7, 2024, to purchase for cancellation up to 8,220,349 Common Shares in the open market on or before March 10, 2025.
2024 REPURCHASES	• During the first quarter of 2024 we repurchased and cancelled 56,608 Common Shares for $0.8 million, representing an average price of $13.98 per Common Share. • As at February 28, 2024, the average daily trading volume of the Common Shares on the TSX ("**ADTV**") for the most recently completed six calendar months was 203,528. 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 precent of ADTV, which amounts to 50,882 Common Shares, subject to certain prescribed exceptions. • Entered into an automatic securities purchase plan (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 period, insider trading rules or otherwise. • The NCIB and the ASPP can be cancelled at the discretion of the Corporation at any time provided the Corporation is not in a blackout period.

Dividends

2024 PLAN	In December 2023, we announced our intention to pay annual dividends of $0.72 per Common Share ($0.06 per Common Share on a monthly basis) for 2024.
2024 PAYMENTS	• During the first quarter of 2024, we declared monthly dividends totalling $0.18 per Common Share, which is consistent with the $0.18 per Common Share of dividends declared in the same period last year. • At March 31, 2024, we had 88,057,434 Common Shares outstanding and a dividend payable of $5.3 million (December 31, 2023 – $5.3 million), which was paid on April 15, 2024. • On April 23, 2024, the Board declared a monthly dividend of $0.06 per Common Share to the holders of record at the close of business on April 30, 2024.

CONSOLIDATED FINANCIAL RESULTS

THREE MONTH PERIOD ENDED MARCH 31, 2024

Executive Summary

Freight demand, across virtually all verticals Mullen Group serves, was softer than the same period last year. As a result, our 39 Business Units generated less revenue, margins compressed, and overall profitability declined year over year. These declines, however, were not unexpected as pointed out in the Outlook section of our 2023 Annual Financial Review. We highlighted that the economy was experiencing significant headwinds, with consumers struggling to cope with higher interest rates and rising debt levels, capital investment in the private sector was slowing quite meaningfully, and major pipeline projects were winding down, factors that we expected would reduce overall freight demand. In addition, excess capacity built during the last business cycle was leading to competitive pricing. These conditions are the primary reasons our first quarter results were lower than last year.

Outlook

With many verticals in the economy adjusting to slower demand, competitive pressures have accelerated. These pressures, along with high debt levels and interest rates, that remain near decade highs, are forcing the industry and many competitors to reduce capacity, setting the stage for a more disciplined market. It may take a few quarters but the market will adjust, and those that are well prepared will be the major beneficiaries. At Mullen Group we do not expect any significant changes in the markets we serve in the near term. Given this outlook, we will focus on reducing costs where practical, including restructuring underperforming Business Units. In addition, we will pursue acquisitions. In the second quarter, we expect to close the previously announced ContainerWorld transaction, which will mitigate any softness in our current business, and position our company for future growth.

Revenue

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

Q1 Consolidated						
(unaudited) ($ millions)	**2024**		**2023**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**310.9**	**67.2**	324.5	65.2	(13.6)	(4.2)
Contractors	**149.4**	**32.3**	171.6	34.5	(22.2)	(12.9)
Other	**2.3**	**0.5**	1.7	0.3	0.6	35.3
Total	**462.6**	**100.0**	497.8	100.0	(35.2)	(7.1)

Consolidated revenues were $462.6 million, a decrease of 7.1 percent, or $35.2 million as compared to $497.8 million in 2023. Revenues were lower this year as compared to the same period last year due to a combination of a decline in daily revenues generated by our 39 Business Units and one less working day in the current quarter.

Revenue Per Working Day			
(unaudited) ($ millions)	**2024**	**2023**	**Change**
Revenue	**$ 462.6**	$ 497.8	$ (35.2)
Working Days	**62**	63	(1)
Revenue Per Working Day	**$ 7.5**	$ 7.9	$ (0.4)

Acquisitions added $20.5 million of incremental revenue, primarily from B. & R. Eckel's Transport Ltd. ("**B&R**").

- End consumer demand was generally consistent with last year. However, suppliers and manufacturers were reluctant to increase inventory levels in 2024, which negatively impacted overall freight demand.
- Capital investment in Canada in the private sector, was weaker year over year.
- There was a lack of new major capital construction projects, most notably the Trans Mountain Expansion Project ("**TMX**") and the Coastal GasLink Pipeline Project ("**CGL**"), which have essentially been completed and have not been replaced. The completion of these projects directly impacted our Premay Pipeline Hauling L.P. ("**Premay Pipeline**") Business Unit along with demand for other specialized services.
- Fuel surcharge revenues declined by $12.0 million (excluding acquisitions) to $50.3 million, primarily due to a 9.8 percent decrease in the price of diesel fuel.
- Some Business Units exited certain service offerings, due to unrealistic customer requirements.

Direct Operating Expenses

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

Q1 Consolidated

(unaudited) *($ millions)*	2024		2023		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**73.8**	**23.7**	74.0	22.8	(0.2)	(0.3)
Fuel	**28.4**	**9.1**	31.4	9.7	(3.0)	(9.6)
Repairs and maintenance	**37.0**	**11.9**	36.9	11.4	0.1	0.3
Purchased transportation	**46.9**	**15.1**	49.3	15.2	(2.4)	(4.9)
Operating supplies	**20.4**	**6.6**	23.6	7.3	(3.2)	(13.6)
Other	**8.9**	**2.9**	8.7	2.6	0.2	2.3
	215.4	**69.3**	223.9	69.0	(8.5)	(3.8)
Contractors	**114.9**	**76.9**	132.3	77.1	(17.4)	(13.2)
Total	**330.3**	**71.4**	356.2	71.6	(25.9)	(7.3)

**as a percentage of respective Consolidated revenue*

Consolidated DOE decreased by $25.9 million to $330.3 million, or 7.3 percent, as compared to $356.2 million in 2023, primarily due to the $35.2 million decrease in consolidated revenues. DOE as a percentage of consolidated revenues remained relatively consistent year over year. Other highlights were:

- Expenses related to operating company owned equipment increased as a percentage of Company revenue, with operating margins[1] declining year over year, mainly due to higher wages, and repairs and maintenance costs, most notably in the S&I segment, which was somewhat offset by improved operating margins[1] in the LTL segment and the L&W segment.
- Contractors costs decreased by $17.4 million due to the $22.2 million decline in Contractors revenue. In percentage terms, these costs decreased slightly by 0.2 percent, mainly because of improved margins in the LTL segment, being somewhat offset by lower margins experienced in the US 3PL and L&W segments.

Selling and Administrative Expenses

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

Q1 Consolidated

(unaudited) *($ millions)*	2024		2023		Change	
	$	%*	$	%*	$	%
Wages and benefits	**40.1**	**8.7**	37.7	7.6	2.4	6.4
Communications, utilities and general supplies	**19.9**	**4.3**	19.3	3.9	0.6	3.1
Profit share	**4.0**	**0.9**	4.6	0.9	(0.6)	(13.0)
Foreign exchange	**(1.1)**	**(0.2)**	(0.1)	—	(1.0)	1,000.0
Stock-based compensation	**0.2**	**—**	0.2	—	—	—
Rent and other	**3.0**	**0.6**	2.9	0.6	0.1	3.4
Total	**66.1**	**14.3**	64.6	13.0	1.5	2.3

**as a percentage of total Consolidated revenue*

S&A expenses rose by $1.5 million to $66.1 million as compared to $64.6 million in 2023 due to:

- Incremental S&A expenses of $1.9 million associated with acquisitions.
- Inflationary pressures including cost of living wage increases and higher utility costs and general supplies.
- These increases were somewhat offset by a $1.0 million positive variance in foreign exchange and a $0.6 million decrease in profit share.

As a percentage of revenue, S&A expenses increased to 14.3 percent from 13.0 percent last year, due to the combination of lower consolidated revenues and the relatively fixed nature of S&A expenses.

[1] Refer to the section entitled "Other Financial Measures".

OIBDA

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

Q1 Consolidated						
(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
LTL	**30.8**	**46.5**	31.8	41.3	(1.0)	(3.1)
L&W	**22.5**	**34.0**	26.1	33.9	(3.6)	(13.8)
S&I	**16.7**	**25.2**	20.4	26.5	(3.7)	(18.1)
US 3PL	**0.5**	**0.8**	1.2	1.6	(0.7)	(58.3)
Corporate	**(4.3)**	**(6.5)**	(2.5)	(3.3)	(1.8)	72.0
Total	**66.2**	**100.0**	77.0	100.0	(10.8)	(14.0)

OIBDA was lower this year in absolute dollar terms due to the decline in consolidated revenues being somewhat offset by $3.0 million of incremental OIBDA from acquisitions. Other notable highlights were:

- Operating margin[1] declined to 14.3 percent as compared to 15.5 percent last year due to higher S&A expenses as a percentage of consolidated revenues resulting from the relatively fixed nature of these expenses. DOE as a percentage of consolidated revenues remained consistent year over year despite more competitive pricing conditions in certain markets and a reduction in higher margin specialized business.
- Operating margin[1] declined mainly due to lower margins experienced in the S&I segment. Operating margin[1] declined slightly in the L&W and US 3PL segments, which was somewhat offset by slightly improved operating margins[1] in the LTL segment.

Depreciation of Property, Plant and Equipment

- Depreciation decreased as compared to the prior year period due to the sale of older assets by certain Business Units and from the declining balance method of depreciation.
- Depreciation in the LTL segment increased due to a greater amount of capital expenditures made within the segment.
- Depreciation in the S&I segment decreased on a year over year basis due to the sale of older assets by certain Business Units and from a lower amount of capital expenditures made within the segment.
- The US 3PL segment has fully depreciated all of its property, plant and equipment resulting in no depreciation expense being recorded in 2024.

Q1 Consolidated			
(unaudited) *($ millions)*	**2024**	**2023**	**Change**
	$	**$**	**$**
LTL	**5.7**	4.9	0.8
L&W	**3.5**	3.5	—
S&I	**6.6**	7.1	(0.5)
US 3PL	**—**	0.5	(0.5)
Corporate	**1.5**	1.9	(0.4)
Total	**17.3**	17.9	(0.6)

Depreciation of Right-of-Use Assets

- Depreciation of right-of-use assets increased in the S&I segment due to facility leases entered into on the B&R acquisition in May 2023.
- In 2024 depreciation of right-of-use assets in the Corporate Office consists of B&R facility leases that have been vacated and no longer assigned to a Business Unit. These facility leases are set to expire in May 2024 and will not be renewed.

Q1 Consolidated			
(unaudited) *($ millions)*	**2024**	**2023**	**Change**
	$	**$**	**$**
LTL	**4.3**	4.1	0.2
L&W	**2.2**	2.0	0.2
S&I	**0.6**	0.2	0.4
US 3PL	**0.1**	0.2	(0.1)
Corporate	**0.3**	—	0.3
Total	**7.5**	6.5	1.0

[1] Refer to the section entitled "Other Financial Measures".

Amortization of Intangible Assets

Intangible assets are normally acquired on acquisitions and are mainly comprised of customer relationship values and non-competition agreements that are amortized over a five to ten year period being their estimated life from the date of acquisition. Amortization of intangible assets was $3.2 million in the first quarter of 2024 as compared to $3.6 million in 2023. This decrease of $0.4 million mainly resulted from certain intangible assets becoming fully amortized, which was somewhat offset by the additional amortization recorded on the intangible assets associated with our recent acquisitions.

Finance Costs

Finance costs mainly consist of interest expense on financial liabilities, including: the Private Placement Debt; the Debentures; lease liabilities; and borrowings on the Bank Credit Facilities (as hereafter defined on page 26), less any interest income generated from the debentures issued to equity investments and from cash and cash equivalents.

Finance costs were $9.1 million in 2024 as compared to $8.3 million in 2023. The increase of $0.8 million was mainly attributable to a greater amount of interest expense being recorded on the Bank Credit Facilities and from greater interest expense recognized on lease liabilities by virtue of our recent acquisitions.

Net Foreign Exchange Loss (Gain)

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

(unaudited) *($ millions)*	Three month periods ended March 31 CDN. $ Equivalent **2024**	 **2023**
Foreign exchange loss (gain) on U.S. $ debt	**7.4**	(0.3)
Foreign exchange (gain) loss on Cross-Currency Swaps	**(7.2)**	(1.2)
Net foreign exchange loss (gain)	**0.2**	(1.5)

We recorded a foreign exchange loss of $7.4 million related to our $229.0 million U.S. dollar debt, due to the change in the value of the Canadian dollar relative to the U.S. dollar during the first quarter of 2024 as compared to a gain of $0.3 million in 2023. We recorded a foreign exchange gain on Cross-Currency Swaps of $7.2 million in the first quarter of 2024 as compared to a gain of $1.2 million in 2023. This was due to the change over the period in the fair value of these Cross-Currency Swaps.

Other (Income) Expense

(unaudited) *($ millions)*	Three month periods ended March 31 **2024**	 **2023**	 **Change**
Change in fair value of investments	**$ (0.1)**	$ 0.3	$ (0.4)
(Gain) loss on sale of property, plant & equipment	**(0.5)**	0.1	(0.6)
Loss on fair value of equity investment	**—**	0.6	(0.6)
Earnings from equity investments	**(0.3)**	(1.2)	0.9
Other (income) expense	**$ (0.9)**	$ (0.2)	$ (0.7)

Other income was $0.9 million in the first quarter as compared to other income of $0.2 million in 2023. The positive variance was mainly attributable to the $0.6 million loss on fair value of equity investment in 2023 that pertained to the acquisition of Butler Ridge Energy Services (2011) Ltd. and from the year over year positive variance in the change in fair value of investments and in the gain on sale of property, plant and equipment. Earnings from equity investments decreased to $0.3 million in 2024 as compared to $1.2 million in 2023, mainly due to lower demand for services at Kriska Transportation Group Limited.

Income Taxes

(unaudited) ($ millions)	Three month periods ended March 31			
		2024		2023
Income before income taxes	$	**29.8**	$	42.4
Combined statutory tax rate		**25%**		25%
Expected income tax		**7.5**		10.6
Add (deduct):				
Non-deductible (taxable) portion of net foreign exchange loss (gain)		**—**		(0.2)
Non-deductible (taxable) portion of the change in fair value of investments		**—**		0.1
Stock-based compensation expense		**—**		0.1
Changes in unrecognized deferred tax asset		**—**		(0.2)
Other		**0.1**		0.3
Income tax expense	$	**7.6**	$	10.7

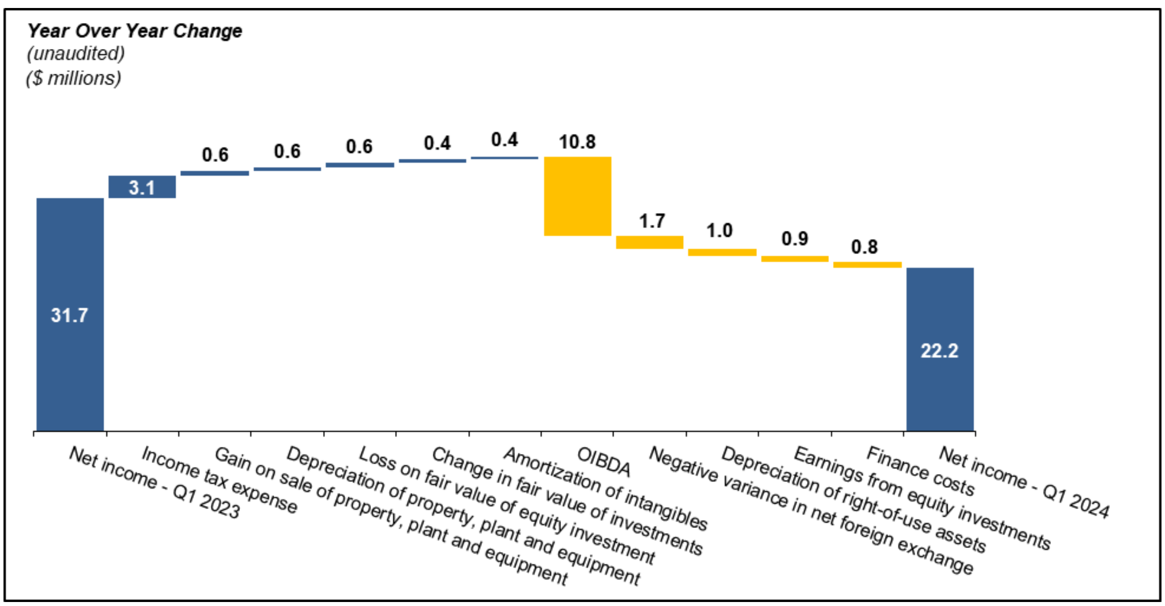
Income tax expense was $7.6 million in the first quarter as compared to $10.7 million in 2023. The decrease was mainly attributable to the lower amount of income being generated in 2024 as compared to 2023.

Net Income

(unaudited) ($ millions, except share and per share amounts)	Three month periods ended March 31				
		2024		2023	% Change
Net income	$	**22.2**	$	31.7	(30.0)
Weighted average number of Common Shares outstanding		**88,052,799**		92,649,808	(5.0)
Earnings per share – basic	$	**0.25**	$	0.34	(26.5)

Net income decreased to $22.2 million in the first quarter as compared to $31.7 million in 2023. The factors contributing to the decrease in net income include:

Three month period ended March 31, 2024



Basic earnings per share decreased to $0.25 in the first quarter as compared to $0.34 in 2023. This decrease resulted from the effect of the $9.5 million decrease in net income. The weighted average number of Common Shares outstanding decreased from 92,649,808 to 88,052,799, which was due to the repurchase and cancellation of Common Shares under the NCIB.

Net Income – Adjusted[1] and Earnings per Share – Adjusted[1]

Net income – adjusted[1] and earnings per share – adjusted[1] were $22.4 million or $0.25 in the first quarter as compared to $31.3 million or $0.34 in 2023, respectively. Management adjusts net income and earnings per share by excluding specific factors to more clearly reflect earnings from an operating perspective.

Subsequent Event

Subsequent to March 31, 2024, the Corporation received all regulatory approvals in connection with its share purchase agreement dated February 2, 2024, to acquire ContainerWorld and its operating subsidiaries. The transaction will close on May 1, 2024.

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[1] Refer to the section entitled "Non-IFRS Financial Measures".

SEGMENTED FINANCIAL RESULTS

Three Month Periods Ended

Three month period ended March 31, 2024 *(unaudited)* *($ millions)*	LTL	L&W	S&I	US 3PL	Corporate and intersegment eliminations	Total
	$	$	$	$	$	$
Revenue	**182.5**	**126.3**	**111.9**	**44.4**	**(2.5)**	**462.6**
Direct operating expenses	**123.7**	**87.2**	**82.3**	**40.5**	**(3.4)**	**330.3**
Selling and administrative expenses	**28.0**	**16.6**	**12.9**	**3.4**	**5.2**[1]	**66.1**
OIBDA	**30.8**	**22.5**	**16.7**	**0.5**	**(4.3)**	**66.2**
Net capital expenditures[2]	**12.0**	**2.8**	**2.1**	**—**	**0.7**	**17.6**

Three month period ended March 31, 2023 *(unaudited)* *($ millions)*	LTL	L&W	S&I	US 3PL	Corporate and intersegment eliminations	Total
	$	$	$	$	$	$
Revenue	192.8	144.1	112.8	51.0	(2.9)	497.8
Direct operating expenses	132.5	100.5	81.3	46.2	(4.3)	356.2
Selling and administrative expenses	28.5	17.5	11.1	3.6	3.9[3]	64.6
OIBDA	31.8	26.1	20.4	1.2	(2.5)	77.0
Net capital expenditures[2]	10.7	5.2	4.6	—	1.8	22.3

[1] *Includes a $0.2 million foreign exchange gain.*
[2] *Refer to the section entitled "Other Financial Measures".*
[3] *Includes a nil foreign exchange loss.*

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LESS-THAN-TRUCKLOAD

Highlights for the Quarter

The LTL segment is a strategic focus of our organization and remains the largest and most profitable segment in our group. Results for the period ended March 31, 2024, were down slightly as compared to last year primarily due to a softening in overall demand; lower fuel surcharge revenues, associated with the decline in diesel fuel prices year-over-year; and fewer workdays in this quarter versus last year. Competitive pressures emerged in the quarter as freight demand softened, putting an emphasis on controlling costs, investing in new technologies that help drive customer satisfaction, and streamlining Business Units where practical, such as the integration of B&R's LTL operations into Grimshaw Trucking and Hi-Way 9 Express in late 2023. These initiatives are important steps as we strive to improve overall margins.

Market Outlook

The general economic outlook for Canada is mixed, with no overall growth in GDP expected. Under this scenario, we believe that LTL freight demand will remain stable, albeit down slightly from last year. Competitive pressures will keep pricing at or near current levels, which means we will continue to focus on reducing overall operating costs by introducing new productivity initiatives, enhancements in technology, and ensuring the efficient utilization of assets across our 11 Business Units. These initiatives will drive an improvement in OIBDA margins by one percentage point over last year. In addition, we will continue to pursue acquisitions that add lane density and geographic expansion.

Revenue

Q1 – LTL

(unaudited) *($ millions)*	2024		2023		Change	
	$	%	$	%	$	%
Company	**162.1**	**88.8**	173.1	89.8	(11.0)	(6.4)
Contractors	**20.2**	**11.1**	19.4	10.1	0.8	4.1
Other	**0.2**	**0.1**	0.3	0.1	(0.1)	(33.3)
Total	**182.5**	**100.0**	192.8	100.0	(10.3)	(5.3)

Segment revenues were $182.5 million, a decrease of 5.3 percent, or $10.3 million as compared to $192.8 million in 2023. Revenues were lower this year due to a small decline in revenue per day and a change in the working days this quarter as compared to last year. Acquisitions added $5.5 million of incremental revenues this year.

Revenue Per Working Day

(unaudited) *($ millions)*	2024	2023	Change
Revenue	**$ 182.5**	$ 192.8	$ (10.3)
Working Days	**62**	63	(1)
Revenue Per Working Day	**$ 2.9**	$ 3.1	$ (0.2)

- Revenue from our Business Units (excluding fuel surcharge and acquisitions) declined by $9.4 million due to a combination of a slight decline in revenue per working day on lower freight demand and one less working day in the quarter. In addition, the month of March is typically the strongest month in the first quarter for the LTL business. However, there were three less working days in March 2024 as compared to March 2023, one of the primary reasons segment revenues were down as compared to last year.
- Fuel surcharge revenues declined by $6.4 million to $35.5 million (excluding acquisitions) due to lower diesel fuel prices.

Direct Operating Expenses

Q1 – LTL *(unaudited)* *($ millions)*	2024		2023		Change	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**38.8**	**23.9**	38.7	22.4	0.1	0.3
Fuel	**16.2**	**10.0**	18.4	10.6	(2.2)	(12.0)
Repairs and maintenance	**15.2**	**9.4**	15.4	8.9	(0.2)	(1.3)
Purchased transportation	**35.5**	**21.9**	40.7	23.5	(5.2)	(12.8)
Operating supplies	**2.7**	**1.7**	2.8	1.6	(0.1)	(3.6)
Other	**4.4**	**2.7**	5.2	3.0	(0.8)	(15.4)
	112.8	**69.6**	121.2	70.0	(8.4)	(6.9)
Contractors	**10.9**	**54.0**	11.3	58.2	(0.4)	(3.5)
Total	**123.7**	**67.8**	132.5	68.7	(8.8)	(6.6)

**as a percentage of respective LTL revenue*

DOE declined by $8.8 million to $123.7 million as compared to $132.5 million in 2023, primarily due to a $10.3 million decline in segment revenue. As a percentage of segment revenue, DOE decreased by 0.9 percent to 67.8 percent from 68.7 percent in 2023.

- Company costs decreased by $8.4 million as lower purchased transportation and fuel costs were somewhat offset by higher wages and benefits. As a percentage of Company revenue, these expenses decreased slightly by 0.4 percent to 69.6 percent from 70.0 percent in 2023 due to the decline in diesel fuel prices and more efficient operations.
- Contractors costs decreased by $0.4 million despite the $0.8 million increase in Contractors revenue. Contractors costs as a percentage of Contractors revenue decreased to 54.0 percent from 58.2 percent in 2023 due to the greater availability of subcontractors in certain markets.

Selling and Administrative Expenses

Q1 – LTL *(unaudited)* *($ millions)*	2024		2023		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**16.8**	**9.2**	16.5	8.6	0.3	1.8
Communications, utilities and general supplies	**9.0**	**4.9**	9.3	4.8	(0.3)	(3.2)
Profit share	**1.4**	**0.8**	1.4	0.7	—	—
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**0.8**	**0.4**	1.3	0.7	(0.5)	(38.5)
Total	**28.0**	**15.3**	28.5	14.8	(0.5)	(1.8)

**as a percentage of total LTL revenue*

S&A expenses decreased slightly by $0.5 million to $28.0 million as compared to $28.5 million in 2023.

- The increase in wages and benefits resulted from inflationary pressures.
- Lower rent, communications, utilities and general supplies costs was due to cost control measures.
- As a percentage of segment revenue, these expenses increased to 15.3 percent as compared to 14.8 percent in 2023 due to the combination of lower segment revenue and the relatively fixed nature of S&A expenses.

OIBDA

Segment OIBDA was $30.8 million, a decrease of $1.0 million, or 3.1 percent, as compared to $31.8 million in 2023 due to the decline in segment revenues being somewhat offset by $1.1 million of incremental OIBDA from acquisitions.

- Operating margin[1] improved slightly by 0.4 percent to 16.9 percent as compared to 16.5 percent in the prior year period, primarily due to lower DOE resulting from more efficient operations.

[1] Refer to the section entitled "Other Financial Measures".

Capital Expenditures

- The majority of the capital invested in 2024 consisted of trucks and trailers to support growth opportunities as well as replace older less efficient equipment.

Q1 – LTL *(unaudited)* *($ millions)*	**2024**	**2023**	**Change**
	$	**$**	**$**
Purchase of property, plant and equipment	**12.4**	10.9	1.5
Proceeds on sale of property, plant and equipment	**(0.4)**	(0.2)	(0.2)
Net capital expenditures[1]	**12.0**	10.7	1.3

LOGISTICS & WAREHOUSING

Highlights for the Quarter

2024 has started out to be quite challenging for the trucking and warehousing industry as shippers continued to keep a tight rein on inventory levels, the general economic conditions remained underwhelming at best, as high debt levels accompanied by elevated interest rates combined to slow capital investment in the private sector, and the increase in supply built up over the last business cycle, all contributed to very competitive markets. Our 10 Business Units in the segment generated less revenue and lower OIBDA this year, although margins were generally consistent with the prior year period, namely due to the continued strong performance of our two largest Business Units, Bandstra Transportation and Kleysen Group, along with the nature of our business model, where we utilize a variable cost structure, employing the services of owner operators and subcontractors.

Market Outlook

We expect market conditions to remain difficult until interest rates adjust and capital investment in the private sector rebounds. Furthermore, in the absence of a demand recovery or a significant reduction in capacity occurs, we believe the markets will remain very competitive and prices will be depressed. Acquisitions, however, will provide growth in the segment starting in the second quarter as the previously announced transaction with ContainerWorld, will be completed. And we continue to evaluate new opportunities that are complementary to our existing Business Units, where we can realize synergies and improve profitability.

Revenue

Q1 – L&W *(unaudited)* *($ millions)*	**2024**		**2023**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**66.0**	**52.3**	68.4	47.5	(2.4)	(3.5)
Contractors	**59.9**	**47.4**	75.3	52.3	(15.4)	(20.5)
Other	**0.4**	**0.3**	0.4	0.2	—	—
Total	**126.3**	**100.0**	144.1	100.0	(17.8)	(12.4)

Segment revenues were $126.3 million, a decrease of 12.4 percent, or $17.8 million as compared to $144.1 million in 2023 and was due to the following revenue declines:

- Revenue from our Business Units (excluding fuel surcharge) declined by $13.8 million due to a combination of one less working day and a $0.3 million decline in revenue per working day on a softer environment for freight and logistics demand as suppliers and manufacturers were reluctant to

Revenue Per Working Day *(unaudited)* *($ millions)*	**2024**	**2023**	**Change**
Revenue	**$ 126.3**	$ 144.1	$ (17.8)
Working Days	**62**	63	(1)
Revenue Per Working Day	**$ 2.0**	$ 2.3	$ (0.3)

[1] Refer to the section entitled "Other Financial Measures".

increase inventory levels in 2024 as well as a lack of capital investment in Canada. Revenues also declined from competitive pricing in certain markets.

- Fuel surcharge revenue decreased by $4.0 million to $13.1 million in 2024 due to lower diesel fuel prices.

Direct Operating Expenses

Q1 – L&W						
(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**14.0**	**21.2**	14.1	20.6	(0.1)	(0.7)
Fuel	**5.4**	**8.2**	6.2	9.1	(0.8)	(12.9)
Repairs and maintenance	**7.4**	**11.2**	7.2	10.5	0.2	2.8
Purchased transportation	**7.3**	**11.1**	7.9	11.5	(0.6)	(7.6)
Operating supplies	**7.9**	**12.0**	9.0	13.2	(1.1)	(12.2)
Other	**1.8**	**2.7**	2.0	2.9	(0.2)	(10.0)
	43.8	**66.4**	46.4	67.8	(2.6)	(5.6)
Contractors	**43.4**	**72.5**	54.1	71.8	(10.7)	(19.8)
Total	**87.2**	**69.0**	100.5	69.7	(13.3)	(13.2)

**as a percentage of respective L&W revenue*

DOE declined by $13.3 million to $87.2 million as compared to $100.5 million in 2023, primarily due to the $17.8 million decline in segment revenue. As a percentage of segment revenue, DOE decreased by 0.7 percent to 69.0 percent from 69.7 percent in 2023.

- Company costs decreased by $2.6 million as lower fuel and operating supplies costs were somewhat offset by higher repairs and maintenance costs. As a percentage of Company revenue, these expenses decreased by 1.4 percent to 66.4 percent from 67.8 percent in 2023 due to lower fuel costs from the decline in diesel fuel prices, lower operating supplies due to more efficient operations associated with Kleysen Group Ltd.'s industrial road salt distribution business and from lower purchased transportation costs.
- Contractors costs declined by $10.7 million to $43.4 million due to the $15.4 million decrease in Contractors revenue. Contractors costs as a percentage of Contractors revenue increased as pricing pressures were not fully recovered from subcontractors in certain markets.

Selling and Administrative Expenses

Q1 – L&W						
(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**10.7**	**8.5**	11.0	7.6	(0.3)	(2.7)
Communications, utilities and general supplies	**4.2**	**3.3**	4.3	3.0	(0.1)	(2.3)
Profit share	**1.5**	**1.2**	1.8	1.2	(0.3)	(16.7)
Foreign exchange	**(0.4)**	**(0.3)**	(0.1)	(0.1)	(0.3)	300.0
Rent and other	**0.6**	**0.4**	0.5	0.4	0.1	20.0
Total	**16.6**	**13.1**	17.5	12.1	(0.9)	(5.1)

**as a percentage of total L&W revenue*

S&A expenses decreased by $0.9 million to $16.6 million as compared to $17.5 million in 2023.

- This segment experienced a $0.3 million positive variance in foreign exchange.
- The decrease in wages and benefits resulted from cost control measures and profit share decreased by $0.3 million on lower earnings.
- As a percentage of segment revenue, these expenses increased to 13.1 percent from 12.1 percent last year, due to the combination of lower segment revenue and the relatively fixed nature of S&A expenses.

OIBDA

Segment OIBDA was $22.5 million, a decrease of $3.6 million, or 13.8 percent, as compared to $26.1 million in 2023 due to the decline in segment revenues.

- Operating margin[1] declined slightly by 0.3 percent to 17.8 percent as compared to 18.1 percent in the prior year period, primarily due to higher S&A expenses as a percentage of segment revenues.

Capital Expenditures

- The majority of the capital invested in 2024 consisted of trucks, trailers and various pieces of operating equipment to replace older less efficient equipment.

Q1 – L&W			
(unaudited) *($ millions)*	**2024**	**2023**	**Change**
	$	**$**	**$**
Purchase of property, plant and equipment	**3.0**	5.7	(2.7)
Proceeds on sale of property, plant and equipment	**(0.2)**	(0.5)	0.3
Net capital expenditures[1]	**2.8**	5.2	(2.4)

S&I

SPECIALIZED & INDUSTRIAL SERVICES

Highlights for the Quarter

2024 started out with some normal weather related challenges for the energy sector, which delayed and pushed various projects and work activity into later months for our Business Units. Despite this slow start, our Business Units reported revenues that were largely in line with the same period last year. These consistent revenue numbers were a combination of the addition of revenues generated from acquisitions being offset by a loss of revenues generated by Business Units tied to pipeline construction and infrastructure projects. Our Business Units generated less OIBDA, most of which came from the loss of work tied to higher margin pipeline construction projects, while the OIBDA generated from acquisitions, which were tied to drilling activity, offset part of the decline in margin. As we have previously reported, the wind down of large diameter pipeline construction projects was expected and would impact Premay Pipeline, however, in anticipation of this, part of our acquisition focus had been adding business tied to drilling activity.

Market Outlook

We continue to monitor the capital expenditures of our customers and we do know there are no large capital projects in the works. As we enter the second quarter, the traditional spring break up is upon us which could, temporarily, slow activity tied to drilling. However, we also enter the traditional turnaround and maintenance season, which will benefit our production services Business Units. The second quarter is also when there is increased activity in the infrastructure and water management space, which generally benefits our Canadian Dewatering business. We are mindful of the geopolitical tensions that are developing, that could impact global energy production, and we continue to evaluate acquisitions that support energy exploration and production in Canada. Finally, we remain committed to new productivity initiatives, enhancements in technology and ensuring the efficient use of assets across our S&IS segment Business Units.

[1] Refer to the section entitled "Other Financial Measures".

Revenue

Q1 – S&I *(unaudited)* *($ millions)*	2024		2023		Change	
	$	%	$	%	$	%
Company	**82.8**	**74.0**	82.9	73.5	(0.1)	(0.1)
Contractors	**28.4**	**25.4**	29.6	26.2	(1.2)	(4.1)
Other	**0.7**	**0.6**	0.3	0.3	0.4	133.3
Total	**111.9**	**100.0**	112.8	100.0	(0.9)	(0.8)

Segment revenues were $111.9 million, a decrease of 0.8 percent, or $0.9 million as compared to $112.8 million in 2023. Acquisitions added $15.0 million of incremental revenue and was offset by the following revenue declines:

Revenue Per Working Day *(unaudited)* *($ millions)*	2024	2023	Change
Revenue	**$ 111.9**	$ 112.8	$ (0.9)
Working Days	**62**	63	(1)
Revenue Per Working Day	**$ 1.8**	$ 1.8	$ —

- TMX and CGL are nearing completion resulting in an $8.1 million reduction in revenue for pipeline hauling and stringing services at Premay Pipeline. Smook Contractors Ltd. ("**Smook**") also experienced a $4.6 million decline in revenue due to lower demand for civil construction services in northern Manitoba.
- Fuel surcharge revenue decreased by $1.6 million to $1.8 million as compared to the prior year period.
- Greater activity levels in the Western Canadian Sedimentary Basin ("**WCSB**") resulted in higher revenue by our drilling related services Business Units while revenues within our production services Business Units declined as compared to the prior year as inclement weather delayed the commencement of certain projects.
- Canadian Dewatering L.P. ("**Canadian Dewatering**") experienced greater demand for the sale of certain water management equipment.

Direct Operating Expenses

Q1 – S&I *(unaudited)* *($ millions)*	2024		2023		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**21.0**	**25.4**	21.1	25.5	(0.1)	(0.5)
Fuel	**6.9**	**8.3**	6.7	8.1	0.2	3.0
Repairs and maintenance	**14.4**	**17.4**	14.2	17.1	0.2	1.4
Purchased transportation	**4.1**	**5.0**	0.8	1.0	3.3	412.5
Operating supplies	**9.9**	**12.0**	11.8	14.2	(1.9)	(16.1)
Other	**2.4**	**2.8**	2.1	2.5	0.3	14.3
	58.7	**70.9**	56.7	68.4	2.0	3.5
Contractors	**23.6**	**83.1**	24.6	83.1	(1.0)	(4.1)
Total	**82.3**	**73.5**	81.3	72.1	1.0	1.2

**as a percentage of respective S&I revenue*

DOE increased by $1.0 million to $82.3 million as compared to $81.3 million in 2023, despite the $0.9 million decrease in segment revenue. As a percentage of segment revenue DOE increased by 1.4 percent to 73.5 percent from 72.1 percent in 2023 due to higher Contractors and Company costs.

- Company costs increased in absolute dollar terms while Company revenue remained relatively flat year over year. Company costs increased as a percentage of Company revenue due to higher repairs and maintenance costs to prepare equipment for upcoming projects and from higher purchased transportation costs resulting from the operations at B&R.
- Contractors costs, as a percentage of Contractors revenue remained consistent as compared to the corresponding prior year period.

Selling and Administrative Expenses

Q1 – S&I *(unaudited)* *($ millions)*	2024		2023		Change	
	$	%*	$	%*	$	%
Wages and benefits	**7.4**	**6.6**	5.8	5.1	1.6	27.6
Communications, utilities and general supplies	**4.2**	**3.8**	3.7	3.3	0.5	13.5
Profit share	**0.8**	**0.7**	1.3	1.2	(0.5)	(38.5)
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**0.5**	**0.4**	0.3	0.2	0.2	66.7
Total	**12.9**	**11.5**	11.1	9.8	1.8	16.2

**as a percentage of total S&I revenue*

S&A expenses were $12.9 million as compared to $11.1 million in 2023.

- The increase of $1.8 million was due to $1.9 million of incremental S&A expenses from acquisitions and higher inflationary costs associated with wages, utilities and general supplies.
- As a percentage of segment revenue these expenses increased to 11.5 percent as compared to 9.8 percent in 2023.

OIBDA

Segment OIBDA was $16.7 million, a decrease of $3.7 million as compared to $20.4 million in 2023. Acquisitions added $1.9 million of incremental OIBDA, which was more than offset by lower OIBDA at Premay Pipeline and Smook on reduced activity levels. Canadian Dewatering experienced lower OIBDA due to a change in sales mix and from preparing equipment for projects to commence later this year. The production services Business Units experienced a decline in OIBDA, which was offset by improved OIBDA by our drilling related services Business Units.

- Operating margin[1] decreased to 14.9 percent as compared to 18.1 percent in 2023 on higher DOE and S&A expenses due to a greater proportion of lower margin business and from preparing equipment for project work to commence later in the year.

Capital Expenditures

- The majority of the capital invested in 2024 consisted of pumps, generators and water management equipment to support demand at Canadian Dewatering and to replenish operating equipment for those Business Units involved in the transportation of fluids, servicing of wells and drilling related services.

Q1 – S&I *(unaudited)* *($ millions)*	2024	2023	Change
	$	$	$
Purchase of property, plant and equipment	**3.6**	6.0	(2.4)
Proceeds on sale of property, plant and equipment	**(1.5)**	(1.4)	(0.1)
Net capital expenditures[1]	**2.1**	4.6	(2.5)

[1] Refer to the section entitled "Other Financial Measures".

U.S. & INTERNATIONAL LOGISTICS

Highlights for the Quarter

The 3PL industry in the U.S. continued to experience a tough operating environment for the first quarter in 2024. The inventory rebalancing that many thought shippers would undertake remained somewhat muted as economic conditions underwhelmed. This resulted in freight shipments and expenditures underperforming normal seasonal trends and compared to the same period last year. There also remains excess trucking capacity in the industry that constrained pricing and created a very competitive operating environment. HAUListic's operating results are in line with general industry trends. Slowing freight volumes resulted in less revenue in the quarter, which compressed margins, due in part to S&A expenses being relatively fixed in nature. In the quarter, HAUListic initiated a recruiting campaign focused on building out its independent station agent model and continued to enhance its proprietary transportation management system SilverExpress™.

Market Outlook

As we enter the second quarter, the 3PL industry is still in the process of balancing freight volumes with excess trucking capacity. But early indications are that container traffic is increasing into North America and freight volumes are increasing albeit at a slow pace. This is setting up for a better second half of 2024. HAUListic's non-asset business model allows it to effectively manage the spread between shippers pricing and freight company rates, which will be diligently managed. For the remainder of the year, HAUListic will aggressively build out its independent station agents and enhance SilverExpress™ to meet shipper demands for automation and artificial intelligence.

Revenue

Q1 – US 3PL

(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**—**	**—**	—	—	—	—
Contractors	**44.4**	**100.0**	51.0	100.0	(6.6)	(12.9)
Other	**—**	**—**	—	—	—	—
Total	**44.4**	**100.0**	51.0	100.0	(6.6)	(12.9)

Segment revenue decreased by $6.6 million to $44.4 million as compared to $51.0 million in 2023 due to a combination of one less working day and a $0.1 million decline in revenue per day on lower freight demand for full truckload shipments and lower pricing per shipment resulting from the ongoing competitive operating environment in the U.S. market.

Revenue Per Working Day

(unaudited) *($ millions)*	**2024**	**2023**	**Change**
Revenue	**$ 44.4**	$ 51.0	$ (6.6)
Working Days	**62**	63	(1)
Revenue Per Working Day	**$ 0.7**	$ 0.8	$ (0.1)

Direct Operating Expenses

Q1 – US 3PL						
(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**—**	**—**	—	—	—	—
Fuel	**—**	**—**	—	—	—	—
Repairs and maintenance	**—**	**—**	—	—	—	—
Purchased transportation	**—**	**—**	—	—	—	—
Operating supplies	**—**	**—**	—	—	—	—
Other	**0.2**	**—**	0.2	—	—	—
	0.2	**—**	0.2	—	—	—
Contractors	**40.3**	**90.8**	46.0	90.2	(5.7)	(12.4)
Total	**40.5**	**91.2**	46.2	90.6	(5.7)	(12.3)

**as a percentage of respective US 3PL revenue*

DOE were $40.5 million as compared to $46.2 million in 2023. The decrease of $5.7 million was due to the $6.6 million decrease in segment revenue.

- As a percentage of segment revenue DOE increased in 2024 as compared to the prior year period due to the timing of when contract freight rates were entered into with customers as compared to spot market pricing and the availability of contractors in the open market, which resulted in lower margins.

Selling and Administrative Expenses

Q1 – US 3PL						
(unaudited) *($ millions)*	**2024**		**2023**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**2.6**	**5.9**	2.4	4.7	0.2	8.3
Communications, utilities and general supplies	**0.7**	**1.6**	0.9	1.8	(0.2)	(22.2)
Profit share	**—**	**—**	0.1	0.2	(0.1)	(100.0)
Foreign exchange	**(0.2)**	**(0.5)**	—	—	(0.2)	—
Rent and other	**0.3**	**0.7**	0.2	0.4	0.1	50.0
Total	**3.4**	**7.7**	3.6	7.1	(0.2)	(5.6)

**as a percentage of total US 3PL revenue*

S&A expenses were $3.4 million as compared to $3.6 million in 2023. The slight decrease of $0.2 million was due to cost control measures resulting in lower general supplies costs and a $0.2 million positive variance in foreign exchange, being somewhat offset by higher wages.

- As a percentage of segment revenue, S&A expenses increased slightly as compared to the prior year due to the combination of lower segment revenues and the relatively fixed nature of S&A expenses.

OIBDA

Segment OIBDA was $0.5 million, a decrease of $0.7 million as compared to $1.2 million in 2023, primarily due to lower segment revenues.

- Operating margin[1] declined to 1.1 percent from 2.4 percent in 2023, primarily due to higher DOE and S&A expenses as a percentage of revenue.
- Operating margin[1] as a percentage of net revenue[2] was 12.8 percent as compared to 25.0 percent in 2023.

[1] Refer to the section entitled "Other Financial Measures".

[2] Refer to the section entitled "Non-IFRS Financial Measures".

Capital Expenditures

This asset light operating segment did not have any capital expenditures or dispositions and therefore generates cash in excess of its operating needs.

CORPORATE

The Corporate Office recorded a loss of $4.3 million as compared to a loss of $2.5 million in 2023. The $1.8 million increase in loss was mainly attributable to higher information technology costs and higher salaries due to cost of living increases. These increases were somewhat offset by a $0.2 million positive variance in foreign exchange.

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CAPITAL RESOURCES AND LIQUIDITY

Consolidated Cash Flow Summary

(unaudited) *($ millions)*	Three month periods ended March 31			
		2024		**2023**
Net cash from operating activities	**$**	**38.6**	$	34.2
Net cash used in financing activities		**(8.6)**		(9.7)
Net cash used in investing activities		**(19.5)**		(24.6)
Change in cash and cash equivalents		**10.5**		(0.1)
Effect of exchange rate fluctuations on cash held		**(0.7)**		—
Cash and cash equivalents, beginning of period		**2.3**		8.8
Cash and cash equivalents, end of period	**$**	**12.1**	$	8.7

Sources and Uses of Cash

Cash From Operating Activities

We continue to generate cash in excess of our operating needs by generating net cash from operating activities of $38.6 million in 2024 as compared to $34.2 million in 2023. The increase of $4.4 million was mainly due to a reduction in the amount of income tax paid in 2024 as compared to 2023, which was somewhat offset by lower OIBDA being recognized in the current year and from using more cash to finance working capital requirements in 2024 as compared to 2023.

Cash Used In Financing Activities

Net cash used in financing activities was $8.6 million in 2024 as compared to using $9.7 million in 2023. This $1.1 million decrease was mainly due to a decrease in cash used to repurchase and cancel Common Shares under the NCIB and from a slight decrease in dividends paid to common shareholders due to a reduction in the number of Common Shares outstanding. These decreases in cash being used was somewhat offset by the change in the amounts being borrowed and repaid on our Bank Credit Facilities (as hereafter defined on page 26) in 2024 as compared to 2023 and from a greater amount of cash used to repay lease liabilities and pay interest obligations.

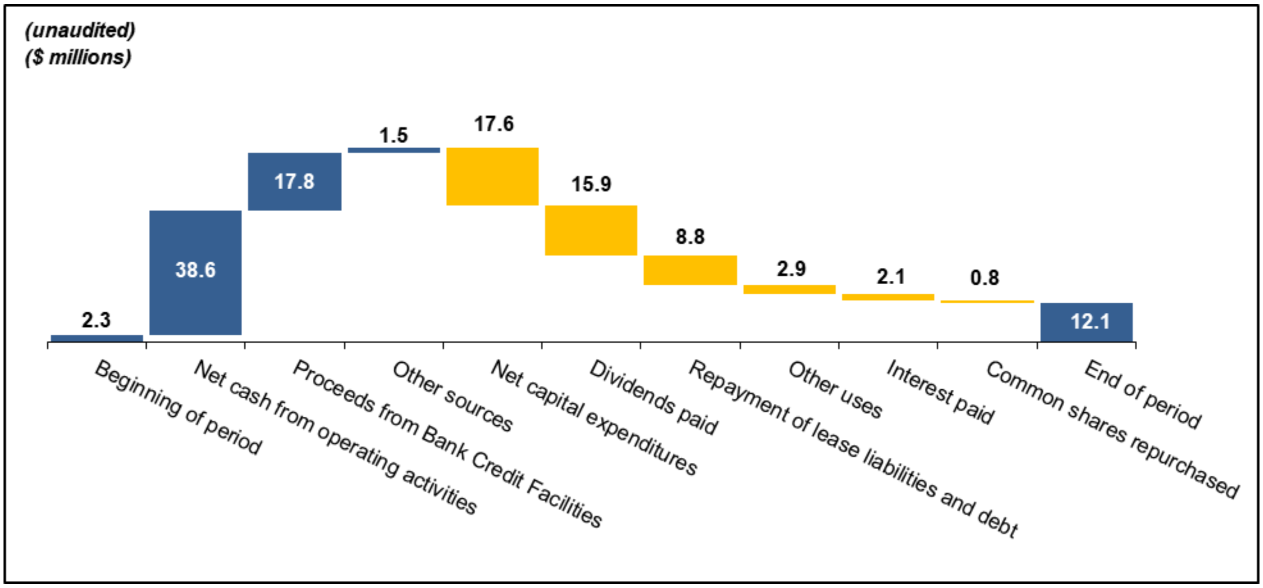
Cash Used In Investing Activities

Net cash used in investing activities decreased to $19.5 million in 2024 as compared to $24.6 million in 2023. This $5.1 million decrease was mainly due to a $4.7 million decrease in net capital expenditures[1] and from a reduction in acquisition costs.

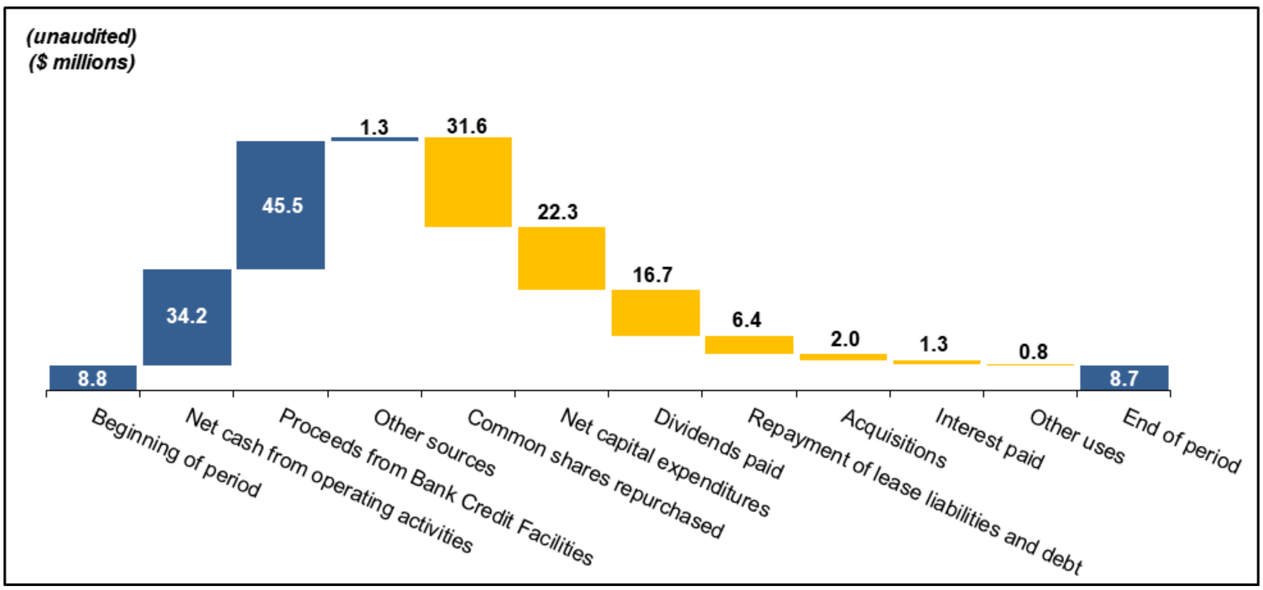
[1] Refer to the section entitled "Other Financial Measures".

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

Three month period ended March 31, 2024



Three month period ended March 31, 2023



Working Capital

At March 31, 2024, we had a working capital deficit of $111.7 million as compared to a $119.1 million working capital deficit as at December 31, 2023. Working capital deficit included $90.8 million of amounts drawn on the Bank Credit Facilities (as hereafter defined on page 26) (December 31, 2023 – $73.0 million). This working capital deficit also included a current liability of $246.6 million (December 31, 2023 – $243.6 million) related to the current portion of long-term debt. The majority of the current portion of long-term debt is due to certain notes under the Private Placement Debt (as hereafter defined on page 26) maturing in October 2024. We expect to be able to replace these notes with new debt in 2024. Mullen Group has $375.0 million of borrowing capacity on its Bank Credit Facilities and over $280.0 million of borrowing availability on its Bank Credit Facilities. The Bank Credit Facilities and the anticipated cash flow from operating activities in 2024 are available to finance ongoing working capital requirements, the NCIB program, the 2024 dividends, the 2024 capital budget, as well as various special projects and acquisition opportunities.

DEBT AND CONTRACTUAL OBLIGATIONS

Private Placement Debt

The details of our debt can be found on page 41 of the 2023 MD&A. As at March 31, 2024, our debt has not changed significantly from those details.

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

Financial Covenants	Financial Covenant Threshold	March 31 2024	December 31 2023
Private Placement Debt Covenants			
(a) Total net debt[1] to operating cash flow cannot exceed	3.50:1	**1.94:1**	1.83:1
(b) Total earnings available for fixed charges to total fixed charges cannot be less than	1.75:1	**9.93:1**	10.51:1

[1] Refer to the section entitled "Other Financial Measures".

Total net debt[1] to operating cash flow was 1.94:1 at March 31, 2024. Assuming the $619.8 million of total net debt[1] remains constant, we would need to generate approximately $178.0 million of operating cash flow on a trailing twelve month basis to remain in compliance with this financial covenant.

Mullen Group is also subject to a priority debt covenant. The term "priority debt" means all indebtedness secured by permitted liens excluding certain qualified subsidiary debt. Priority debt cannot exceed 15.0 percent of total assets. At March 31, 2024, the priority debt was $0.3 million or an insignificant percentage of total assets.

Convertible Debentures

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

Bank Credit Facilities

On October 1, 2021, we entered into a credit agreement (the "**CIBC Credit Facility**") with Canadian Imperial Bank of Commerce ("**CIBC**"). The CIBC Credit Facility is a $100.0 million revolving demand credit facility to finance the Corporation's general operating requirements including acquisition transactions. The CIBC Credit Facility is unsecured although MT has granted an unlimited guarantee of any indebtedness owing on the CIBC Credit Facility. We also have a loan agreement to borrow up to $150.0 million on an unsecured credit facility with the Royal Bank of Canada (the "**RBC Credit Facility**"). MT has granted an unlimited guarantee of any indebtedness owing on the RBC Credit Facility. On January 5, 2024, we entered into a $125.0 million credit agreement (the "**PNC Credit Facility**") with PNC Bank Canada Branch ("**PNC**"). All of the material terms of the PNC Credit Facility are consistent with those under the CIBC Credit Facility and the RBC Credit Facility. The PNC Credit Facility is uncommitted and unsecured although the Corporation's wholly owned subsidiary, MT, has granted an unlimited guarantee of any indebtedness owing on the PNC Credit Facility. As at March 31, 2024, there was $90.8 million drawn on the CIBC Credit Facility, the RBC Credit Facility, and the PNC Credit Facility (collectively, the "**Bank Credit Facilities**").

Contractual Obligations

An overview of Mullen Group's contractual obligations can be found on page 43 of the 2023 MD&A. As at March 31, 2024, Mullen Group's contractual obligations have not changed significantly from this overview.

[1] Refer to the section entitled "Other Financial Measures".

SHARE CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. The number of, and the specific rights, privileges, restrictions and conditions attaching to any series of Preferred Shares shall be determined by the Board prior to the creation and issuance thereof. As at the date hereof, no series of Preferred Shares has been created.

Common Shares

Common Shares **Authorized: Unlimited Number**	**# of Common Shares**		**Amount *($ millions)***
Balance at December 31, 2023	88,074,042	$	801.3
Common Shares repurchased and cancelled	(56,608)		(0.6)
Stock options exercised	40,000		0.5
Balance at March 31, 2024	**88,057,434**	**$**	**801.2**

At March 31, 2024, there were 88,057,434 Common Shares outstanding representing $801.2 million in share capital. In 2024 we repurchased and cancelled 56,608 Common Shares under the NCIB program. In 2024 there were 40,000 stock options exercised.

Stock Option Plan

	Options		**Weighted average exercise price**
Outstanding – December 31, 2023	3,902,500	$	15.74
Granted	50,000		14.95
Expired	(15,000)		(27.25)
Forfeited	(140,000)		(15.29)
Exercised	(40,000)		(10.15)
Outstanding – March 31, 2024	**3,757,500**	**$**	**15.76**
Exercisable – March 31, 2024	**2,570,000**	**$**	**16.89**

There are 2,970,000 stock options available to be issued under our stock option plan. In 2024 we granted 50,000 stock options at a weighted average exercise price of $14.95. In 2024 there were 15,000 stock options that had expired, 140,000 stock options were forfeited, and 40,000 stock options were exercised. As at March 31, 2024, Mullen Group had 3,757,500 stock options outstanding under the stock option plan.

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SUMMARY OF QUARTERLY RESULTS

Seasonality of Operations

Revenue and profitability within the LTL and L&W segments are generally lower in the first quarter than during the remainder of the year as freight volumes are typically lower following the holiday season due to less consumer demand and customers reducing shipments. Operating expenses also tend to increase within these segments in the winter months due to decreased fuel efficiency and increased repairs and maintenance expense resulting from cold weather conditions. Generally speaking, the third and fourth quarters tend to be the strongest in terms of demand for the services in these segments.

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

Financial Results

	TTM[1]	2024	2023				2022		
(unaudited)		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
($ millions, except per share amounts)	$	$	$	$	$	$	$	$	$
Revenue	**1,959.5**	462.6	**498.6**	**504.0**	**494.3**	**497.8**	502.7	518.4	521.5
OIBDA	**317.4**	66.2	**79.2**	**88.6**	**83.4**	**77.0**	77.6	98.1	93.9
Net income	**127.2**	22.2	**29.4**	**39.1**	**36.5**	**31.7**	61.5	38.0	42.7
Earnings per share									
Basic	**1.43**	0.25	**0.33**	**0.44**	**0.41**	**0.34**	0.66	0.41	0.46
Diluted	**1.38**	0.25	**0.32**	**0.42**	**0.39**	**0.33**	0.62	0.39	0.43
Other Information									
Net foreign exchange (gain) loss	**(2.5)**	0.2	**(0.8)**	**(0.2)**	**(1.7)**	**(1.5)**	(2.1)	8.4	1.2
Decrease (increase) in fair value of investments	**(0.7)**	(0.1)	**(0.3)**	**(0.2)**	**(0.1)**	**0.3**	(0.4)	0.4	0.1

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

Consolidated revenue in the first quarter of 2024 decreased by $35.2 million to $462.6 million as compared to $497.8 million in 2023. This decrease was mainly due to a softer environment for freight and logistics demand, more competitive pricing conditions, lower pipeline construction activity, and a reduction in fuel surcharge revenue, being somewhat offset by incremental revenue from acquisitions. Net income in the first quarter was $22.2 million, a decrease of $9.5 million from the $31.7 million of net income generated in 2023. The $9.5 million decrease in net income was mainly attributable to lower OIBDA, a negative variance in foreign exchange and an increase in depreciation of right-of-use assets.

Consolidated revenue in the fourth quarter of 2023 decreased by $4.1 million to $498.6 million as compared to $502.7 million in 2022. This decrease was mainly due to a reduction in fuel surcharge revenue, and a decline in demand for most freight services, predominately in the L&W segment. These decreases were somewhat offset by incremental revenue from acquisitions and from greater demand for services within the S&I segment. Net income in the fourth quarter was $29.4 million, a decrease of $32.1 million from the $61.5 million of net income generated in 2022. The $32.1 million decrease in net income was mainly attributable to the gain on sale of property, plant and equipment recognized in 2022.

Consolidated revenue in the third quarter of 2023 decreased by $14.4 million to $504.0 million as compared to $518.4 million in 2022. This decrease was mainly due to a reduction in fuel surcharge revenue, and a decline in demand for most freight services, predominately in the L&W segment. These decreases were somewhat offset by incremental revenue from acquisitions and from greater demand for services within the S&I segment. Net income in the third quarter was $39.1 million, an increase of $1.1 million from the $38.0 million of net income generated in 2022. The $1.1 million increase in net income was mainly attributable to a positive variance in net foreign exchange and a decrease in income tax expense being somewhat offset by a decrease in OIBDA.

Consolidated revenue in the second quarter of 2023 decreased by $27.2 million to $494.3 million as compared to $521.5 million in 2022. This decrease was mainly due to a reduction in fuel surcharge revenue and a decline in demand for most freight services. These decreases were somewhat offset by incremental revenue from acquisitions. Net income in the second quarter was $36.5 million, a decrease of $6.2 million from the $42.7 million of net income generated in 2022. The $6.2 million decrease in net income was mainly attributable to a decrease in OIBDA being somewhat offset by a positive variance in net foreign exchange and a decrease in income tax expense.

TRANSACTIONS WITH RELATED PARTIES

A description of transactions with related parties can be found on page 49 of the 2023 MD&A. As at March 31, 2024, the transactions with related parties have not changed significantly from these descriptions.

All of the transactions with related parties occurred in the normal course of operations with terms consistent with those offered to arms-length parties and are measured at the exchange amount. Mullen Group has no long-term contracts with any related party other than the $4.9 million of Debentures held by directors and officers of Mullen Group as at December 31, 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of principal risks and uncertainties can be found beginning on page 50 of the 2023 MD&A. As at March 31, 2024, these risks and uncertainties, identified as strategic, financial and operational risks have not changed significantly from those descriptions.

CRITICAL ACCOUNTING ESTIMATES

This MD&A summarizes Mullen Group's financial condition and results of operations and is based upon our Interim Financial Statements, which have been prepared in accordance with IFRS Accounting Standards and comply with IAS 34 Interim Financial Reporting. The Interim Financial Statements require management to select significant accounting policies and make certain critical accounting estimates that affect the reported assets, liabilities, revenue and expenses. A description of critical accounting estimates can be found beginning on page 66 of the 2023 MD&A. As at March 31, 2024, our critical accounting estimates have not changed significantly from such description.

SIGNIFICANT ACCOUNTING POLICIES

New Standards and Interpretations Not Yet Adopted

A description of new standards and interpretations not yet adopted can be found on page 68 of the 2023 MD&A. There have been no new standards or interpretations issued during 2024 that significantly impact Mullen Group.

Changes in Accounting Policies

On January 1, 2024, Mullen Group adopted the amendments made to International Accounting Standards 1 – Presentation of Financial Statements that clarifies how to classify debt and other liabilities as either current or non-current.

On January 1, 2024, Mullen Group adopted the amendments made to International Accounting Standards 7 – Statement of Cash Flows and International Financial Reporting Standard 7 – Financial Instruments: Disclosures regarding supplier financing arrangements.

There has been no material impact to Mullen Group's consolidated financial statements as a result of these amendments.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Internal Controls over Financial Reporting

As at March 31, 2024, an evaluation of the effectiveness of our disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including the Senior Executive Officer ("**SEO**"), acting in the capacity of the Chief Executive Officer and the Senior Accounting Officer ("**SAO**"), acting in the capacity of the Chief Financial Officer. Based on this evaluation, the SEO and the SAO concluded that, as at March 31, 2024, the design and operation of Mullen Group's disclosure controls and procedures were effective.

Internal control over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with the participation of the SEO and SAO, management conducted an evaluation of the effectiveness of its internal control over financial reporting as at March 31, 2024.

Based on this evaluation, the SEO and the SAO concluded that internal control over financial reporting was effective as at March 31, 2024, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. We utilize the Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission. As at March 31, 2024, there was no change in our design of internal control over financial reporting that materially affected or is reasonably likely to materially affect our internal control over financial reporting.

FORWARD-LOOKING INFORMATION STATEMENTS

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

- Mullen Group's comment that we expect to be able to replace the Private Placement Debt notes coming due with new debt in 2024, as referred to in the Highlights, and the Capital Resources and Liquidity sections beginning on pages 3 and 24, respectively. This forward-looking statement is based on our expectation that we will be able to refinance existing Private Placement Debt coming due in October 2024 with new debt on terms acceptable to Mullen Group.
- Mullen Group's 2024 business plan; to acquire companies and strive to improve their performance; to purchase for cancellation up to 8,220,349 Common Shares in the open market under the NCIB; to set the 2024 annual dividend at $0.72 per Common Share ($0.06 per Common Share on a monthly basis); to invest $80.0 million in capital expenditures in 2024 with $70.0 million allocated towards maintenance capital primarily to invest in trucks, trailers, specialized equipment and technology to improve the operations of the Business Units and $10.0 million allocated to our sustainability initiatives, as referred to in the Allocating Shareholder Capital section beginning on page 5. These forward-looking statements are based on the assumptions that we will generate sufficient cash in excess of our financial obligations to support our 2024 plan.
- Mullen Group's view that we do not expect any significant changes in the markets we serve in the near term, as referred to in the Outlook within the Consolidated Financial Results section beginning on page 7. This forward-looking statement assumes that many verticals in the economy are adjusting to slower demand, and competitive pressures have accelerated. These pressures, along with high debt levels and interest rates, that remain near decade highs, are forcing the industry and many competitors to reduce capacity, setting the stage for a more disciplined market. It may take a few quarters but the market will adjust, and those that are well prepared will be the major beneficiaries. Given this outlook we will focus on reducing costs where practical, including restructuring underperforming Business Units. In addition, we will pursue acquisitions. In the second quarter, we expect to close the previously announced ContainerWorld transaction, which will mitigate any softness in our current business, and position our company for future growth.
- Mullen Group's comment that we believe that LTL freight demand will remain stable, albeit down slightly from last year, as referred to in the LTL segment Market Outlook beginning on page 14. This forward-looking statement assumes that the general economic outlook for Canada is mixed, with no overall growth in GDP expected. Competitive pressures will keep pricing at or near current levels, which means we will continue to focus on reducing overall operating costs by introducing new productivity initiatives, enhancements in technology, and ensuring the efficient utilization of assets across our 11 Business Units. These initiatives will drive an improvement in OIBDA margins by one percentage point over last year. In addition, we will continue to pursue acquisitions that add lane density and geographic expansion.
- Mullen Group's comment that market conditions will remain difficult until interest rates adjust and capital investment in the private sector rebounds, as referred to in the L&W segment Market Outlook beginning on page 16. This forward-looking statement assumes that in the absence of a demand recovery or a significant reduction in capacity occurs, we believe the markets will remain very competitive and prices will be depressed.
- Mullen Group's comment that acquisitions will provide growth in the L&W segment in the second quarter, as referred to in the L&W segment Market Outlook beginning on page 16. This forward-looking statement assumes that we will close the previously announced transaction with ContainerWorld. And we continue to evaluate new opportunities that are complementary to our existing Business Units, where we can realize synergies and improve profitability.
- Mullen Group's comment that as we enter the second quarter, the traditional spring break up is upon us which could, temporarily, slow activity tied to drilling, as referred to in the S&I segment Market Outlook beginning on page 18. This forward-looking statement assumes that as we monitor the capital expenditures of our customers, we do know there are no large capital projects in the works. However, we also enter the traditional turnaround and maintenance season, which will benefit our production services Business Units. The second quarter is also when there is increased activity in the infrastructure and water management space, which generally benefits our Canadian Dewatering business. We are mindful of the geopolitical tensions that are developing, that could impact global energy production, and we continue to evaluate acquisitions that support energy exploration and production in Canada.
- Mullen Group's comment that the 3PL industry is setting up for a better second half of 2024, as referred to in the US 3PL segment Market Outlook beginning on page 21. This forward-looking statement assumes that as we enter the second quarter, the 3PL industry is still in the process of balancing freight volumes with excess trucking capacity, but early indications are that container traffic is increasing into North America and freight volumes are increasing albeit at a slow pace. For the remainder of the year, HAUListic will aggressively build out its independent station agents and enhance SilverExpress™ to meet shipper demands for automation and artificial intelligence.
- Mullen Group's intention to use the Bank Credit Facilities and the anticipated cash flow from operating activities in 2024 to finance its ongoing working capital requirements, the NCIB program, the 2024 dividend, the 2024 capital budget, as well as various special projects and acquisition opportunities, as referred to in the Capital Resources and Liquidity section beginning on page 24. This forward-looking statement is based on our belief that our access to cash will exceed our expected requirements.

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

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

NON-IFRS FINANCIAL MEASURES

The Interim Financial Statements attached and referred to in this MD&A were prepared according to IFRS Accounting Standards. References to net income – adjusted, earnings per share – adjusted, and net revenue are not measures recognized by IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. This MD&A reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate our ability to fund our operations and information regarding our liquidity. In addition, these measures are used by management in its evaluation of performance. These Non-IFRS Terms may not be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. Investors are cautioned that these indicators should not replace the foregoing IFRS Accounting Standards terms: net income, earnings per share and revenue.

Net Income – Adjusted and Earnings per Share – Adjusted

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

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended March 31 **2024**	 **2023**
Income before income taxes	**$ 29.8**	$ 42.4
Add (deduct):		
Net foreign exchange loss (gain)	**0.2**	(1.5)
Change in fair value of investments	**(0.1)**	0.3
Loss on fair value of equity investment	**—**	0.6
Income before income taxes – adjusted	**29.9**	41.8
Income tax rate	**25%**	25%
Computed expected income tax expense	**(7.5)**	(10.5)
Net income – adjusted	**22.4**	31.3
Weighted average number of Common Shares outstanding – basic	**88,052,799**	92,649,808
Earnings per share – adjusted	**$ 0.25**	$ 0.34

Net Revenue

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

(unaudited) *($ millions)*	Three month periods ended March 31 **2024**	 **2023**
Revenue	**$ 44.4**	$ 51.0
Direct operating expenses	**40.5**	46.2
Net Revenue	**$ 3.9**	$ 4.8

OTHER FINANCIAL MEASURES

Other financial measures consist of supplementary financial measures and capital management measures.

Supplementary Financial Measures

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company, (b) are not disclosed in the financial statements of a company, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios. The following are supplementary financial measures disclosed by the Corporation.

Operating Margin

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

(unaudited) *($ millions)*	Three month periods ended March 31	
	2024	**2023**
OIBDA	**$ 66.2**	$ 77.0
Revenue	**$ 462.6**	$ 497.8
Operating margin	**14.3%**	15.5%

Net Capital Expenditures

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

(unaudited) *($ millions)*	Three month periods ended March 31	
	2024	**2023**
Purchase of property, plant and equipment	**$ 19.2**	$ 24.5
Proceeds on sale of property, plant and equipment	**(1.6)**	(2.2)
Net capital expenditures	**$ 17.6**	$ 22.3

Cash Flow per Share

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

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended March 31	
	2024	**2023**
Net cash from operating activities	**$ 38.6**	$ 34.2
Weighted average number of Common Shares outstanding	**88,052,799**	92,649,808
Cash flow per share	**$ 0.44**	$ 0.37

Capital Management Measures

Capital management measures are financial measures disclosed by a company that (a) are intended to enable users to evaluate a company's objectives, policies and processes for managing the entity's capital, (b) are not a component of a line item disclosed in the primary financial statements of the company, (c) are disclosed in the notes of the financial statements of the company, and (d) are not disclosed in the primary financial statements of the company. The Corporation has disclosed the following capital management measure.

Total Net Debt

The term "*total net debt*" means all debt excluding the Debentures but includes the Private Placement Debt, lease liabilities, the Bank Credit Facilities and letters of credit less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position. Total net debt is defined within our Private Placement Debt agreement and is used to calculate our total net debt to operating cash flow covenant. Management calculates and discloses total net debt to provide users of this MD&A with an understanding of how our debt covenant is calculated.

(unaudited) ***($ millions)***		**March 31, 2024**
Private Placement Debt (including the current portion)	**$**	**481.0**
Lease liabilities (including the current portion)		**96.2**
Bank indebtedness		**90.8**
Letters of credit		**2.2**
Long-term debt (including the current portion)		**0.2**
Total debt		**670.4**
Less: unrealized gain on Cross-Currency Swaps		**(50.6)**
Add: unrealized loss on Cross-Currency Swaps		—
Total net debt	**$**	**619.8**

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Mullen Group Ltd.

MARCH 31, 2024

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	Note		March 31 2024		December 31 2023
Assets					
Current assets:					
Cash and cash equivalents		**$**	**12,092**	$	2,295
Trade and other receivables	**5**		**277,695**		278,011
Inventory			**46,926**		47,693
Derivative financial instruments – current portion	**6**		**28,094**		24,023
Prepaid expenses			**25,332**		22,238
Current tax receivable			**8,930**		8,991
			399,069		383,251
Non-current assets:					
Property, plant and equipment			**1,035,915**		1,035,192
Right-of-use assets			**91,305**		92,978
Goodwill			**367,838**		367,084
Intangible assets			**88,119**		91,002
Investments			**43,721**		43,201
Deferred tax assets			**7,383**		7,285
Derivative financial instruments	**6**		**22,498**		19,334
Other assets			**2,361**		2,335
			1,659,140		1,658,411
Total Assets		**$**	**2,058,209**	$	2,041,662
Liabilities and Equity					
Current liabilities:					
Bank indebtedness	**9**	**$**	**90,800**	$	73,000
Accounts payable and accrued liabilities			**143,156**		151,180
Dividends payable	**7**		**5,283**		5,284
Current tax payable			**22**		3,757
Lease liabilities – current portion			**24,948**		25,578
Current portion of long-term debt	**9**		**246,584**		243,596
			510,793		502,395
Non-current liabilities:					
Convertible debentures – debt component	**9**		**118,740**		118,153
Long-term debt	**9**		**234,602**		230,931
Lease liabilities			**71,207**		72,826
Decommissioning liabilities			**1,605**		1,599
Deferred tax liabilities			**139,628**		140,874
			565,782		564,383
Equity:					
Share capital	**10**		**801,160**		801,255
Convertible debentures – equity component			**9,116**		9,116
Contributed surplus			**20,253**		20,141
Accumulated other comprehensive income			**2,875**		2,298
Retained earnings			**148,230**		142,074
			981,634		974,884
Subsequent event	**17**				
Total Liabilities and Equity		**$**	**2,058,209**	$	2,041,662

The notes which begin on page 39 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on April 24, 2024, after review by the Audit Committee.

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

"Signed: Richard Whitley"
Richard Whitley, Director

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(unaudited) *(thousands, except per share amounts)*	Note		Three month periods ended March 31 2024		2023
Revenue	**13**	**$**	**462,585**	$	497,819
Direct operating expenses			**330,341**		356,195
Selling and administrative expenses			**66,052**		64,614
Operating income before depreciation and amortization			**66,192**		77,010
Depreciation of property, plant and equipment			**17,343**		17,858
Depreciation of right-of-use assets			**7,505**		6,522
Amortization of intangible assets			**3,209**		3,607
Finance costs			**9,125**		8,292
Net foreign exchange loss (gain)	**6**		**184**		(1,494)
Other (income) expense	**14**		**(1,019)**		(165)
Income before income taxes			**29,845**		42,390
Income tax expense	**8**		**7,627**		10,673
Net income		**$**	**22,218**	$	31,717
Earnings per share:	**11**				
Basic		**$**	**0.25**	$	0.34
Diluted		**$**	**0.25**	$	0.33
Weighted average number of Common Shares outstanding:	**11**				
Basic			**88,053**		92,650
Diluted			**97,254**		101,781

The notes which begin on page 39 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited) *(thousands)*		Three month periods ended March 31 2024		2023
Net income	**$**	**22,218**	$	31,717
Other comprehensive income *Items that may be reclassified subsequently to statement of income*				
Exchange differences from translating foreign operations		**577**		(23)
Other comprehensive income (loss), net of tax		**577**		(23)
Total comprehensive income	**$**	**22,795**	$	31,694

The notes which begin on page 39 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

(unaudited) (*thousands*)	Note	Share capital	Convertible debentures – equity component	Contributed surplus	Accumulated Other Comprehensive Income	Retained earnings	Total
Balance at January 1, 2023		$ 845,267	$ 9,116	$ 18,619	$ 2,868	$ 97,527	$ 973,397
Net income for the period		—	—	—	—	31,717	31,717
Other comprehensive income (loss), net of tax		—	—	—	(23)	—	(23)
Common Shares repurchased	**10**	(25,895)	—	468	—	(16,616)	(42,043)
Common Shares issued on acquisition		812	—	—	—	—	812
Stock-based compensation expense		—	—	237	—	—	237
Dividends declared to common shareholders	**7**	—	—	—	—	(16,551)	(16,551)
Balance at March 31, 2023		$ 820,184	$ 9,116	$ 19,324	$ 2,845	$ 96,077	$ 947,546

The notes which begin on page 39 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	Note	Three month periods ended March 31 2024	2023
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 22,218**	$ 31,717
Adjustments for:			
Depreciation and amortization		**28,057**	27,987
Finance costs		**9,125**	8,292
Stock-based compensation expense		**188**	237
Foreign exchange (gain) loss on cross-currency swaps	**6**	**(7,235)**	(1,242)
Foreign exchange loss (gain)		**7,597**	(263)
Other (income) expense	**14**	**(1,019)**	(165)
Income tax expense	**8**	**7,627**	10,673
Cash flows from operating activities before non-cash working capital items		**66,558**	77,236
Changes in non-cash working capital items from operating activities	**15**	**(15,286)**	(8,844)
Cash generated from operating activities		**51,272**	68,392
Income tax paid		**(12,638)**	(34,171)
Net cash from operating activities		**38,634**	34,221
Cash flows from financing activities:			
Bank indebtedness	**9**	**17,800**	45,500
Repurchase of Common Shares	**10**	**(791)**	(31,643)
Cash dividends paid to common shareholders		**(15,849)**	(16,679)
Interest paid		**(2,165)**	(1,315)
Repayment of long-term debt and loans		**(806)**	(203)
Repayment of lease liabilities		**(8,044)**	(6,219)
Net proceeds from Common Share issuances	**10**	**406**	—
Changes in non-cash working capital items from financing activities	**15**	**846**	785
Net cash used in financing activities		**(8,603)**	(9,774)
Cash flows from investing activities:			
Acquisitions net of cash acquired		**—**	(2,016)
Purchase of property, plant and equipment		**(19,155)**	(24,505)
Proceeds on sale of property, plant and equipment		**1,594**	2,172
Interest received		**250**	172
Net investment in finance leases		**44**	62
Other assets		**(32)**	(19)
Dividends from equity investees		**—**	350
Changes in non-cash working capital items from investing activities	**15**	**(2,210)**	(795)
Net cash used in investing activities		**(19,509)**	(24,579)
Change in cash and cash equivalents		**10,522**	(132)
Cash and cash equivalents at January 1		**2,295**	8,757
Effect of exchange rate fluctuations on cash held		**(725)**	28
Cash and cash equivalents at March 31		**$ 12,092**	$ 8,653

The notes which begin on page 39 are an integral part of these condensed interim consolidated financial statements.

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

1. Reporting Entity

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

2. Basis of Presentation

(a) Statement of Compliance

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

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

3. Material Accounting Policies

Except as indicated below, the accompanying Interim Financial Statements should be read in conjunction with Note 3 to Mullen Group's audited annual consolidated financial statements for the year ended December 31, 2023, (the "**Annual Financial Statements**") as the accounting policies applied by the Corporation in these Interim Financial Statements are the same as those disclosed therein.

Changes in Accounting Policies

On January 1, 2024, Mullen Group adopted the amendments made to International Accounting Standards 1 – Presentation of Financial Statements that clarifies how to classify debt and other liabilities as either current or non-current.

On January 1, 2024, Mullen Group adopted the amendments made to International Accounting Standards 7 – Statement of Cash Flows and International Financial Reporting Standard 7 – Financial Instruments: Disclosures regarding supplier financing arrangements.

There has been no material impact to Mullen Group's consolidated financial statements as a result of these amendments.

4. Determination of Fair Values

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

March 31, 2024 Financial Instrument	Fair Value Hierarchy		Carrying Amount		Fair Value
Investments (excluding investments accounted for by using the equity method)	Level 1	$	1,197	$	1,197
Derivative Financial Instruments[(1)] (including the current portion)	Level 2	$	50,592	$	50,592
Private Placement Debt	Level 2	$	481,041	$	462,849
Convertible Debentures – debt component	Level 2	$	118,740	$	114,330

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

5. Trade and Other Receivables

		March 31 2024		December 31 2023
Trade receivables	**$**	**231,860**	$	245,424
Other receivables		**41,946**		29,983
Net investment in finance leases		**131**		169
Contract assets		**3,758**		2,435
	$	**277,695**	$	278,011

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

6. Derivative Financial Instruments

On July 25, 2014, Mullen Group entered into two cross-currency swap contracts with a Canadian bank to swap $117.0 million U.S. dollars and $112.0 million U.S. dollars into Canadian dollars (collectively, the "**Cross-Currency Swaps**") at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. These Cross-Currency Swaps provide an economic hedge on the principal amount of the Series G and Series H Notes. As at March 31, 2024, the carrying value of these Cross-Currency Swaps (including the current portion) was $50.6 million (December 31, 2023 – $43.4 million) and was recorded in the condensed consolidated statement of financial position within derivative financial instruments. As at March 31, 2024, the value of the Cross-Currency Swap that matures on October 22, 2024, has been classified within current assets.

For the three month period ended March 31, 2024, Mullen Group has recorded a net foreign exchange loss (gain) of $0.2 million (2023 – $(1.5) million). This was due to the impact of the change over the period in the value of the Canadian dollar relative to the U.S. dollar on the Corporation's U.S. dollar debt and from the change in the fair value of its Cross-Currency Swaps as summarized in the table below:

Net Foreign Exchange Loss (Gain)	**Three month periods ended March 31**	
	CDN. $ Equivalent	
	2024	**2023**
Foreign exchange loss (gain) on U.S. $ debt	**$ 7,419**	$ (252)
Foreign exchange (gain) loss on Cross-Currency Swaps	**(7,235)**	(1,242)
Net foreign exchange loss (gain)	**$ 184**	$ (1,494)

For the three month period ended March 31, 2024, Mullen Group recorded a foreign exchange loss (gain) on U.S. dollar debt of $7.4 million (2023 – $(0.3) million) as summarized in the table below:

Foreign Exchange Loss (Gain) on U.S. $ Debt	**Three month periods ended March 31**					
	2024			**2023**		
($ thousands, except exchange rate amounts)	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – March 31	**229,000**	**1.3550**	**310,294**	229,000	1.3533	309,905
Beginning – January 1	**229,000**	**1.3226**	**302,875**	229,000	1.3544	310,157
Foreign exchange loss (gain) on U.S. $ debt			**7,419**			(252)

For the three month period ended March 31, 2024, Mullen Group recorded a foreign exchange (gain) loss on its Cross-Currency Swaps of $(7.2) million (2023 – $(1.2) million). This was due to the change over the period in the fair value of these Cross-Currency Swaps as summarized in the table below:

Foreign Exchange (Gain) Loss on Cross-Currency Swaps	**Three month periods ended March 31**			
	2024		**2023**	
	U.S. $ Swaps	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap maturing October 22, 2024	**117,000**	**(4,071)**	117,000	(471)
Cross-Currency Swap maturing October 22, 2026	**112,000**	**(3,164)**	112,000	(771)
Foreign exchange (gain) loss on Cross-Currency Swaps		**(7,235)**		(1,242)

7. Dividends Payable

For the three month period ended March 31, 2024, Mullen Group declared dividends totalling $0.18 per Common Share (2023 – $0.18 per Common Share). On December 11, 2023, Mullen Group announced its intention to pay annual dividends of $0.72 per Common Share ($0.06 per Common Share on a monthly basis) for 2024. At March 31, 2024, Mullen Group had 88,057,434 Common Shares outstanding and a dividend payable of $5.3 million (December 31, 2023 – $5.3 million), which was paid on April 15, 2024. Mullen Group also declared a dividend of $0.06 per Common Share on April 23, 2024, to the holders of record at the close of business on April 30, 2024.

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

8. Income Taxes

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

	Three month periods ended March 31	
	2024	**2023**
Income before income taxes	**$ 29,845**	$ 42,390
Combined statutory tax rate	**25%**	25%
Expected income tax	**7,461**	10,598
Add (deduct):		
Non-deductible (taxable) portion of net foreign exchange loss (gain)	**21**	(172)
Non-deductible (taxable) portion of the change in fair value of investments	**(20)**	101
Stock-based compensation expense	**43**	55
Changes in unrecognized deferred tax asset	**21**	(172)
Other	**101**	263
Income tax expense	**$ 7,627**	$ 10,673

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

Mullen Group has three unsecured credit facilities to borrow an aggregate of up to $375.0 million. The $375.0 million of borrowing capacity comes from unsecured revolving demand credit facilities consisting of a $100.0 million credit facility (the "**CIBC Credit Facility**") with Canadian Imperial Bank of Commerce, a $150.0 million credit facility (the "**RBC Credit Facility**") with Royal Bank of Canada, and the $125.0 million credit facility (the "**PNC Credit Facility**") with PNC Bank Canada Branch that was entered into on January 5, 2024, (collectively, the "**Bank Credit Facilities"**). Interest on the RBC Credit Facility is payable monthly and is based on either the bank prime rate plus 0.50 percent or bankers' acceptance rates plus an acceptance fee of 1.50 percent. Interest on the CIBC Credit Facility is based on either the Canadian bank prime rate plus 0.50 percent or the U.S. bank base rate plus 0.50 percent in each case payable in arrears or bankers' acceptance rates plus an acceptable fee of 1.50 percent payable upon acceptance. Interest on the PNC Credit Facility is payable monthly and is based on either the Canadian bank prime rate plus 0.50 percent or the U.S. bank base rate plus 0.50 percent, in each case payable monthly in arrears or bankers' acceptance rates plus an acceptance fee of 1.50 percent payable upon acceptance. As at March 31, 2024, there was $90.8 million drawn on the Bank Credit Facilities, which was included within bank indebtedness on the condensed consolidated statement of financial position. These Bank Credit Facilities are unsecured although the Corporation's wholly-owned subsidiary, MT Investments Inc. ("**MT**"), has granted an unlimited guarantee of any indebtedness owing on the Bank Credit Facilities. These Bank Credit Facilities do not have any financial covenants, however, Mullen Group cannot be in default of its Private Placement Debt and it must be in compliance with certain reporting and general covenants. Mullen Group is in compliance with all of these reporting and general covenants.

Mullen Group has $2.2 million of letters of credit outstanding, which were issued to guarantee certain performance and payment obligations. These letters of credit reduce the amount available under the RBC Credit Facility.

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

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

(1) Interest is payable semi-annually.

Mullen Group's unamortized debt issuance costs of $0.3 million related to its Private Placement Debt have been netted against its carrying value at March 31, 2024 (December 31, 2023 – $0.3 million). Mullen Group has certain financial covenants that must be met under its unsecured Private Placement Debt, which include a total net debt to operating cash flow ratio and a total earnings available for fixed charges to total fixed charges ratio. Mullen Group's total net debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results normalized for acquisitions. The term "**total net debt**" is defined in the Private Placement Debt agreement as all debt excluding the Debentures less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position but includes Private Placement Debt, lease liabilities, the Bank Credit Facilities and letters of credit. The term "**operating cash flow**" is also defined in the Private Placement Debt agreement and means, for any quarterly period, the trailing twelve month consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, including interest on the Debentures and lease liabilities; and

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

(iv) non-cash charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results. Mullen Group is in compliance with all the Private Placement Debt financial covenants.

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

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

		March 31, 2024		December 31, 2023
Current liabilities:				
Private Placement Debt – current portion	**$**	**246,535**	$	242,744
Lease liabilities – current portion		**24,948**		25,578
Current portion of long-term debt		**49**		852
Bank indebtedness		**90,800**		73,000
		362,332		342,174
Non-current liabilities:				
Private Placement Debt		**234,506**		230,832
Lease liabilities		**71,207**		72,826
Long-term debt		**96**		99
		305,809		303,757
	$	**668,141**	$	645,931

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

			March 31, 2024		December 31, 2023	
	Year of Maturity	Interest Rate	Face Value	Carrying Amount	Face Value	Carrying Amount
			$	**$**	$	$
Bank indebtedness	—	Variable	**90,800**	**90,800**	73,000	73,000
Lease liabilities	2024 – 2059	3.20%	**111,164**	**96,155**	112,237	98,404
Private Placement Debt	2024 – 2026	3.84% - 4.07%	**481,295**	**481,041**	473,876	473,576
Various financing loans	2024 – 2027	3.31% - 5.99%	**145**	**145**	951	951
			683,404	**668,141**	660,064	645,931

In addition, Mullen Group has an aggregate principal amount of $125.0 million of convertible unsecured subordinated debentures (the "**Debentures**"). The Debentures mature on November 30, 2026, and are publicly listed on the TSX under "MTL.DB". The Debentures bear interest at a rate of 5.75 percent per annum, payable semi-annually in arrears on May 31 and November 30 of each year. The carrying amount of the debt component of the Debentures at March 31, 2024, was $118.7 million (December 31, 2023 - $118.2 million).

10. Share Capital

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

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

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

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

	# of Common Shares	
	2024	**2023**
Issued Common Shares at January 1	**88,074,042**	92,953,005
Common Shares repurchased and cancelled	**(56,608)**	(2,190,173)
Stock Options exercised	**40,000**	—
Common Shares issued on acquisition	**—**	57,180
Issued Common Shares at March 31	**88,057,434**	90,820,012

Mullen Group had a normal course issuer bid ("**NCIB**"), commencing March 10, 2023, to purchase for cancellation up to 8,644,508 Common Shares in the open market on or before March 9, 2024. On March 7, 2024, Mullen Group announced the renewal of its NCIB commencing March 11, 2024, to purchase for cancellation up to 8,220,349 Common Shares in the open market on or before March 10, 2025. For the three month period ended March 31, 2024, Mullen Group had purchased and cancelled 56,608 Common Shares for $0.8 million under its NCIB programs.

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

In the first quarter of 2024, Mullen Group issued 40,000 Common Shares on the exercise of stock options. In the first quarter of 2023, Mullen Group issued 57,180 Common Shares as partial consideration for the acquisition of Butler Ridge Energy Services (2011) Ltd.

11. Earnings per Share

(a) Basic Earnings per Share

Basic earnings per share is calculated as net income attributable to common shareholders divided by the weighted average number of Common Shares outstanding for the period. Net income attributable to common shareholders for the three month period ended March 31, 2024, was $22.2 million (2023 – $31.7 million). The weighted average number of Common Shares outstanding for the three month periods ended March 31, 2024 and 2023 was calculated as follows:

		Three month periods ended March 31	
	Note	**2024**	**2023**
Issued Common Shares at beginning of period	**10**	**88,074,042**	92,953,005
Effect of Common Shares repurchased and cancelled	**10**	**(37,946)**	(322,892)
Effect of Common Shares issued on acquisitions		**—**	19,695
Effect of stock options exercised	**10**	**16,703**	—
Weighted average number of Common Shares at end of period – basic		**88,052,799**	92,649,808

(b) Diluted Earnings per Share

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

	Three month periods ended March 31	
	2024	**2023**
Net income	**$ 22,218**	$ 31,717
Effect of the Debentures	**1,788**	1,788
Net income – adjusted	**$ 24,006**	$ 33,505

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

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

	Three month periods ended March 31	
	2024	**2023**
Weighted average number of Common Shares – basic	**88,052,799**	92,649,808
Effect of "in the money" stock options	**272,957**	202,698
Effect of the Debentures	**8,928,571**	8,928,571
Weighted average number of Common Shares at end of period – diluted	**97,254,327**	101,781,077

For the three month period ended March 31, 2024, 2,717,500 stock options (2023 – 2,525,000) were excluded from the diluted weighted average number of Common Shares calculation as their effect would have been anti-dilutive. The average market value of the Corporation's Common Shares for the purposes of calculating the dilutive effect of stock options was based on quoted market prices for the periods ended March 31, 2024 and 2023. For the three month periods ended March 31, 2024 and 2023, the Common Shares that would be issued upon conversion of the Debentures were included in the diluted weighted average calculation as their effect was dilutive.

12. Seasonality of Operations

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

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

13. Revenue

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

At March 31, 2024, the Less-Than-Truckload segment consisted of 11 Business Units and is often referred to as the final or last mile delivery of general freight consisting of smaller shipments, packages and parcels. Through an extensive terminal network the pickup, handling and delivery of a wide range of freight including ambient, temperature controlled and consumer goods is coordinated from regional hubs located in Ontario and western Canada. We are committed to investing in the most advanced technologies available ensuring the continued improvement in all aspects of our business, shortening delivery times and providing customers with visibility, via tracking and tracing, to their shipments during transit.

At March 31, 2024, the Logistics & Warehousing segment consisted of 10 Business Units and provides shippers throughout North America with a wide range of trucking and logistics service offerings including full truckload, specialized transportation, warehousing, fulfillment centres that handle e-commerce transactions, and transload facilities designed for intermodal and bulk shipments. Operations and customer service are supported by a robust suite of leading edge technology solutions including a fully integrated transportation management system, customized inventory management and warehouse systems along with our proprietary Moveitonline® and Haulistic™ technology platforms, applications that are positioning our organization for an evolving and changing supply chain.

At March 31, 2024, the Specialized & Industrial Services segment consisted of 17 Business Units and is comprised of a wide range of unique businesses providing specialized equipment and services to the oil and natural gas, environmental, construction, pipeline, utility, telecom and civil industries. Strategically located throughout western Canada, these specialty Business Units are focused on providing advanced technology solutions and leading edge service capabilities.

At March 31, 2024, the U.S. & International Logistics segment consisted of one Business Unit, being a global technology enabled, non-asset based third-party logistics service provider focused on freight brokerage services across multiple modes of transportation. The operations and customer service are provided through its proprietary transportation management system technology platform known as SilverExpress, which aligns customer shipments with transportation carriers.

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

Disaggregation of revenue:

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

Three month period ended March 31, 2024	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	**174,233**	**75,301**	**56,261**	**—**	**—**	**—**	**305,795**
Logistics	**12,322**	**23,976**	**14,165**	**44,354**	**—**	**—**	**94,817**
Other[(1)]	**873**	**28,119**	**42,169**	**—**	**990**	**—**	**72,151**
Eliminations	**(4,888)**	**(1,136)**	**(698)**	**—**	**—**	**(3,456)**	**(10,178)**
	182,540	**126,260**	**111,897**	**44,354**	**990**	**(3,456)**	**462,585**
Timing of revenue recognition							
Over time	**174,278**	**77,163**	**69,297**	**—**	**974**	**—**	**321,712**
Point in time	**13,150**	**50,233**	**43,298**	**44,354**	**16**	**—**	**151,051**
Eliminations	**(4,888)**	**(1,136)**	**(698)**	**—**	**—**	**(3,456)**	**(10,178)**
	182,540	**126,260**	**111,897**	**44,354**	**990**	**(3,456)**	**462,585**

(1) Included within other revenue is $9.8 million of rental revenue comprised of nil, $1.9 million, $6.9 million, nil and $1.0 million recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment, the Specialized & Industrial Services segment, the U.S. & International Logistics segment and Corporate, respectively.

Three month period ended March 31, 2023	**Less-Than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	184,009	88,156	57,500	—	—	—	329,665
Logistics	12,325	31,123	9,263	51,025	—	—	103,736
Other[(1)]	1,176	25,655	46,388	—	947	—	74,166
Eliminations	(4,732)	(816)	(365)	—	—	(3,835)	(9,748)
	192,778	144,118	112,786	51,025	947	(3,835)	497,819
Timing of revenue recognition							
Over time	184,040	89,527	76,194	—	931	—	350,692
Point in time	13,470	55,407	36,957	51,025	16	—	156,875
Eliminations	(4,732)	(816)	(365)	—	—	(3,835)	(9,748)
	192,778	144,118	112,786	51,025	947	(3,835)	497,819

(1) Included within other revenue is $10.7 million of rental revenue comprised of nil, $1.4 million, $8.4 million, nil and $0.9 million recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment, the Specialized & Industrial Services segment, the U.S. & International Logistics segment and Corporate, respectively.

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

14. Other (Income) Expense

	Three month periods ended March 31	
	2024	**2023**
Change in fair value of investments	**$ (170)**	$ 309
(Gain) loss on sale of property, plant and equipment	**(505)**	103
Loss on fair value of equity investment	**—**	562
Earnings from equity investments	**(350)**	(1,145)
Accretion on decommissioning liabilities	**6**	6
Other (income) expense	**$ (1,019)**	$ (165)

15. Changes in Non-Cash Working Capital

	Three month periods ended March 31	
	2024	**2023**
Trade and other receivables	**$ 278**	$ (3,054)
Inventory	**767**	(724)
Prepaid expenses	**(3,094)**	(4,003)
Accounts payable and accrued liabilities	**(14,601)**	(1,073)
	$ (16,650)	$ (8,854)

	Three month periods ended March 31	
	2024	**2023**
Changes in non-cash working capital items from:		
Operating activities	**$ (15,286)**	$ (8,844)
Financing activities	**846**	785
Investing activities	**(2,210)**	(795)
	$ (16,650)	$ (8,854)

16. Operating Segments

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

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

The following tables provide financial results by segment:

Three month period ended March 31, 2024	Less-Than-Truckload	Logistics & Warehousing	Specialized & Industrial Services	U.S. & International Logistics	Corporate	Intersegment eliminations Less-Than-Truckload	Intersegment eliminations Logistics & Warehousing	Intersegment eliminations Specialized & Industrial Services	Intersegment eliminations U.S. & International Logistics	Total
	$	$	$	$	$	$	$	$	$	$
Revenue	**182,540**	**126,260**	**111,897**	**44,354**	**990**	**(1,156)**	**(789)**	**(1,511)**	**—**	**462,585**
Income (loss) before income taxes	**14,647**	**13,658**	**6,443**	**(483)**	**(4,420)**	**—**	**—**	**—**	**—**	**29,845**
Depreciation of property, plant and equipment	**5,660**	**3,498**	**6,651**	**—**	**1,534**	**—**	**—**	**—**	**—**	**17,343**
Amortization of intangible assets	**1,698**	**635**	**420**	**456**	**—**	**—**	**—**	**—**	**—**	**3,209**
Capital expenditures[(1)]	**12,386**	**2,995**	**3,591**	**—**	**679**	**(26)**	**(50)**	**(420)**	**—**	**19,155**
Total assets at March 31, 2024	**581,307**	**376,871**	**411,700**	**67,166**	**621,165**	**—**	**—**	**—**	**—**	**2,058,209**

[(1)] *Excludes business acquisitions.*

Three month period ended March 31, 2023	Less-Than-Truckload	Logistics & Warehousing	Specialized & Industrial Services	U.S. & International Logistics	Corporate	Intersegment eliminations Less-Than-Truckload	Intersegment eliminations Logistics & Warehousing	Intersegment eliminations Specialized & Industrial Services	Intersegment eliminations U.S. & International Logistics	Total
	$	$	$	$	$	$	$	$	$	$
Revenue	192,778	144,118	112,786	51,025	947	(559)	(1,171)	(2,105)	—	497,819
Income (loss) before income taxes	16,060	17,094	10,601	(374)	(991)	—	—	—	—	42,390
Depreciation of property, plant and equipment	4,882	3,516	7,076	507	1,877	—	—	—	—	17,858
Amortization of intangible assets	2,059	778	313	457	—	—	—	—	—	3,607
Capital expenditures[(1)]	10,949	5,666	6,026	—	1,911	(28)	(2)	(17)	—	24,505
Total assets at December 31, 2023	566,671	386,003	422,594	65,024	601,370	—	—	—	—	2,041,662

[(1)] *Excludes business acquisitions.*

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

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

The following geographical information is based upon the Business Unit's head office location for the three month periods ended March 31, 2024 and 2023.

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

2023	**Revenue**	**Operating Income Before Depreciation and Amortization**	**Property, Plant and Equipment**	**Total Non-Current Assets**	**Total Assets**
Canada	$ 446,794	$ 75,787	$ 987,630	$ 1,601,033	$ 1,951,117
United States	51,025	1,223	507	47,269	69,329
Total	$ 497,819	$ 77,010	$ 988,137	$ 1,648,302	$ 2,020,446

17. Subsequent Event

Subsequent to March 31, 2024, the Corporation received all regulatory approvals in connection with its share purchase agreement dated February 2, 2024, to acquire Richmond, British Columbia based ContainerWorld Forwarding Services Inc. and its operating subsidiaries. The transaction will close on May 1, 2024.

CORPORATE INFORMATION

DIRECTORS | OFFICERS

Murray K. Mullen
Chair of the Board, Senior Executive Officer, President and Director

Sonia Tibbatts, MBA
Lead Director

Benoit Durand, CFA, ICD.D
Director

Stephen H. Lockwood, LLB
Director

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

David E. Mullen
Director

Jamil Murji, CFA
Director

Richard Whitley, FCPA, FCA
Director

Richard J. Maloney
Senior Operating Officer

Joanna K. Scott
Senior Corporate Officer

Carson Urlacher, CPA, CA
Senior Accounting Officer

CORPORATE OFFICE

Mullen Group Ltd.
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

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

ONLINE INFORMATION

To receive news releases by email, or to review this report online, please visit Mullen Group's website at ***www.mullen-group.com***.

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