INTERIM REPORT
QUARTER THREE

FOR THE PERIOD ENDED
September 30, 2021

CONTENTS

Mullen Group

INTERIM FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**"), dated October 27, 2021, has been prepared by management of Mullen Group Ltd. ("**Mullen Group**" and/or the "**Corporation**") for the three and nine month periods ended September 30, 2021, and should be read in conjunction with (i) the audited annual consolidated financial statements for the fiscal year ended December 31, 2020 (the "**Annual Financial Statements**"), together with the Management's Discussion and Analysis thereon (the "**2020 MD&A**"), and (ii) the unaudited condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2021, (the "**Interim Financial Statements**"). Unless otherwise specified, information in this MD&A is provided as at such date and any reference to "Mullen Group", "we", "us", "our" or the "Corporation" means Mullen Group Ltd., a corporation incorporated under the laws of the province of Alberta and includes its predecessors where context so requires. The Annual Financial Statements and other additional information are available on SEDAR at www.sedar.com and 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 October 27, 2021.

ACCOUNTING STANDARDS

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

ADVISORY:

Forward-looking statements *- This MD&A reflects management's expectations regarding Mullen Group's future growth, financial condition, results of operations, performance, business prospects, strategies and opportunities and contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. Wherever possible, words such as "anticipate", "may", "will", "believe", "expect", "potential", "continue", "view", "objective", "should", "plan", "intend", "ongoing", "estimate", "project" or similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant inherent risks and uncertainties, numerous assumptions and the risk that the predictions and forward-looking statements will not be achieved and that the actual results or events may differ materially from those anticipated in such forward-looking statements. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable beliefs and assumptions, Mullen Group cannot assure readers that actual results will be consistent with these forward-looking statements. Some of the risks and uncertainties include, but are not limited to certain strategic, financial and operational risks, most important of which are geopolitical risks including but not limited to a slowdown in the general economy, reduced oil and natural gas drilling and decreased oil sands and heavy oil activity; e-commerce and supply chain evolution; acquisitions; competition; 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; prevailing interest rates; 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; regulatory framework governing matters such as tax and the environment in the jurisdictions in which the Corporation conducts and will conduct its business; 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 64 of the 2020 MD&A as well as in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and Mullen Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. Mullen Group relies on litigation protection for "forward-looking" statements. Additional information regarding the forward-looking statements contained in this MD&A and the material assumptions made in preparing such statements may be found under the heading "Forward-Looking Information Statements" beginning on page 64 of this MD&A.*

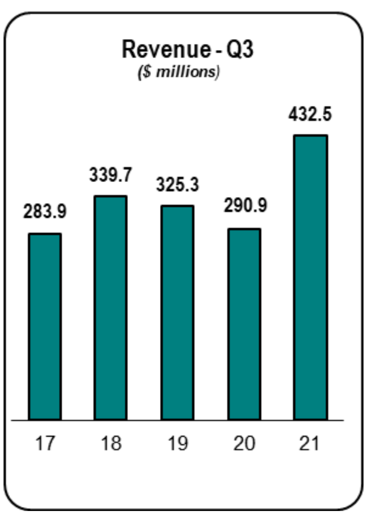
Non-GAAP Terms *- Mullen Group reports on certain financial performance measures that are described and presented in order to provide shareholders and potential investors with additional measures to evaluate Mullen Group's ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance. These financial performance measures ("**Non-GAAP Terms**") are not recognized financial terms under Canadian generally accepted accounting principles ("**Canadian GAAP**"). For publicly accountable enterprises, such as Mullen Group, Canadian GAAP is governed by principles based on IFRS and interpretations of IFRIC. Management believes these Non-GAAP Terms are useful supplemental measures. These Non-GAAP Terms do not have standardized meanings and may not be comparable to similar measures presented by other entities. Specifically, adjusted OIBDA[1], adjusted operating margin[1], operating margin[1], net income – adjusted[1], earnings per share – adjusted[1], net capital expenditures[1], net debt[1], total net debt[1] and cash flow per share[1] are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. For the reader's reference, the definition, calculation and reconciliation of Non-GAAP Terms are provided in the "Glossary of Terms and Reconciliation of Non-GAAP Terms" section of this MD&A. The Non-GAAP Terms should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Investors are cautioned that these indicators should not replace the forgoing Canadian GAAP terms: net income, earnings per share, purchases of property, plant and equipment, proceeds on sale of property, plant and equipment and debt.*

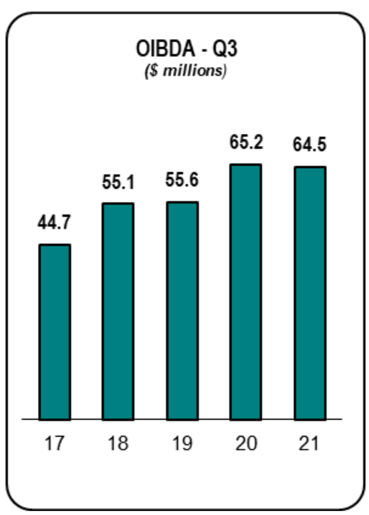
[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

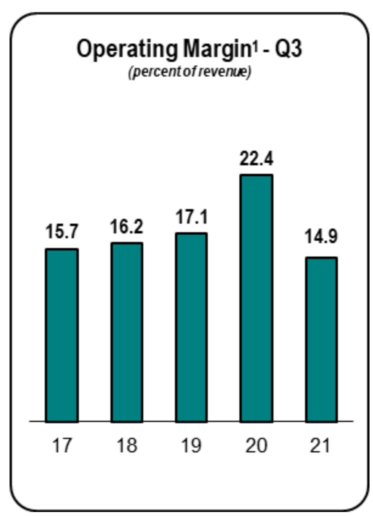
HIGHLIGHTS FOR THE QUARTER

PERFORMANCE: (unaudited) ($ millions, except share price and per share amounts)	Three month periods ended September 30			Nine month periods ended September 30		
	2021	2020	% Change	2021	2020	% Change
Financial Results						
Revenue	**$ 432.5**	$ 290.9	48.7	**$ 1,035.5**	$ 866.6	19.5
Operating income before depreciation and amortization[(1)]	**64.5**	65.2	(1.1)	**170.6**	165.4	3.1
Adjusted operating income before depreciation and amortization[(2)]	**64.4**	54.9	17.3	**158.1**	144.2	9.6
Net foreign exchange (gain) loss	**(0.2)**	(0.1)	100.0	**(1.5)**	(2.5)	(40.0)
Net income	**17.5**	26.2	(33.2)	**52.2**	53.9	(3.2)
Net income – adjusted[(2)]	**17.8**	25.6	(30.5)	**49.5**	53.1	(6.8)
Net cash from operating activities	**37.3**	47.4	(21.3)	**132.2**	172.3	(23.3)
Cash dividends declared	**11.5**	8.8	30.7	**34.6**	24.5	41.2
Financial Position						
Bank indebtedness net of cash	**$ (79.0)**	$ 105.4	(175.0)	**$ (79.0)**	$ 105.4	(175.0)
Private Placement Debt	**462.1**	475.6	(2.8)	**462.1**	475.6	(2.8)
Private Placement Debt covenant (threshold 3.50:1)	**2.65:1**	2.12:1	25.0	**2.65:1**	2.12:1	25.0
Total assets	**1,931.3**	1,747.4	10.5	**1,931.3**	1,747.4	10.5
Share Information						
Cash dividends declared per Common Share	**$ 0.12**	$ 0.09	33.3	**$ 0.36**	$ 0.24	50.0
Earnings per share – basic	**$ 0.18**	$ 0.27	(33.3)	**$ 0.54**	$ 0.53	1.9
Earnings per share – diluted	**$ 0.18**	$ 0.26	(30.8)	**$ 0.54**	$ 0.53	1.9
Earnings per share – adjusted[(2)]	**$ 0.19**	$ 0.26	(26.9)	**$ 0.51**	$ 0.52	(1.9)
Net cash from operating activities per share	**$ 0.39**	$ 0.48	(18.8)	**$ 1.37**	$ 1.69	(18.9)
Share price – September 30	**$ 12.88**	$ 9.01	43.0	**$ 12.88**	$ 9.01	43.0
Other Information						
Net capital expenditures[(2)]	**$ 4.5**	$ 7.6	(40.8)	**$ 20.2**	$ 31.7	(36.3)
Acquisitions	**$ 13.7**	$ 14.4	(4.9)	**$ 198.3**	$ 14.4	1,277.1

(1) *Management relies on operating income before depreciation and amortization ("**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.*
(2) *Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".*







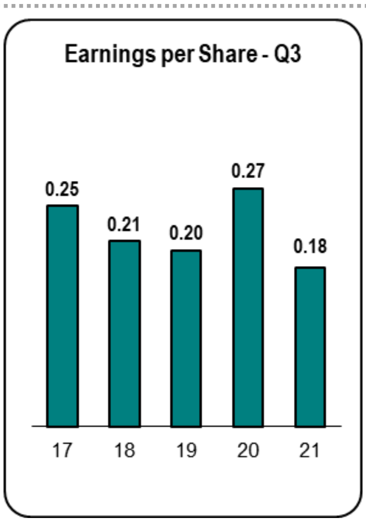
[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

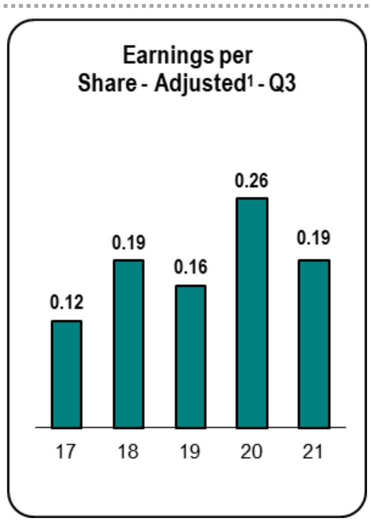
POSITION (as at September 30, 2021):

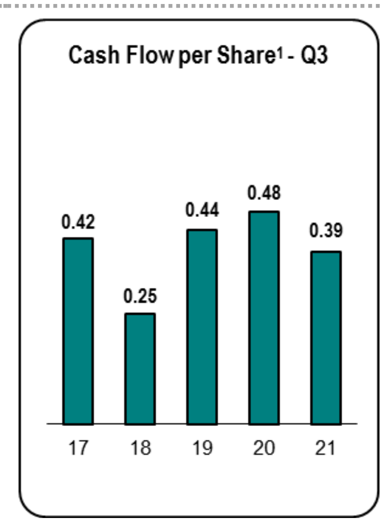
- Well-structured balance sheet
  - Working capital: $65.1 million (includes $85.2 million of amounts drawn on our $150.0 million RBC Credit Facility)
  - Net debt[1] of $572.1 million, which represents a debt to OIBDA ratio of 2.57:1
  - Private Placement Debt of $462.1 million (operating cash flow covenant at 2.65:1) with no scheduled maturities until 2024 (average fixed rate of 3.93 percent per annum)
- Net book value of property, plant and equipment of $978.1 million, which includes $615.8 million of carrying costs of owned land and buildings
- Entered into a new $100.0 million credit agreement with CIBC on October 1, 2021, providing us with total access of $250.0 million in bank lines of credit to fund future acquisition opportunities and general operating requirements

THIRD QUARTER PROGRESS:

- Record consolidated revenue compared to any previous quarter
- Revenue increased by 48.7 percent on a year over year basis to $432.5 million:
  - Less-Than-Truckload increased by 50.0 percent to $169.1 million
  - Logistics & Warehousing increased by 41.4 percent to $121.9 million
  - Specialized & Industrial Services decreased by 7.3 percent to $85.7 million
  - U.S. & International Logistics, a new operating segment, added revenue of $57.0 million
- Adjusted OIBDA[1] increased by $9.5 million or 17.3 percent to $64.4 million compared to $54.9 million in 2020:
  - Less-Than-Truckload increased by $6.2 million to $26.9 million
  - Logistics & Warehousing increased by $7.3 million to $22.7 million
  - Specialized & Industrial Services decreased by $5.6 million to $15.6 million
  - U.S. & International Logistics added Adjusted OIBDA[1] of $2.9 million
- Canada Emergency Wage Subsidy ("**CEWS**") reduced to $0.1 million from $10.3 million in 2020
- Repurchased and cancelled a total of 2,267,248 Common Shares at an average price of $12.95 in 2021







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

EXECUTIVE SUMMARY

Very pleased to report that we have achieved record revenues for the quarter, in fact for any quarter. The main reason is acquisitions that were completed earlier this year. Not only have these quality companies contributed to our revenue growth, they operate in sectors of the economy that we view as having the best potential for growth. Everyone knows that the economy is driven by consumer spending but in today's economy the trend has never been more evident which is precisely why we have invested significant capital to acquire companies that provide logistics solutions to this sector of the economy.

Our core businesses, owned for more than one year, performed in line with our expectations. Consumer spending remained strong supporting our less-than-truckload ("**LTL**"), logistics and warehousing businesses. However, parts of the economy continued to be challenged with COVID-19 mandated workplace restrictions. The underinvestment in capital spending in Canada is very evident, directly impacting the role of capital investment to the economy. This was one of the primary reasons our flat deck transport business along with the majority of our Specialized & Industrial Services business was down again this quarter. The other reason is that this segment of the economy appeared to be the one that was impacted the most by the COVID-19 restrictions. Projects were slowed and delayed leading to lower revenues and reduced profitability at several of our Business Units (as hereafter defined on page 7). And while I view the slowdowns in capital spending to be temporary the reality is that our profitability was negatively impacted by these events in the third quarter. I suspect it's only a matter of time before capital once again begins to be deployed in the Canadian marketplace and when it does the Mullen Group will be well positioned. We are one of Canada's largest and leading logistics companies, servicing multiple industries and sectors of the economy. This is why it is so important that our organization continues to support all of our Business Units. Customers rely on our company to be there for them when their business requires transportation services. And we support our customers in difficult markets as well as during the good times.

Mullen Group generates cash in excess of its operating needs through a diversified business model combined with a highly adaptable and variable cost structure. The financial results for the three month period ended September 30, 2021 are as follows:

- generated record quarterly revenue of $432.5 million, an increase of $141.6 million, or 48.7 percent, as compared to $290.9 million in 2020 due to $136.5 million of incremental revenue generated from acquisitions and internal growth resulting in:
  - an increase of $56.4 million to $169.1 million in the Less-Than-Truckload segment
  - an increase of $35.7 million to $121.9 million in the Logistics & Warehousing segment
  - a decrease of $6.7 million to $85.7 million in the Specialized & Industrial Services segment
  - added $57.0 million in our new U.S. & International Logistics segment
- earned OIBDA of $64.5 million, a decrease of $0.7 million as compared to $65.2 million in 2020.
- earned adjusted operating income before depreciation and amortization ("**Adjusted OIBDA**"[1]) of $64.4 million, an increase of $9.5 million as compared to $54.9 million in 2020. Adjusted OIBDA[1] is defined as OIBDA excluding CEWS. CEWS was reduced to $0.1 million and $12.5 million for the three and nine month periods ending September 30, 2021, as compared to $10.3 million and $21.2 million for the same periods in 2020, respectively. This resulted in:
  - an increase of $6.2 million to $26.9 million in the Less-Than-Truckload segment
  - an increase of $7.3 million to $22.7 million in the Logistics & Warehousing segment
  - a decrease of $5.6 million to $15.6 million in the Specialized & Industrial Services segment
  - added $2.9 million in our new U.S. & International Logistics segment

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

Third Quarter Financial Results

Revenue increased by $141.6 million, or 48.7 percent, to a record of $432.5 million and is summarized as follows:

- Less-Than-Truckload segment up $56.4 million, or 50.0 percent, to $169.1 million – revenue improved by $56.4 million due to $47.9 million of incremental revenue generated from acquisitions, a $4.9 million increase in fuel surcharge revenue and from the continued strength in consumer spending.

- Logistics & Warehousing segment up $35.7 million, or 41.4 percent, to $121.9 million – revenue improved by $35.7 million due to $28.3 million of incremental revenue from acquisitions, a $2.8 million increase in fuel surcharge revenue and from a $4.6 million, or 5.6 percent increase in same store sales as economic activity continued to improve resulting in greater demand for freight services.

- Specialized & Industrial Services segment down $6.7 million, or 7.3 percent, to $85.7 million – revenue declined by $6.7 million mainly due to an $11.3 million reduction in revenue from Premay Pipeline Hauling L.P. ("**Premay Pipeline**") and a $5.8 million decrease at Smook Contractors Ltd. ("**Smook**"). There was a significant decline in major pipeline construction activity in British Columbia and construction projects in Manitoba, both were impacted by COVID-19 restrictions and temporary delays. These decreases were partially offset by an $8.2 million increase in revenue from drilling related services as higher crude oil and natural gas prices led to greater drilling related activity in western Canada and from $3.3 million of incremental revenue from acquisitions.

- U.S. & International Logistics segment added $57.0 million – this was the first reporting period for this segment generating $57.0 million of gross freight revenue from freight tendered through the company's logistics group or to contracted Station Agents. Revenue was above expectations due to the strong U.S. freight market and new business generated from the addition of new regional Station Agents.

Adjusted OIBDA[1] increased by $9.5 million, or 17.3 percent, to $64.4 million and is summarized as follows:

- Less-Than-Truckload segment up $6.2 million, or 30.0 percent, to $26.9 million – Adjusted OIBDA[1] improved due to $6.8 million of incremental OIBDA from acquisitions being somewhat offset by higher purchased transportation costs. Adjusted operating margin[1] decreased to 15.9 percent as compared to 18.4 percent in 2020, due to lower margin generated by our recent acquisitions.

- Logistics & Warehousing segment up $7.3 million, or 47.4 percent, to $22.7 million – Adjusted OIBDA[1] improved due to $5.7 million of incremental OIBDA from acquisitions and from improved performance by most Business Units. Adjusted operating margin[1] increased to 18.6 percent as compared to 17.9 percent in 2020.

- Specialized & Industrial Services segment down $5.6 million, or 26.4 percent, to $15.6 million – Adjusted OIBDA[1] declined due to a $6.5 million decrease relating to those Business Units providing specialized services including pipeline stockpiling and stringing services being somewhat offset by a $2.1 million increase from those Business Units tied to drilling and drilling related activity. Adjusted operating margin[1] decreased by 4.7 percent to 18.2 percent as compared to 22.9 percent in 2020 due to a change in revenue mix associated with large diameter pipeline projects.

- U.S. & International Logistics segment added $2.9 million of Adjusted OIBDA[1], which represents a margin of 5.1 percent of gross revenue. This margin is lower than our asset based segments due to the nature of the business.

Net income decreased by $8.7 million to $17.5 million, or $0.18 per Common Share due to:

- A $4.6 million increase in amortization of intangible assets, a $3.1 million increase in depreciation of right-of-use assets, a $1.4 million increase in finance costs, a $0.7 million decrease in the gain on sale of property, plant and equipment, a $0.7 million decrease in OIBDA and a $0.4 million gain on fair value of equity investment in 2020.

- The above was partially offset by a $2.6 million decrease in income tax expense.

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

Financial Position

The following summarizes our financial position as at September 30, 2021, along with some key changes that occurred during the third quarter of 2021:

- Working capital of $65.1 million including $85.2 million of amounts drawn on our $150.0 million RBC Credit Facility (as hereafter defined on page 13). On October 1, 2021, we also entered into a $100.0 million revolving demand credit facility with the Canadian Imperial Bank of Commerce (the "**CIBC Credit Facility**"), giving us access to a total of $250.0 million in bank lines.

- Total net debt[1] ($592.4 million) to operating cash flow ($223.6 million) (as hereafter defined on page 56) of 2.65:1 as defined per our Private Placement Debt (as hereafter defined on page 20) agreement (threshold of 3.50:1).

- Private Placement Debt of $462.1 million with no scheduled maturities until 2024 (average fixed rate of 3.93 percent per annum). Private Placement Debt increased by $8.0 million due to the foreign exchange loss on our U.S. $229.0 million debt.

- Book value of Derivative Financial Instruments up $8.2 million to $39.6 million, which swaps our $229.0 million of U.S. dollar debt at an average foreign exchange rate of $1.1096.

- Net book value of property, plant and equipment of $978.1 million, which includes $615.8 million of carrying costs of owned real property.

- Year to date, we repurchased and cancelled 2,267,248 Common Shares at an average price of $12.95 per share under our normal course issuer bid.

OUTLOOK

The economy has performed remarkably well in 2021 as evidenced by strong economic reports and our results. Entering the fourth quarter, it appears that a few new trends – such as inflationary pressures, energy shortages, supply chain disruptions and labour constraints – are starting to emerge, that either, collectively or individually, have the potential to alter the course of the economy. We are watching these developments closely to determine if the trends become entrenched or are transitory, a term often used by those entrusted with government and economic policy. There is an important distinction here because one suggests the trends are temporary versus more permanent. Consumers and markets will certainly adapt differently depending upon the longevity of the trends. Our plan is to pay close attention to the data and respond appropriately.

A lack of qualified labour is the issue we believe will be the longest lasting and most challenging for the economy because without access to additional workers not only will growth be hard to achieve, inflation is bound to increase as available workers demand additional pay. The current labour market is very tight and it is difficult to see how additional qualified labour can be added, at least in the short term, given the current regulatory environment and changing dynamics within the workforce. Given this backdrop, our strategy is to ensure we remain as an employer of choice, pay our employees and reward excellence in customer service and safety performance. This also implies that the cost of logistics services will be rising to mitigate cost increases.

We expect top line revenue to remain strong, primarily for the next few quarters due to the previously announced acquisitions. However, we also are of the view that economic growth will slow as inflationary pressures begin to impact consumer spending. In addition, there is growing evidence that the supply chain bottlenecks are impacting the supply of many goods, restricting everything from economic activity to the availability of goods to ship. Within the current environment, we anticipate consumer demand will remain steady but growth will be difficult to achieve. Our focus will be margin improvement and the integration of our newest acquisitions into the Mullen Group.

We will continue to evaluate acquisitions as a means to accelerate growth. We have been very active in 2021, completing six transactions, adding new revenue in excess of $400.0 million. In addition, we recently negotiated an increase in our banking facilities by $100.0 million, funds that can be used to pursue the next opportunity that fits in our organization. We are always looking at companies that meet our strategic initiatives, financial thresholds and have what we perceive are long-term competitive advantages.

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

CORPORATE OVERVIEW

Mullen Group is a publicly-traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol "**MTL**". We are one of Canada's largest logistics providers. Our network of independently operated businesses provide a wide range of service offerings including LTL, truckload, warehousing, logistics, transload, oversized, third-party logistics and specialized hauling transportation. In addition, we provide a diverse set of specialized services related to the energy, mining, forestry and construction industries in western Canada, including water management, fluid hauling and environmental reclamation.

Business

The business is operated through a network of wholly-owned companies and limited partnerships (the "**Business Units**"). The segments are differentiated by the type of service provided, equipment requirements and customer needs. Mullen Group provides the capital and financial expertise, legal support, technology and systems support, shared services and strategic planning (the "**Corporate Office**") for the Business Units. The Corporate Office also invests in certain public and private corporations. In addition, the Corporate Office, through its subsidiary MT Investments Inc. ("**MT**"), owns a network of real estate holdings and facilities that are leased primarily to the Business Units. Such properties are leased to the Business Units by MT on commercially reasonable terms. The day to day management of the Business Units is conducted at the subsidiary level.

New Operating Segment

In the third quarter of 2021, we commenced reporting financial results in four segments with the addition of the ***U.S. & International Logistics segment***. The new segment reflects the strategic decision to expand our business outlook of the Canadian market, which was the focus of our growth strategy since inception. The change in segment reporting structure more accurately reflects our strategic direction and the business of Mullen Group today and aligns with how financial information was reviewed internally for the purpose of decision-making; capital allocation and assessing performance. The acquisition of the assets and business of QuadExpress (as hereafter defined on page 11) was the first investment in the U.S. & International Logistics segment.

Operating Segments

Less-Than-Truckload Segment

Less-Than-Truckload consisted of 12 regionally focused 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.

Service Offerings	*Key Drivers and Considerations*
• *Less-Than-Truckload Trucking (LTL)*	• *Regional network comprised of 116 terminals;* • *Tied to consumer needs*
• *Ambient Temperature Controlled Transportation*	• *Tied to the movement of healthcare products*

Less-Than-Truckload Segment:	
Business Unit	**Primary Service Region**
APPS Cargo Terminals Inc.(1)	Western Canada
APPS Cartage Inc.(1)	Ontario
Argus Carriers Ltd.	Lower Mainland British Columbia
Courtesy Freight Systems Ltd.	Northern Ontario
Gardewine Group Limited Partnership	Manitoba and Ontario
Grimshaw Trucking L.P.	Northern Alberta
Hi-Way 9 Express Ltd.(2)	Southern Alberta
Inter-Urban Delivery Service Ltd.	Lower Mainland British Columbia
Jay's Transportation Group Ltd.	Saskatchewan
Number 8 Freight Ltd.	Lower Mainland British Columbia
Pacific Coast Express Limited(3)	Western Canada
R.S. Harris Transport Ltd.(4)	Manitoba

(1) Acquired June 24, 2021
(2) On January 1, 2020, the operations of Load-Way Ltd. and Streamline Logistics Inc., were integrated into Hi-Way 9 Express Ltd.
(3) Acquired September 1, 2020.
(4) Acquired July 1, 2021.

Logistics & Warehousing Segment

Logistics & Warehousing consisted of 12 Business Units that provide 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.

Service Offerings	*Key Drivers and Considerations*
• *Long-Haul Trucking (T/L)*	• *Tied to general economy (i.e., GDP)*
• *Logistics, Intermodal and Transload Services*	• *Requires less maintenance capital*
• *Bulk Hauling*	• *Primarily contract services*

Logistics & Warehousing Segment:	
Business Unit	**Primary Service Provided**
24/7 The Storehouse (2015) Ltd.	Value-Added Warehousing and Distribution Services
Bandstra Transportation Systems Ltd.(1)	LTL, Irregular Route Truckload & Specialized Transportation
Caneda Transport Ltd.	LTL & Irregular Route Truckload
Cascade Carriers L.P.	Dry Bulk Freight
DWS Logistics Inc.	Value-Added Warehousing and Distribution Services
International Warehousing & Distribution Inc.(2)	Value-Added Warehousing and Distribution Services
Kleysen Group Ltd.	Irregular Route Truckload & Multi-Modal
Mullen Trucking Corp.	Irregular Route Truckload & Specialized Transportation
Payne Transportation Ltd.	Irregular Route Truckload & Specialized Transportation
RDK Transportation Co. Inc.	Irregular Route Truckload & Specialized Transportation
Tenold Transportation Ltd.	Irregular Route Truckload & Specialized Transportation
Tri Point Intermodal Services Inc.(3)	Intermodal Transportation and Storage Services

(1) Acquired April 16, 2021.
(2) Acquired October 2020.
(3) Acquired on June 1, 2021.

Specialized & Industrial Services Segment

Specialized & Industrial Services consisted of 16 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.

Service Offerings	*Key Drivers and Considerations*
• *Production Services*	• *Commodity prices (i.e., oil and natural gas)*
• *Specialized Services* – oil sands, dewatering and infrastructure	• *Infrastructure and capital projects* • *Take-away / Pipeline Capacity*
• *Drilling and Drilling Related*	• *Drilling activity in western Canada* • *Drilling trends and evolving technologies*

Specialized & Industrial Services Segment:

Business Unit	**Primary Service Provided**
Babine Truck & Equipment Ltd.[(1)]	Original Equipment Manufacturer Dealership and Services
Canadian Dewatering L.P.	Water Management Services
Cascade Energy Services L.P.	Production services, Turnaround and Industrial Cleaning Services
Canadian Hydrovac Ltd.	Hydrovac Excavation Services
E-Can Oilfield Services L.P.	Fluid Transportation
Envolve Energy Services Corp.	Processing and Disposal of Oilfield Fluids
Formula Powell L.P.	Mud / Fluid Transportation & Warehousing
Heavy Crude Hauling L.P.[(2)]	Fluid Transportation
Mullen Oilfield Services L.P.[(3)]	Rig Relocation Services
OK Drilling Services L.P.	Conductor Pipe Setting
Premay Equipment L.P.	Specialized Heavy Haul
Premay Pipeline Hauling L.P.	Large Diameter Pipe Transportation
Recon Utility Search L.P.	Hydrovac Excavation Services
Smook Contractors Ltd.	Civil Construction
Spearing Service L.P.	Fluid Transportation
TREO Drilling Services L.P.	Core Drilling

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

[The remainder of this page intentionally left blank.]

U.S. & International Logistics Segment

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

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

Service Offerings	*Key Drivers and Considerations*
• *Third-Party Logistics (3PL)*	• *Tied to general economy in the U.S. (i.e., GDP)*

U.S. & International Logistics Segment:

Business Unit	**Primary Service Provided**
HAUListic LLC[1]	Third-Party Logistics

[1] *Acquired June 30, 2021.*

A more detailed description of the Business Units is set forth in the Annual Information Form, which is dated February 10, 2021 and is available on SEDAR at www.sedar.com, our website at www.mullen-group.com or upon request, free of charge, from the Corporate Investor Services group at ir@mullen-group.com.

Capital Allocations

Acquisitions

The acquisitions set forth below have been accounted for by the acquisition method and the financial results of operations have been included in the accompanying Interim Financial Statements from the date of acquisition.

2021

Bandstra Transportation Systems Ltd./Babine Truck & Equipment Ltd. – On April 16, 2021, we acquired all of the issued and outstanding shares of Bandstra Transportation Systems Ltd. ("**Bandstra**") and Babine Truck & Equipment Ltd. ("**Babine"**) for total cash consideration of $76.4 million. Bandstra is a privately held company headquartered in Smithers, British Columbia and provides a wide range of transportation and logistics services to communities in northern British Columbia including truckload, general freight, LTL and specialized hauling services. Customers are serviced through a network of three leased and eight owned facilities, all of which are included in the acquisition. They operate a fleet of approximately 180 power units, 360 trailers and 70 pieces of support equipment. Babine is an Original Equipment Manufacturer ("**OEM**") dealership providing sales of OEM trucks and trailers and also provides parts, service and maintenance work from three locations in British Columbia supporting the natural resources, energy and transportation industries. We acquired Bandstra and Babine as part of our strategy to invest in the transportation sector. The financial results of Bandstra are included within the Logistics & Warehousing segment while Babine's financial results are included within the Specialized & Industrial Services segment.

Tri Point Intermodal Services Inc. – On June 1, 2021, we acquired all of the issued and outstanding shares of Tri Point Intermodal Services Inc. and Trillium Drayage Services Inc. (collectively, "**Tri Point**") for total cash consideration of $8.8 million. Tri Point is based out of Mississauga, Ontario and mainly provides intermodal transportation and storage services to and from the Greater Toronto Area. We acquired Tri Point as part of our strategy to invest in the transportation sector in eastern Canada. The financial results of Tri Point's operations are included in the Logistics & Warehousing segment.

APPS Transport Group Inc. – On June 24, 2021, we acquired all of the issued and outstanding shares of APPS Transport Group Inc. including its operating businesses APPS Cartage Inc. and APPS Cargo Terminals Inc. (collectively, "**APPS**") for total consideration of $75.9 million consisting of $66.4 million of cash consideration and from the issuance of 750,000 Common Shares of Mullen Group. APPS, based in Mississauga, Ontario with operations in western Canada, provides LTL, truckload and intermodal along with warehousing services. Through a combination of company trucks, independent owner operators, and interline partners, APPS and its dedicated group of 300 plus employees, service the commercial supply; food and beverage; and retail and consumer sectors which supports the business-to-business along with the business-to-consumer e-commerce space. We acquired APPS as part of our strategy to invest in the transportation sector in Canada. The financial results of APPS' operations are included in the Less-Than-Truckload segment.

QuadExpress – On June 30, 2021, we acquired all the assets and business of QuadExpress ("**QuadExpress**") from Quad Logistics Services, LLC, an indirect subsidiary of Quad/Graphics, Inc., ("**Quad**") for total cash consideration of $49.6 million. We recorded $49.6 million of cash used to acquire the assets and business of QuadExpress in our condensed consolidated statement of cash flows. QuadExpress was rebranded as HAUListic LLC ("**HAUListic**") and provides 3PL, logistics, technology, delivery and freight transportation services to its customers throughout the United States and internationally, by utilizing its proprietary transportation management platform known as SilverExpress, through an expansive agency network. HAUListic operates out of Naperville, Illinois. We acquired the assets and business of HAUListic as part of our strategy to grow and expand our service offerings into the United States and internationally. The financial results of HAUListic's operations are included in the U.S. & International Logistics segment.

R.S. Harris Transport Ltd. – On July 1, 2021, we acquired all of the issued and outstanding shares of R.S. Harris Transport Ltd. ("**Harris**") for total cash consideration of $11.4 million, subject to a working capital adjustment. Harris is a privately held company headquartered in Winnipeg, Manitoba and provides a wide range of transportation and logistics services including intermodal, truckload and general freight services. The acquisition of Harris aligns with our strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of Harris will be included within the Less-Than-Truckload segment. Harris will be managed by Gardewine Group Limited Partnership ("**Gardewine**") and combined with Gardewine effective January 1, 2022.

2020

Pacific Coast Express Limited – On August 1, 2018, we acquired 40.0 percent of the issued and outstanding shares of Pacific Coast Express Limited ("**PCX**") for $2.0 million. We used the equity method to account for this investment and recognized $1.6 million of earnings from August 1, 2018 until September 1, 2020. On September 1, 2020, we acquired all of the remaining issued and outstanding shares of PCX including two of PCX's operating facilities, one in Calgary, Alberta and one in Winnipeg, Manitoba for cash consideration of $14.4 million. We recorded $14.4 million of cash used to acquire PCX in our condensed consolidated statement of cash flows, which consists of $14.2 million of cash consideration paid on closing and $0.2 million of bank indebtedness acquired. The fair value of PCX was $18.4 million on the date control was obtained resulting in a $0.4 million gain on this equity investment being recognized within other (income) expense on the condensed consolidated statement of income. PCX is based out of the Lower Mainland of British Columbia and provides expedited handling of international LTL and truckload shipments to and from western Canada, the western United States and Mexico, along with shipments between multiple points in western Canada. PCX operates an owner operator and logistics model from four locations with its head office in Surrey, British Columbia, along with operating terminals in Edmonton and Calgary, Alberta and Winnipeg, Manitoba. We acquired PCX as part of our strategy to invest in the transportation sector in western Canada. The financial results of PCX's operations are included in the Less-Than-Truckload segment.

International Warehousing & Distribution Inc. – In October 2020, we announced an agreement to acquire all of the issued and outstanding shares of International Warehousing & Distribution Inc. ("**IWD**") for total cash consideration of $5.7 million. IWD is based out of Mississauga, Ontario and provides sufferance warehousing and distribution services in Ontario. We acquired IWD as part of our strategy to invest in the warehousing and transportation sector in eastern Canada. The acquisition of IWD expands our service offering to the greater Toronto, Ontario market. The financial results of IWD's operations are included in the Logistics & Warehousing segment.

Normal Course Issuer Bid

On March 3, 2021, we announced that we received approval from the TSX for the renewal of our normal course issuer bid ("**NCIB**"), commencing March 9, 2021, to purchase for cancellation up to 7,928,623 Common Shares in the open market on or before March 8, 2022. As at September 30, 2021, we had repurchased and cancelled 2,267,248 Common Shares for $29.4 million under this NCIB program. All purchases were made in accordance with the NCIB at prevalent market prices as permitted by the TSX. The NCIB can be cancelled at the discretion of the Corporation at any time. At September 30, 2021, the Corporation had 95,334,799 Common Shares issued and outstanding. In 2020 we completed our previous NCIB that began on March 9, 2020 and expired on March 8, 2021, by repurchasing the maximum allowable number of 7,972,926 Common Shares under the program for a total of $53.4 million, representing an average price of $6.70 per Common Share. Early in 2020, we announced a plan to allocate $100.0 million over the course of three years to repurchase Common Shares of Mullen Group via an authorized share buyback program.

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

The Corporation entered into 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 periods, insider trading rules or otherwise. The funding for the purchase of Common Shares under the NCIB is financed out of the working capital of the Corporation. The ASPP can be cancelled at the discretion of the Corporation at any time.

Dividends

On December 9, 2020, we announced our intention to pay annual dividends of $0.48 per Common Share ($0.04 per Common Share on a monthly basis) for 2021. For the nine month period ending September 30, 2021, we declared monthly dividends totalling $0.36 per Common Share (2020 – $0.24 per Common Share). At September 30, 2021, we had 95,334,799 Common Shares outstanding and a dividend payable of $3.8 million (December 31, 2020 – $2.9 million).

We also declared a dividend of $0.04 per Common Share on October 20, 2021, to the holders of record at the close of business on October 31, 2021. The Board will continue to consider the amount of and the record date for the monthly dividend.

Capital Expenditures

On December 9, 2020, the Board approved a capital budget of $60.0 million for 2021, exclusive of corporate acquisitions or investment in facilities, land and buildings, with $50.0 million allocated towards maintenance capital primarily to replace trucks, trailers, specialized equipment and technology to support the operations of the business. In addition, we will allocate $10.0 million to fund growth and create jobs in Canada. In 2020, the federal government implemented the CEWS program. These funds are currently being directed to create opportunities and employment for Canadians.

In the first nine months of 2021, gross capital expenditures on a pre-consolidated basis were $38.4 million as compared to $39.5 million in 2020. These capital expenditures were comprised of $18.5 million in the Less-Than-Truckload segment (2020 – $14.7 million), $9.2 million in the Logistics & Warehousing segment (2020 – $7.2 million), $9.0 million in the Specialized & Industrial Services segment (2020 – $10.1 million), nil in the U.S. & International Logistics segment (2020 – nil) and $1.7 million in the Corporate Office (2020 – $7.5 million). The $1.1 million decrease in gross capital expenditures was mainly due to the delay in new equipment arriving, which has resulted from the impact of COVID-19 and the corresponding plant shutdowns and disruptions in the supply chain. Gross dispositions on a pre-consolidated basis were $18.2 million in 2021 as compared to $7.8 million in 2020. These gross dispositions were comprised of $1.4 million in the Less-Than-Truckload segment (2020 – $0.5 million), $1.6 million in the Logistics & Warehousing segment (2020 – $1.0 million), $6.2 million in the Specialized & Industrial Services segment (2020 – $4.0 million), nil in the U.S. & International Logistics segment (2020 – nil) and $9.0 million in the Corporate Office (2020 – $2.3 million). The majority of the dispositions within the Corporate Office related to redundant real estate holdings while the dispositions within the Specialized & Industrial Services segment were mostly related to the sale of older less efficient operating equipment.

Convertible Debentures

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

Each $1,000 Debenture is convertible into 71.4286 Common Shares of Mullen Group (such is based on a conversion price of $14.00) at any time at the option of the holders of the Debentures. Thus, an aggregate of approximately 8.9 million Common Shares of Mullen Group may be issued if all the holders convert their principal amount. The proceeds of the offering was used for general corporate purposes, including acquisitions. As subordinated debt, the accounting value assigned to the Debentures including any related interest expense is excluded from our financial covenant calculations under our Private Placement Debt (as hereafter defined on page 20).

The Debentures shall not be redeemable by the Corporation prior to November 30, 2023. On or after November 30, 2023 and prior to November 30, 2025, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 40 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption, provided that the arithmetic average of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days prior to the date on which notice of redemption is provided is at least 125.0 percent of the conversion price. On or after November 30, 2025 and prior to the maturity date, the Debentures may be redeemed in whole or in part at the option of the Corporation on not more than 60 days and not less than 40 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest if any, up to but excluding the date set for redemption.

The details of the debt component of the Debentures are as follows:

($ millions)		**September 30, 2021**		**December 31, 2020**	
Year of Maturity	**Interest Rate**	**Face Value**	**Carrying Amount**	**Face Value**	**Carrying Amount**
2026	5.75%	**$ 125.0**	**$ 112.9**	$ 125.0	$ 111.1

Bank Credit Facility

We 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**"). 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. As at September 30, 2021, there was $85.2 million drawn on this facility. This facility does not have any financial covenants, however, we cannot be in default of our Private Placement Debt (as hereafter defined on page 20) and we must be in compliance with certain reporting and general covenants. We are in compliance with all of these reporting and general covenants.

Subsequent Events

DirectIT Group of Companies – On October 1, 2021, we acquired the DirectIT Group of Companies consisting of all of the issued and outstanding shares of West Direct Express Ltd., including certain related companies and tradenames ("**DirectIT**") for total consideration of $15.3 million consisting of $10.0 million of cash consideration, subject to a working capital adjustment and from the issuance of 400,000 Common Shares of Mullen Group. Based in Calgary, Alberta, DirectIT provides courier and small package delivery transportation services within the Calgary regional district. The acquisition of DirectIT aligns with our strategy of acquiring transportation and logistics companies that have a strong regional presence and will support our growth plans in the e-commerce, direct to consumer business as well as ambient deliveries. The financial results of DirectIT will be included within the Less-Than-Truckload segment.

New and Amended Credit Facilities – On October 1, 2021, we entered into the CIBC Credit Facility with Canadian Imperial Bank of Commerce ("**CIBC**"). The CIBC Credit Facility is a $100.0 million revolving demand credit facility to finance the Corporation's general operating requirements including acquisition transactions. Interest on the CIBC Credit Facility is based on either the Canadian bank prime rate plus 0.50 percent or U.S. bank base rate plus 0.50 percent, in each case payable in arrears or banker's acceptance rates plus an acceptance fee of 1.50 percent payable upon acceptance. The CIBC Credit Facility is unsecured although MT has granted an unlimited guarantee of any indebtedness owing on the CIBC Credit Facility.

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

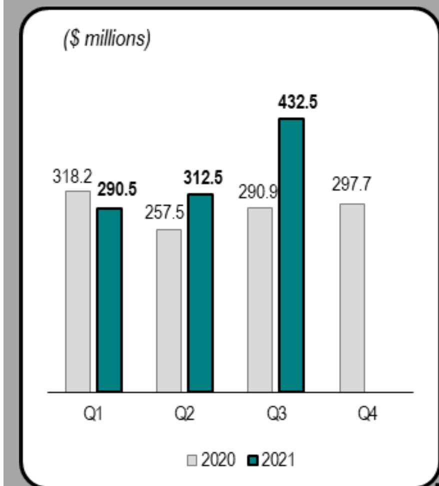
Subsequent to September 30, 2021, until the date of the report, the Corporation repurchased 214,608 Common Shares at a total cost of $2.9 million.

[The remainder of this page intentionally left blank.]

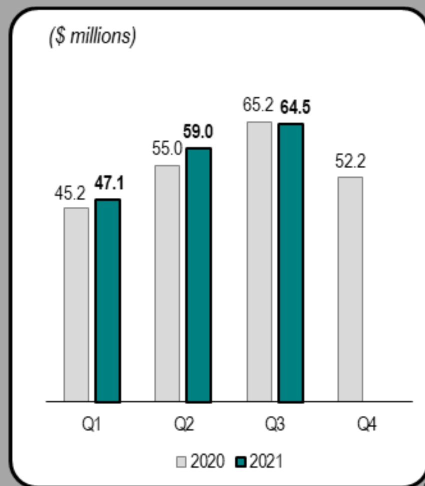
CONSOLIDATED FINANCIAL RESULTS – THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021

Summary – Trailing Seven Quarters

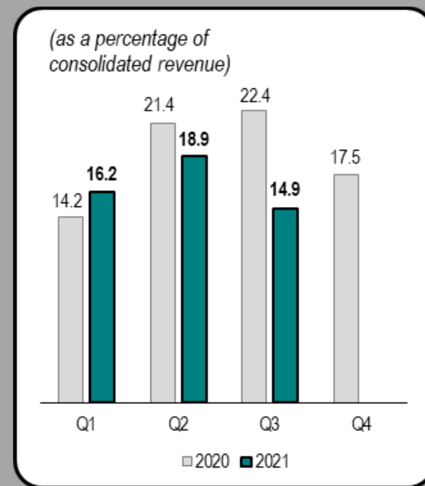
Consolidated Revenue



OIBDA



Operating Margin[1]



Our financial results for the third quarter of 2021 represent the full quarter performance of the five acquisitions announced earlier in the year. Collectively, these acquisitions have had a material impact on our financial performance as well as the overall structure of our business, due to the nature of the businesses acquired and our decision to invest in non-asset based and 3PL businesses. These businesses are predominately focused on transporting consumer goods, which is generally characterized as one of the more stable parts of the economy. As such, margins tend to be lower. With these acquisitions, we are a larger, more diversified company. In addition, we have access to a new customer base and the opportunity to improve operating efficiencies throughout our network.

During the quarter, consolidated revenue increased by a significant $141.6 million, or 48.7 percent, over the same period last year. Acquisitions were the principal reason for the increase, adding increased revenue of $136.5 million. There were, however, other contributing factors, including:

- Consumer spending remained on trend providing a steady flow of goods for our Less-Than-Truckload segment.
- Overall economic activity continued to improve, driving the demand for freight of all kinds to pre-pandemic levels, benefitting our Logistics & Warehousing segment.
- Higher crude oil and natural gas prices became the principal reason for the increase in drilling related activity in western Canada. And while the industry is not back to pre-pandemic levels, the trend towards increased capital investment and drilling by the producers appears to be gaining momentum, a positive for our Business Units involved in oilfield services. Higher fuel costs and fuel surcharge revenues are also correlated to higher crude oil prices.

Offsetting the above positives was a significant drop in major pipeline activity in British Columbia and construction projects in Manitoba, both were impacted by COVID-19 restrictions and delays. While we view these delays as temporary, the impact on our Specialized & Industrial Services segment revenues were significant during the quarter.

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

Operating profitability was generally flat when compared to last year, primarily due to the exceptional performance last year, which had the benefit of $10.3 million associated with CEWS, and $10.0 million related to major pipeline activity in British Columbia and construction projects in Manitoba. Acquisitions and the continued strong performance of our Less-Than-Truckload segment were the principal reason we were able to maintain last year's overall profitability, however, margins did decline due to the mix of business, the reduction in CEWS and the loss of higher margin pipeline related business. Excluding the benefits of CEWS, OIBDA increased by a healthy 17.3 percent.

Operating profitability was also negatively impacted by rising costs and a decrease in productivity, which we attribute to COVID-19 restrictions and protocols. A portion of these expenses were recovered through general price increases but thus far in 2021 the pricing increases have lagged the rise in costs, a negative to our operating profitability.

Revenue

*Revenue is generated by the Corporation through its Business Units. These Business Units are divided into four operating segments: Less-Than-Truckload, Logistics & Warehousing, Specialized & Industrial Services and U.S. & International Logistics. The Business Units utilize a combination of company assets that are either owned by the Business Unit or leased ("**Company Equipment**"), 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**").*

Q3 Consolidated Revenue by Segment ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Less-Than-Truckload	**169.1**	**39.0**	112.7	38.7	56.4	50.0
Logistics & Warehousing	**121.9**	**28.1**	86.2	29.6	35.7	41.4
Specialized & Industrial Services	**85.7**	**19.8**	92.4	31.7	(6.7)	(7.3)
U.S. & International Logistics	**57.0**	**13.1**	—	—	57.0	—
Corporate and intersegment eliminations	**(1.2)**	**—**	(0.4)	—	(0.8)	—
Total	**432.5**	**100.0**	290.9	100.0	141.6	48.7

**as a percentage of pre-consolidated revenue*

Consolidated revenue in the third quarter increased by $141.6 million, or 48.7 percent, improving to $432.5 million as compared to $290.9 million in 2020. Acquisitions were the primary contributor to revenue growth adding incremental revenue of $136.5 million, including $57.0 million associated with our new reporting segment, U.S. & International Logistics. The remaining $5.1 million increase relates to revenue generated from Business Units owned for over one year. Consumer demand remained strong, the major reason freight shipments in both our Less-Than-Truckload and Logistics & Warehousing segments grew year over year. Offsetting these increases were declines in our Specialized & Industrial Services segment, primarily due to a dip in pipeline activity and civil construction projects.

Broken down by segment, revenue in our Less-Than-Truckload segment grew by $56.4 million including $47.9 million of revenue generated by our recent acquisitions. Adjusted for acquisitions and fluctuations in fuel surcharge revenue, this segment grew by 3.7 percent due to the continued strength in consumer spending. Revenue in the Logistics & Warehousing segment grew by $35.7 million including $28.3 million generated by our recent acquisitions in this segment. Excluding the effects of our acquisitions and fuel surcharge fluctuations, this segment grew by 5.6 percent. Our Specialized & Industrial Services segment revenue decreased by 7.3 percent, or $6.7 million, due to the delays in pipeline and civil construction activity. The new U.S. & International Logistics segment added a further $57.0 million of revenue. Consolidated fuel surcharge revenue was $32.9 million as compared to $14.9 million in 2020 with acquisitions contributing $9.5 million of incremental fuel surcharge revenue and the remaining $8.5 million of increased fuel surcharge revenue being attributable to higher diesel fuel prices.

Q3 Consolidated Revenue *(unaudited)* *($ millions)*	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**285.2**	**65.9**	219.1	75.3	66.1	30.2
Contractors	**145.2**	**33.6**	70.7	24.3	74.5	105.4
Other	**2.1**	**0.5**	1.1	0.4	1.0	90.9
Total	**432.5**	**100.0**	290.9	100.0	141.6	48.7

Revenue generated by Company Equipment increased by $66.1 million, or 30.2 percent, to $285.2 million as compared to $219.1 million in 2020 and represented 65.9 percent of consolidated revenue in the current period as compared to 75.3 percent in 2020. Revenue related to Contractors increased by $74.5 million, or 105.4 percent, to $145.2 million as compared to $70.7 million in 2020 and represented 33.6 percent of consolidated revenue in the current period as compared to 24.3 percent in 2020, largely due to the effect of our U.S. & International Logistics segment that added $57.0 million of revenue related to Contractors.

Direct Operating Expenses

*Direct operating expenses ("**DOE**") include two main categories of expenses. The first category of DOE relates to the direct costs incurred to operate and maintain Company Equipment. The major DOE associated with operating Company Equipment are wages, (which was offset by CEWS), fuel, repairs and maintenance, purchased transportation and operating supplies. The other expenses included under DOE – Company mainly consist of short-term or low value leases, equipment rent, insurance and licensing costs. The second category of DOE are the costs incurred to hire Contractors, whether owner operators or subcontractors.*

Q3 Consolidated Direct Operating Expenses *(unaudited)* *($ millions)*	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**68.6**	**24.0**	59.3	27.1	9.3	15.7
CEWS	**(0.1)**	**—**	(8.0)	(3.7)	7.9	(98.8)
Fuel	**22.3**	**7.8**	15.2	6.9	7.1	46.7
Repairs and maintenance	**30.6**	**10.7**	26.1	11.9	4.5	17.2
Purchased transportation	**53.5**	**18.8**	22.2	10.1	31.3	141.0
Operating supplies	**15.2**	**5.3**	15.8	7.2	(0.6)	(3.8)
Other	**8.1**	**2.9**	6.4	3.0	1.7	26.6
	198.2	**69.5**	137.0	62.5	61.2	44.7
Contractors	**117.1**	**80.6**	53.7	76.0	63.4	118.1
Total	**315.3**	**72.9**	190.7	65.6	124.6	65.3

**as a percentage of respective Consolidated revenue*

DOE were $315.3 million in the third quarter as compared to $190.7 million in 2020. This increase of $124.6 million, or 65.3 percent was generally in line with the $141.6 million increase in consolidated revenue.

DOE associated with Company Equipment increased to $198.2 million as compared to $137.0 million in 2020. This increase of $61.2 million, or 44.7 percent, was attributable to the $66.1 million, or 30.2 percent, increase in Company revenue that occurred during the quarter, mainly as a result of acquisitions. As a percentage of Company revenue these expenses increased by 7.0 percent to 69.5 percent as compared to 62.5 percent in 2020, due to increased purchased transportation, higher fuel expenses as well as the reduction in CEWS. CEWS in the current period accounted for a $0.1 million reduction in expenses in 2021 as compared to an $8.0 million reduction in 2020. Excluding CEWS, as a percentage of Company revenue these expenses increased by 3.3 percent to 69.5 percent as compared to 66.2 percent in 2020, due to an increase in purchased transportation and fuel expenses.

Contractors expense in the third quarter increased to $117.1 million as compared to $53.7 million in 2020. This $63.4 million increase was generally in line with the $74.5 million rise in Contractors revenue. As a percentage of revenue, Contractors expense increased by 4.6 percent to 80.6 percent as compared to 76.0 percent in 2020, primarily due to the addition of the U.S. & International Logistics segment to our company in the quarter. Excluding the U.S. & International Logistics segment results, Contractors expense as a percentage of related revenue decreased by 1.7 percent to 74.3 percent in 2021 as compared to 76.0 percent in 2020 due to improved margins in all of our other operating segments.

Selling and Administrative Expenses

*Selling and administrative ("**S&A**") expenses include salaries (which was offset by CEWS), employee profit share and other administrative expenses incurred to support the operations of Mullen Group and its Business Units.*

Q3 Consolidated Selling and Administrative Expenses

(unaudited) ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**32.5**	**7.5**	22.0	7.6	10.5	47.7
CEWS	**—**	**—**	(2.3)	(0.8)	2.3	(100.0)
Communications, utilities and general supplies	**13.0**	**3.0**	9.5	3.3	3.5	36.8
Profit share(1)	**3.6**	**0.8**	3.6	1.2	—	—
Foreign exchange	**0.1**	**—**	0.5	0.2	(0.4)	(80.0)
Stock-based compensation	**0.1**	**—**	0.3	0.1	(0.2)	(66.7)
Rent and other	**3.4**	**0.9**	1.4	0.4	2.0	142.9
Total	**52.7**	**12.2**	35.0	12.0	17.7	50.6

as a percentage of total Consolidated revenue

(1) The profit share calculation excludes any benefits received from the CEWS program.

S&A expenses for the period increased by $17.7 million to $52.7 million as compared to $35.0 million in 2020, largely due to the $13.9 million of incremental S&A expenses associated with acquisitions and the $2.3 million reduction in CEWS being somewhat offset by the $0.4 million positive variance on foreign exchange. Excluding the effects of CEWS and foreign exchange, S&A expenses were reduced as a percentage of revenue to 12.2 percent as compared to 12.7 percent in 2020.

Operating Income Before Depreciation and Amortization

*Operating income before depreciation and amortization ("**OIBDA**") is net income before depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, finance costs, net foreign exchange gains and losses, other (income) expense and income taxes.*

Adjusted OIBDA[1] is a Non-GAAP term and is defined as OIBDA excluding CEWS. Management relies on Adjusted OIBDA[1] as a measurement since it provides an indication of our ability to generate OIBDA without CEWS. "Adjusted operating margin"[1] is a Non-GAAP term and is defined as Adjusted OIBDA[1] divided by revenue. Management relies on adjusted operating margin[1] as a measurement since it provides an indication of our ability to generate an appropriate return without CEWS.

Q3 Consolidated Operating Income Before Depreciation and Amortization

(unaudited) ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Less-Than-Truckload	**26.9**	**41.7**	22.4	34.4	4.5	20.1
Logistics & Warehousing	**22.7**	**35.2**	17.7	27.1	5.0	28.2
Specialized & Industrial Services	**15.7**	**24.3**	27.5	42.2	(11.8)	(42.9)
U.S. & International Logistics	**2.9**	**4.5**	—	—	2.9	—
Corporate	**(3.7)**	**(5.7)**	(2.4)	(3.7)	(1.3)	54.2
Total	**64.5**	**100.0**	65.2	100.0	(0.7)	(1.1)

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

OIBDA for the period was $64.5 million, or 14.9 percent of revenue, as compared to $65.2 million, or 22.4 percent, in 2020. The decline of $0.7 million was comprised of the following:

- a $4.5 million increase in the Less-Than-Truckload segment;
- a $5.0 million increase in the Logistics & Warehousing segment;
- an $11.8 million decrease in the Specialized & Industrial Services segment;
- the addition of $2.9 million from the U.S. & International Logistics segment; and
- a $1.3 million increase in Corporate costs.

Operating margin[1] decreased by 7.5 percent to 14.9 percent as compared to 22.4 percent in 2020, largely due to the following five factors:

- a $10.2 million reduction in CEWS, which had a 3.5 percent positive impact on margins in 2020;
- a change in business mix associated with our new acquisitions;
- an $11.8 million decrease of OIBDA in the Specialized & Industrial Services segment, the majority of which related to higher margin pipeline hauling and stringing activity;
- the detrimental impact on operating margins associated with an $8.5 million increase in fuel surcharge revenue that resulted in a corresponding increase in expense; and
- a $1.3 million increase in Corporate costs.

Our new asset light U.S. & International Logistics segment generated revenue, OIBDA and operating margin[1] of $57.0 million, $2.9 million and 5.1 percent, respectively. Without this segment's lower operating margin[1], consolidated operating margin[1] would have been 16.4 percent as compared to the reported 14.9 percent.

Q3 Consolidated Adjusted Operating Income Before Depreciation and Amortization[(1)]

(unaudited) ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Less-Than-Truckload	**26.9**	**41.8**	20.7	37.7	6.2	30.0
Logistics & Warehousing	**22.7**	**35.2**	15.4	28.1	7.3	47.4
Specialized & Industrial Services	**15.6**	**24.2**	21.2	38.6	(5.6)	(26.4)
U.S. & International Logistics	**2.9**	**4.5**	—	—	2.9	—
Corporate	**(3.7)**	**(5.7)**	(2.4)	(4.4)	(1.3)	54.2
Total	**64.4**	**100.0**	54.9	100.0	9.5	17.3

[(1)] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP and Additional GAAP Terms".

Adjusted OIBDA[1] for the period was $64.4 million, or 14.9 percent of revenue, as compared to $54.9 million, or 18.9 percent, in 2020. The increase of $9.5 million was mainly due to $15.7 million of incremental OIBDA generated by acquisitions. The change in Adjusted OIBDA[1] by operating segment was as follows:

- a $6.2 million increase in the Less-Than-Truckload segment due to $6.8 million of incremental OIBDA from acquisitions being somewhat offset by higher purchased transportation costs;
- a $7.3 million increase in the Logistics & Warehousing segment due to $5.7 million of incremental OIBDA from acquisitions and improved performance by most Business Units being somewhat offset by higher fuel and transportation costs;

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

- a $5.6 million decrease in the Specialized & Industrial Services segment, primarily due to the reduction in OIBDA generated by Premay Pipeline being somewhat offset by $0.3 million of incremental OIBDA from acquisitions;
- added $2.9 million from the U.S. & International Logistics segment; and
- a $1.3 million increase in Corporate costs.

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $18.4 million in the third quarter as compared to $18.2 million in 2020. The increase of $0.2 million was mainly attributable to a greater amount of depreciation being recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment and in the U.S. & International Logistics segment, which was somewhat offset by a lower amount of depreciation being recognized in the Specialized & Industrial Services segment. Depreciation in the Corporate Office remained consistent on a year over year basis. Depreciation in the Less-Than-Truckload segment increased by $0.8 million due to acquisitions and from a greater amount of capital expenditures being made within this segment. Depreciation increased by $0.6 million and $0.5 million in the Logistics & Warehousing segment and in the U.S. & International Logistics segments, respectively. These increases were due to our most recent acquisitions. Depreciation in the Specialized & Industrial Services segment decreased by $1.7 million and was mainly due to the lower amount of capital expenditures made within this segment, the sale of older assets by certain Business Units and from the Corporation's declining balance method of depreciation.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets was $5.9 million in the third quarter of 2021 as compared to $2.8 million in 2020. The majority of our right-of-use assets consists of real property leases within the Less-Than-Truckload segment and the Logistics & Warehousing segment. This increase of $3.1 million was mainly attributable to a greater amount of right-of-use assets in the Less-Than-Truckload (up $2.3 million), the Logistics & Warehousing (up $0.6 million) and in the U.S. & International Logistics (up $0.2 million) segments. These increases were all mainly due to the leases acquired in our recent acquisitions. Depreciation in the Specialized & Industrial Services segment remained consistent on a year over year basis.

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 their estimated life from the date of acquisition. Amortization of intangible assets was $9.0 million in the third quarter as compared to $4.4 million in 2020. This increase of $4.6 million mainly resulted from the additional amortization recorded on the intangible assets acquired on our recent acquisitions being somewhat offset by certain intangible assets becoming fully amortized.

Finance Costs

Finance costs consist of:

- Interest expense on financial liabilities, including:
  - U.S. $117.0 million of Series G Notes, U.S. $112.0 million of Series H Notes, $30.0 million of Series I Notes, $3.0 million of Series J Notes, $58.0 million of Series K Notes and $80.0 million of Series L Notes (collectively, the "**Private Placement Debt**");
  - the Debentures that were issued in June 2019;
  - lease liabilities; and
  - borrowings on the RBC Credit Facility.
- Less any interest income generated from the debentures issued to our equity investees and from cash and cash equivalents.

Finance costs were $8.2 million in the third quarter as compared to $6.8 million in 2020. The increase of $1.4 million was mainly attributable to interest expense being recorded on borrowings from the RBC Credit Facility, a greater amount of interest expense being recorded on our U.S. dollar debt as a result of the change in the value of the Canadian dollar relative to the U.S. dollar and from a reduction in interest income being generated from cash and cash equivalents.

Net Foreign Exchange (Gain) Loss

We recognize foreign exchange gains or losses at the end of each reporting period related to our U.S. dollar debt and from our two cross-currency swap contracts. In 2014 we entered into two cross-currency swap contracts to swap the principal portion of the Series G (U.S. $117.0 million) and Series H (U.S. $112.0 million) Notes (collectively, the "**Cross-Currency Swaps**") into Canadian dollars at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. These swap contracts were entered into as a method of hedging the U.S. debt notes against any declines in the Canadian dollar vis-à-vis the U.S. dollar.

The net foreign exchange gain was $0.2 million in the third quarter of 2021 as compared to a net foreign exchange gain of $0.1 million in 2020. The net foreign exchange gain of $0.2 million in 2021 resulted even though the principal portion of all our U.S. $229.0 million debt is hedged by our Cross-Currency Swaps. This gain is due to how our U.S. dollar debt and our Cross-Currency Swaps are valued for accounting purposes. Our U.S. dollar debt is valued at the end of each quarter using the closing exchange rate between the Canadian dollar vis-à-vis the U.S. dollar (the "**Spot Rate**"). In addition to the Spot Rate, our Cross-Currency Swaps are valued using a discounted value from maturity of the forward rate, which is influenced by changes in interest rate differentials between Canada and the United States. As the Cross-Currency Swaps get closer to maturity, their accounting value should more closely correlate to the value of our U.S. dollar debt. The variance of $0.1 million was mainly attributable to the change in the value of the Canadian dollar relative to the U.S. dollar. The details of the net foreign exchange gain are as follows:

Net Foreign Exchange (Gain) Loss	**Three month periods ended September 30**	
	CDN. $ Equivalent	
(unaudited) ***($ millions)***	**2021**	**2020**
Foreign exchange loss (gain) on U.S. $ debt	**8.0**	(6.7)
Foreign exchange (gain) loss on Cross-Currency Swaps	**(8.2)**	6.6
Net foreign exchange (gain) loss	**(0.2)**	(0.1)

Foreign Exchange Loss (Gain) on U.S. $ Debt

We recorded a foreign exchange loss of $8.0 million related to our U.S. dollar debt due to the $0.0347 weakening of the Canadian dollar relative to the U.S. dollar during the third quarter of 2021. For the same period in 2020, we recorded a foreign exchange gain of $6.7 million due to the strengthening of the Canadian dollar relative to the U.S. dollar. The details of the foreign exchange loss (gain) on the U.S. dollar debt are summarized in the following table:

Foreign Exchange Loss (Gain) on U.S. $ Debt	**Three month periods ended September 30**					
	2021			**2020**		
(unaudited) ***($ millions, except exchange rate amounts)***	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – September 30	**229.0**	**1.2741**	**291.8**	229.0	1.3339	305.5
Beginning – June 30	**229.0**	**1.2394**	**283.8**	229.0	1.3628	312.2
Foreign exchange loss (gain) on U.S. $ debt			**8.0**			(6.7)

Foreign Exchange (Gain) Loss on Cross-Currency Swaps

On July 25, 2014, we entered into two Cross-Currency Swaps with a Canadian bank to swap U.S. $117.0 million and U.S. $112.0 million into Canadian currency at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. The Cross-Currency Swaps convert the repayment of the principal portion of the Series G and Series H Notes into a Canadian currency equivalent of $129.2 million and $124.9 million, respectively. We record the foreign exchange gain or loss relating to these Cross-Currency Swaps within net foreign exchange (gain) loss on the condensed consolidated statement of income, which is consistent with its underlying nature and purpose. The carrying value of these Cross-Currency Swaps are recorded within derivative financial instruments ("**Derivatives**") in the condensed consolidated statement of financial position.

We recorded a foreign exchange gain on Cross-Currency Swaps of $8.2 million in the third quarter of 2021 as compared to a $6.6 million loss in 2020. 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 September 30**			
	2021		**2020**	
(unaudited) ***($ millions)***	**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	**117.0**	**(4.2)**	117.0	3.5
Cross-Currency Swap maturing October 22, 2026	**112.0**	**(4.0)**	112.0	3.1
Foreign exchange (gain) loss on Cross-Currency Swaps		**(8.2)**		6.6

Other (Income) Expense

Other (income) expense consists of the change in fair value of investments, the gain or loss on sale of the Corporation's assets including property, plant and equipment, earnings from equity investments and the gain on fair value of equity investment. Other income in the third quarter was $0.5 million, a $1.4 million negative variance as compared to the $1.9 million of other income recorded in 2020. The $1.4 million negative variance was due to the factors set forth below:

<u>Change in Fair Value of Investments (negative variance of $0.2 million)</u>. We periodically invest in certain public corporations. We recorded a decrease in the fair value of investments of $0.3 million in the third quarter as compared to a $0.1 million decrease in 2020. There were no investments purchased or sold in either the third quarter of 2021 or 2020.

<u>Gain on Sale of Property, Plant and Equipment (negative variance of $0.7 million)</u>. We recognized a gain of $0.2 million on sale of property, plant and equipment on total consolidated proceeds on sale of $7.9 million in the third quarter as compared to a $0.9 million gain on sale of property, plant and equipment on total consolidated proceeds on sale of $2.6 million in 2020. The $0.2 million gain on sale of property, plant and equipment in 2021 mainly resulted from the sale of older equipment in the Specialized & Industrial Services segment. The $0.9 million gain on sale of property, plant and equipment in 2020 mainly resulted from the sale of redundant real property within the Corporate Office.

Earnings from Equity Investments (negative variance of $0.1 million). We recognized $0.6 million of earnings from equity investments in the third quarter as compared to earnings of $0.7 million in 2020. We use the equity method to account for investments in which we obtain significant influence or joint control over the investee and we recognize earnings from these equity investments from the date thereof. There were no equity investments purchased or sold in either the third quarter of 2021 or 2020. The following table details our equity investments and the date from which we commenced recording earnings from them.

Equity Investment	**Date of Significant Influence or Joint Control Obtained**
Canol Oilfield Services Inc.	January 1, 2013
Kriska Transportation Group Limited	December 1, 2014
Cordova Oilfield Services Ltd.	April 17, 2015
Butler Ridge Energy Services (2011) Ltd.	July 1, 2015
Thrive Management Group Ltd.	September 27, 2017

Gain on Fair Value of Equity Investment (negative variance of $0.4 million). We acquired control of PCX through a series of transactions. On August 1, 2018, we acquired 40.0 percent of the issued and outstanding shares of PCX for $2.0 million and then recognized $1.6 million of earnings from this equity investment until September 1, 2020, the date we obtained control. We acquired all the remaining issued and outstanding shares of PCX for cash consideration of $14.4 million. The fair value of PCX was $18.4 million on the date control was obtained resulting in a $0.4 million gain on this equity investment in 2020.

Income Taxes

(unaudited) ***($ millions)***	**Three month periods ended September 30**			
		2021		**2020**
Income before income taxes	**$**	**23.7**	$	35.0
Combined statutory tax rate		**25%**		26%
Expected income tax		**5.9**		9.1
Add (deduct):				
Non-deductible (taxable) portion of the change in fair value of investments		**—**		(0.1)
Changes in unrecognized deferred tax asset		**(0.2)**		—
Other		**0.5**		(0.2)
Income tax expense	**$**	**6.2**	$	8.8

Income tax expense was $6.2 million in the third quarter of 2021 as compared to $8.8 million in 2020. The decrease of $2.6 million was mainly attributable to lower income being generated in the third quarter of 2021 as compared to the same period in 2020.

Net Income

(unaudited) *($ millions, except share and per share amounts)*	Three month periods ended September 30				
		2021		**2020**	**% Change**
Net income	**$**	**17.5**	$	26.2	(33.2)
Weighted average number of Common Shares outstanding		**95,820,732**		98,507,667	(2.7)
Earnings per share – basic	**$**	**0.18**	$	0.27	(33.3)

Net income decreased to $17.5 million in the third quarter of 2021 as compared to $26.2 million in 2020. The factors contributing to the decrease in net income include:

- a $4.6 million increase in amortization of intangible assets;
- a $3.1 million increase in depreciation of right-of-use assets;
- a $1.4 million increase in finance costs;
- a $0.7 million decrease in the gain on sale of property, plant and equipment;
- a $0.7 million decrease in OIBDA;
- a $0.4 million gain on fair value of equity investment in 2020;
- a $0.2 million increase in depreciation of property, plant and equipment;
- a $0.2 million negative variance in the fair value of investments; and
- a $0.1 million decrease in earnings from equity investments.

These factors were somewhat offset by the following factors that increased net income:

- a $2.6 million decrease in income tax expense; and
- a $0.1 million positive variance in net foreign exchange.

Basic earnings per share decreased to $0.18 in 2021 as compared to $0.27 in 2020. This decrease resulted from the effect of the $8.7 million decrease in net income. The weighted average number of Common Shares outstanding decreased from 98,507,667 to 95,820,732 which was due to the repurchase and cancellation of Common Shares under the NCIB being partially offset by the issuance of 750,000 Common Shares on the APPS acquisition.

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 gain on fair value of equity investment. Net income and basic earnings per share have been adjusted to reflect earnings from a strictly operating perspective.

(unaudited) ***($ millions, except share and per share amounts)***	**Three month periods ended September 30**	
	2021	**2020**
Income before income taxes	**$ 23.7**	$ 35.0
Add (deduct):		
Net foreign exchange (gain) loss	**(0.2)**	(0.1)
Change in fair value of investments	**0.3**	0.1
Gain on fair value of equity investment	**—**	(0.4)
Income before income taxes – adjusted	**23.8**	34.6
Income tax rate	**25%**	26%
Computed expected income tax expense	**6.0**	9.0
Net income – adjusted(1)	**17.8**	25.6
Weighted average number of Common Shares outstanding – basic	**95,820,732**	98,507,667
Earnings per share – adjusted(1)	**$ 0.19**	$ 0.26

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

[The remainder of this page intentionally left blank.]

SEGMENTED INFORMATION –
THREE MONTH PERIOD ENDED SEPTEMBER 30, 2021

Three month period ended September 30, 2021 *(unaudited)* *($ millions)*	Less-Than -Truckload	Logistics & Warehousing	Specialized & Industrial Services	U.S. & International Logistics	Corporate and intersegment eliminations	Total
	$	**$**	**$**	**$**	**$**	**$**
Revenue	**169.1**	**121.9**	**85.7**	**57.0**	**(1.2)**	**432.5**
Direct operating expenses	**120.5**	**84.8**	**60.8**	**51.7**	**(2.4)**	**315.4**
Selling and administrative expenses	**21.7**	**14.4**	**9.2**	**2.4**	**4.9**[(1)]	**52.6**
Operating income before depreciation and amortization	**26.9**	**22.7**	**15.7**	**2.9**	**(3.7)**	**64.5**
Net capital expenditures[(2)]	**5.3**	**2.7**	**2.0**	**—**	**(5.5)**	**4.5**

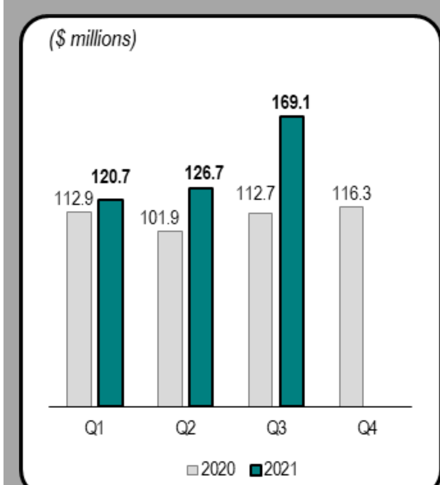
Three month period ended September 30, 2020 *(unaudited)* *($ millions)*	Less-Than -Truckload	Logistics & Warehousing	Specialized & Industrial Services	U.S. & International Logistics	Corporate and intersegment eliminations	Total
	$	$	$	$	$	$
Revenue	112.7	86.2	92.4	—	(0.4)	290.9
Direct operating expenses	75.5	59.5	56.8	—	(1.1)	190.7
Selling and administrative expenses	14.8	9.0	8.1	—	3.1[(3)]	35.0
Operating income before depreciation and amortization	22.4	17.7	27.5	—	(2.4)	65.2
Net capital expenditures[(2)]	6.0	1.6	1.0	—	(1.0)	7.6

[(1)] Includes a $0.6 million foreign exchange loss.
[(2)] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".
[(3)] Includes a $0.4 million foreign exchange loss.

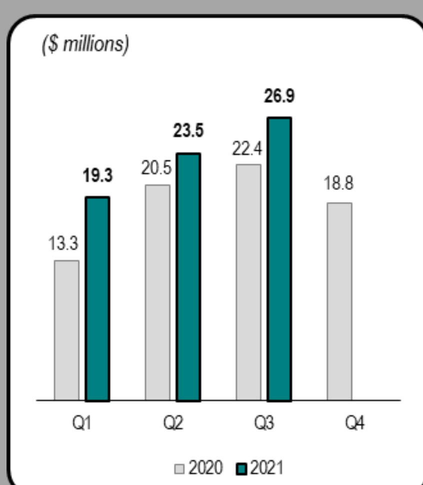
LESS-THAN-TRUCKLOAD SEGMENT

Summary – Trailing Seven Quarters

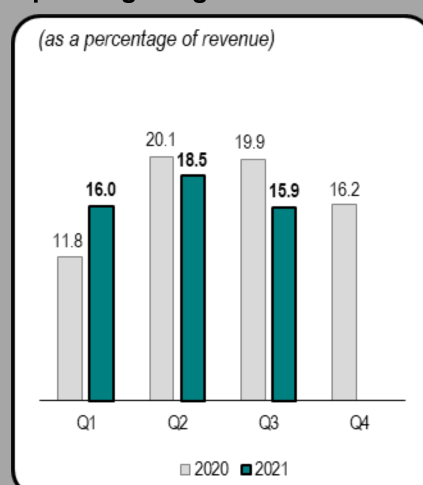
Revenue



OIBDA



Operating Margin[1]



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

Revenue

Q3 Revenue – Less-Than-Truckload *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%	$	%	$	%
Company	**159.3**	**94.2**	108.3	96.1	51.0	47.1
Contractors	**9.3**	**5.5**	4.2	3.7	5.1	121.4
Other	**0.5**	**0.3**	0.2	0.2	0.3	150.0
Total	**169.1**	**100.0**	112.7	100.0	56.4	50.0

Segment revenue increased by $56.4 million, or 50.0 percent, to $169.1 million as compared to $112.7 million in 2020 and represented 39.0 percent of pre-consolidated revenue as compared to 38.7 percent in 2020. The increase in revenue was mainly attributable to the acquisitions of APPS and Harris at the beginning of the quarter as well as the acquisition of PCX on September 1, 2020. In addition, a recovery in the general economy and continued consumer spending had a positive effect on our legacy business. In addition, fuel surcharge revenue increased by $4.9 million. Adjusted for acquisitions and fuel surcharge fluctuations, this segment grew by 3.7 percent year over year. Specific factors affecting segment revenue were:

- a $47.9 million increase in revenue generated from acquisitions;
- a strong performance by Gardewine that grew revenue by approximately $4.0 million; and
- an increase of $4.9 million in fuel surcharge revenue to $15.7 million, from the $10.8 million generated in 2020 resulting from the rise in diesel fuel prices.

Direct Operating Expenses

Q3 Direct Operating Expenses – Less-Than-Truckload *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**36.1**	**22.7**	29.0	26.8	7.1	24.5
CEWS	**—**	**—**	(1.4)	(1.3)	1.4	(100.0)
Fuel	**12.6**	**7.9**	8.7	8.0	3.9	44.8
Repairs and maintenance	**13.4**	**8.4**	11.5	10.6	1.9	16.5
Purchased transportation	**46.1**	**28.9**	20.1	18.6	26.0	129.4
Operating supplies	**2.3**	**1.4**	1.5	1.4	0.8	53.3
Other	**4.1**	**2.6**	3.4	3.1	0.7	20.6
	114.6	**71.9**	72.8	67.2	41.8	57.4
Contractors	**5.9**	**63.4**	2.7	64.3	3.2	118.5
Total	**120.5**	**71.3**	75.5	67.0	45.0	59.6

**as a percentage of respective Less-Than-Truckload revenue*

DOE were $120.5 million as compared to $75.5 million in 2020. The increase of $45.0 million, or 59.6 percent, was directly related to the $56.4 million, or 50.0 percent, increase in segment revenue. As a percentage of revenue these expenses increased by 4.3 percent to 71.3 percent as compared to 67.0 percent in 2020, largely as a result of an increase in purchased transportation expenses and the amount of CEWS received in 2020.

DOE associated with Company Equipment increased by $41.8 million, or 57.4 percent, to $114.6 million as compared to $72.8 million in 2020. This increase was generally in line with the $51.0 million, or 47.1 percent, increase in Company revenue. As a percentage of Company revenue these expenses increased by 4.7 percent to 71.9 percent as compared to 67.2 percent in 2020, primarily due to higher purchased transportation expense as well as $1.4 million in CEWS received in 2020. Due to a reduced availability of qualified subcontractors, purchased transportation expense increased to 28.9 percent as a percentage of revenue as compared to 18.6 percent in 2020.

Contractors expense increased by $3.2 million to $5.9 million as compared to $2.7 million in 2020. This increase was directly related to the $5.1 million increase in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased to 63.4 percent as compared to 64.3 percent in 2020.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – Less-Than-Truckload *(unaudited)* *($ millions)*	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**14.2**	**8.4**	9.4	8.3	4.8	51.1
CEWS	**—**	**—**	(0.3)	(0.2)	0.3	(100.0)
Communications, utilities and general supplies	**5.6**	**3.3**	4.1	3.6	1.5	36.6
Profit share	**1.1**	**0.7**	1.0	0.9	0.1	10.0
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**0.8**	**0.4**	0.6	0.5	0.2	33.3
Total	**21.7**	**12.8**	14.8	13.1	6.9	46.6

**as a percentage of total Less-Than-Truckload revenue*

S&A expenses increased by $6.9 million to $21.7 million as compared to $14.8 million in 2020, primarily due to the $6.3 million of incremental S&A expenses associated with acquisitions being partially offset by cost savings initiatives. S&A expenses as a percentage of segment revenue declined by 0.3 percent to 12.8 percent as compared to 13.1 percent in 2020. This segment received $0.3 million of CEWS in the comparative period.

Operating Income Before Depreciation and Amortization

OIBDA increased by $4.5 million, or 20.1 percent, to $26.9 million as compared to $22.4 million in 2020. Adjusted OIBDA[1] increased by $6.2 million, or 30.0 percent, to $26.9 million as compared to $20.7 million in 2020. This $6.2 million increase was due to acquisitions, which accounted for an increase in OIBDA of $6.8 million somewhat being offset by higher purchased transportation costs. As a percentage of revenue, adjusted operating margin[1] decreased to 15.9 percent as compared to 18.4 percent in 2020, due to lower margin generated by our recent acquisitions. Excluding the effects of our recent acquisitions, adjusted operating margin[1] was 16.6 percent as compared to 18.4 percent in 2020, primarily due to higher purchased transportation costs.

Capital Expenditures

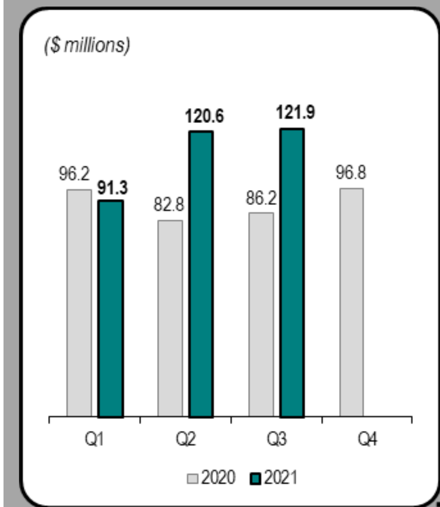
Net capital expenditures[1] were $5.3 million in the third quarter, a decrease of $0.7 million as compared to $6.0 million in 2020. The Less-Than-Truckload segment had gross capital expenditures of $5.7 million and dispositions of $0.4 million for net capital expenditures[1] of $5.3 million in 2021. The majority of the capital invested consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient equipment. In 2020 gross capital expenditures were $6.1 million and dispositions were $0.1 million for net capital expenditures[1] of $6.0 million.

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

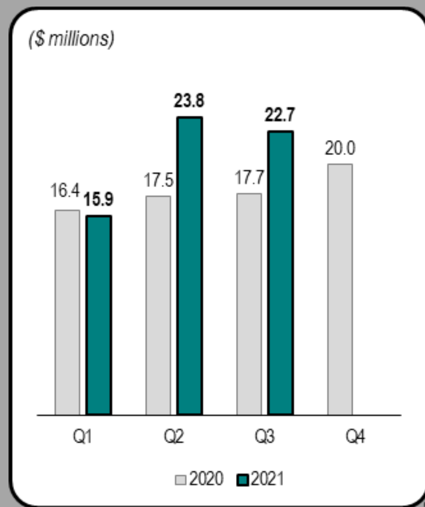
LOGISTICS & WAREHOUSING SEGMENT

Summary – Trailing Seven Quarters

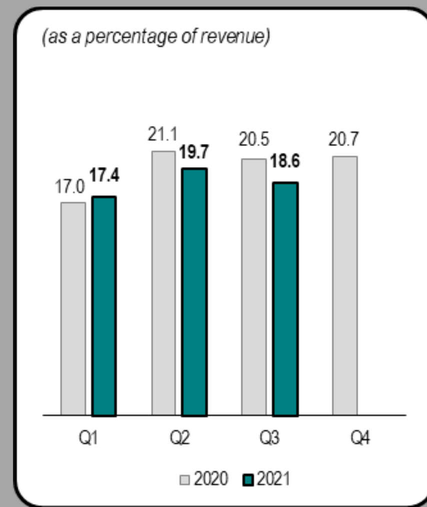
Revenue



OIBDA



Operating Margin[1]



Revenue

Q3 Revenue – Logistics & Warehousing *(unaudited)* *($ millions)*	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**56.8**	**46.6**	32.1	37.2	24.7	76.9
Contractors	**64.7**	**53.1**	53.8	62.4	10.9	20.3
Other	**0.4**	**0.3**	0.3	0.4	0.1	33.3
Total	**121.9**	**100.0**	86.2	100.0	35.7	41.4

Segment revenue rose by $35.7 million, or 41.4 percent, to $121.9 million as compared to $86.2 million in 2020 and represented 28.1 percent of pre-consolidated revenue as compared to 29.6 percent in 2020. The majority of the increase, specifically $28.3 million, was due to acquisitions. Further, fuel surcharge revenue increased by $2.8 million to $6.8 million as compared to $4.0 million in 2020 due to higher diesel fuel prices. Adjusted for fuel surcharge fluctuations and acquisitions, the Logistics & Warehousing segment grew by 5.6 percent year over year.

Revenue related to Company Equipment increased by $24.7 million, or 76.9 percent, to $56.8 million as compared to $32.1 million in 2020 and represented 46.6 percent of segment revenue in the current period as compared to 37.2 percent in 2020. The increase in Company revenue was mainly due to acquisitions. Revenue related to Contractors increased by $10.9 million, or 20.3 percent, to $64.7 million as compared to $53.8 million in 2020 and represented 53.1 percent of segment revenue in the current period as compared to 62.4 percent in 2020.

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

Direct Operating Expenses

Q3 Direct Operating Expenses – Logistics & Warehousing *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	**14.0**	**24.6**	8.8	27.4	5.2	59.1
CEWS	**—**	**—**	(1.6)	(5.0)	1.6	(100.0)
Fuel	**4.7**	**8.3**	1.9	5.9	2.8	147.4
Repairs and maintenance	**5.9**	**10.4**	4.0	12.5	1.9	47.5
Purchased transportation	**7.1**	**12.5**	1.3	4.0	5.8	446.2
Operating supplies	**2.9**	**5.1**	3.3	10.3	(0.4)	(12.1)
Other	**2.0**	**3.5**	1.4	4.4	0.6	42.9
	36.6	**64.4**	19.1	59.5	17.5	91.6
Contractors	**48.2**	**74.5**	40.4	75.1	7.8	19.3
Total	**84.8**	**69.6**	59.5	69.0	25.3	42.5

**as a percentage of respective Logistics & Warehousing revenue*

DOE expressed as a percentage of revenue increased by 0.6 percent to 69.6 percent as compared to 69.0 percent in 2020 due to higher fuel and purchased transportation costs as well as the absence of CEWS in 2021. Total DOE were $84.8 million as compared to $59.5 million in 2020. The increase of $25.3 million, or 42.5 percent, was generally in line with the $35.7 million, or 41.4 percent, increase in segment revenue.

DOE related to Company Equipment increased by $17.5 million, or 91.6 percent, to $36.6 million as compared to $19.1 million in 2020. This increase was generally in proportion to the $24.7 million increase in Company revenue. In terms of a percentage of revenue, Company expenses increased by 4.9 percent to 64.4 percent as compared to 59.5 percent in 2020. This increase was primarily due to the absence of CEWS as well as increased purchased transportation and fuel costs associated with the rise in diesel prices. In 2020 CEWS accounted for a $1.6 million reduction in wages.

Contractors expense increased by $7.8 million to $48.2 million as compared to $40.4 million in 2020. This increase was generally in line with the $10.9 million increase in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased by 0.6 percent to 74.5 percent as compared to 75.1 percent in 2020.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – Logistics & Warehousing *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Wages and benefits	**9.3**	**7.6**	6.1	7.1	3.2	52.5
CEWS	**—**	**—**	(0.7)	(0.8)	0.7	(100.0)
Communications, utilities and general supplies	**3.3**	**2.7**	2.3	2.7	1.0	43.5
Profit share	**1.6**	**1.3**	1.0	1.2	0.6	60.0
Foreign exchange	**(0.3)**	**(0.2)**	0.1	0.1	(0.4)	(400.0)
Rent and other	**0.5**	**0.4**	0.2	0.1	0.3	150.0
Total	**14.4**	**11.8**	9.0	10.4	5.4	60.0

**as a percentage of total Logistics & Warehousing revenue*

S&A expenses were $14.4 million as compared to $9.0 million in 2020. The increase of $5.4 million was primarily due to $4.5 million of incremental S&A expenses associated with our new acquisitions as well as a $0.7 million reduction in CEWS. S&A expenses as a percentage of segment revenue increased by 1.4 percent to 11.8 percent as compared to 10.4 percent in 2020. Excluding the effects of CEWS and foreign exchange, S&A expenses as a percentage of segment revenue increased to 12.1 percent as compared to 11.1 percent in 2020 due to acquisitions.

Operating Income Before Depreciation and Amortization

OIBDA increased by $5.0 million, or 28.2 percent, to $22.7 million as compared to $17.7 million generated in 2020. Adjusted OIBDA[1] increased by $7.3 million to $22.7 million as compared to $15.4 million in 2020. The majority of this rise in OIBDA was due to our recent acquisitions in this segment that added $5.7 million of incremental OIBDA and improved performance by most Business Units being somewhat offset by higher fuel and purchased transportation costs. Adjusted operating margin[1] increased to 18.6 percent as compared to 17.9 percent in 2020.

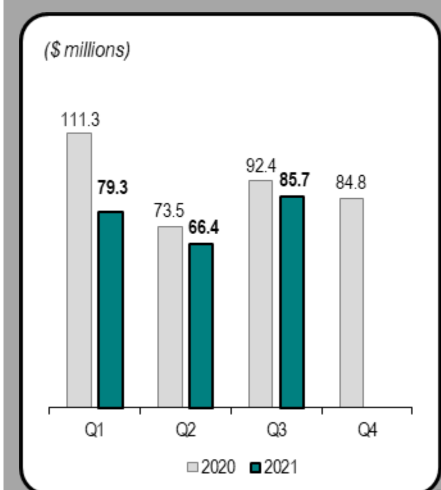
Capital Expenditures

Net capital expenditures[1] were $2.7 million in the third quarter of 2021, an increase of $1.1 million as compared to $1.6 million in 2020. The Logistics & Warehousing segment had gross capital expenditures of $3.1 million and dispositions of $0.4 million for net capital expenditures[1] of $2.7 million in 2021. The majority of the capital invested mainly consisted of the ongoing construction of a new salt warehouse at our Esterhazy, Saskatchewan production facility, which will both improve the efficiency of our operations and increase capacity levels to meet growing customer demand. We also invested in purchasing new trucks, trailers and operating equipment to replace some older less efficient equipment. In 2020 gross capital expenditures were $2.2 million and dispositions were $0.6 million for net capital expenditures[1] of $1.6 million.

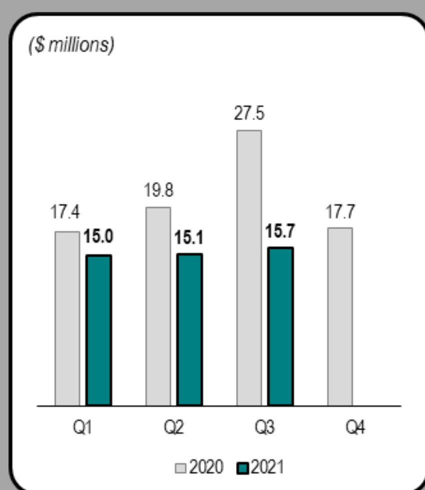
SPECIALIZED & INDUSTRIAL SERVICES SEGMENT

Summary – Trailing Seven Quarters

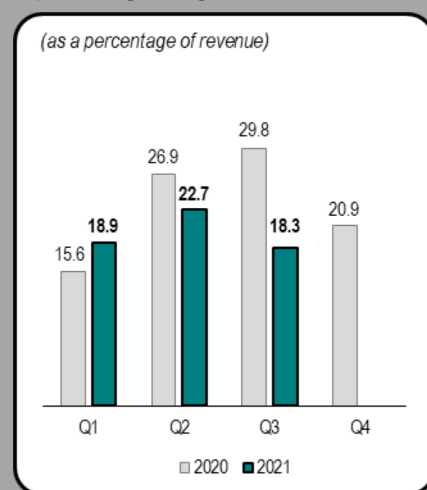
Revenue



OIBDA



Operating Margin[1]



Revenue

Q3 Revenue – Specialized & Industrial Services ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**69.2**	**80.7**	78.5	85.0	(9.3)	(11.8)
Contractors	**16.1**	**18.8**	13.6	14.7	2.5	18.4
Other	**0.4**	**0.5**	0.3	0.3	0.1	33.3
Total	**85.7**	**100.0**	92.4	100.0	(6.7)	(7.3)

Segment revenue decreased by $6.7 million, or 7.3 percent, to $85.7 million as compared to $92.4 million in 2020 and represented 19.8 percent of pre-consolidated revenue as compared to 31.7 percent of pre-consolidated

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

revenue in 2020. This decline in revenue was mainly attributable to lower demand for large diameter pipeline hauling and stringing services due to a combination of declines in activity and project delays, related to COVID-19 restrictions being partially offset by stronger demand for fluid hauling and drilling related services. Specific factors affecting the segment revenue were:

- a $15.0 million decrease in revenue generated by those Business Units providing specialized services to the oil sands, environmental, construction, pipeline, utility, telecom and water management industries including an $11.3 million decrease in pipeline hauling and stringing services revenue and a $5.8 million decrease in demand for civil construction services at Smook being somewhat offset by $3.4 million of incremental new revenue associated with the acquisition of Babine;

- a $0.1 million decrease in revenue generated by those Business Units involved in the transportation of fluids and servicing of wells due to a reduction in oil sands facility maintenance works being mostly offset by a rebound in demand for fluid transportation as a result of the higher oil prices; and

- an $8.2 million increase in revenue generated by those Business Units most directly tied to oil and natural gas drilling activity due to greater demand for these services.

Direct Operating Expenses

Q3 Direct Operating Expenses – Specialized & Industrial Services

(unaudited) ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**18.6**	**26.7**	21.4	27.3	(2.8)	(13.1)
CEWS	**(0.1)**	**—**	(5.0)	(6.4)	4.9	(98.0)
Fuel	**4.9**	**7.1**	4.5	5.7	0.4	8.9
Repairs and maintenance	**11.4**	**16.5**	10.6	13.5	0.8	7.5
Purchased transportation	**0.3**	**0.4**	0.7	0.9	(0.4)	(57.1)
Operating supplies	**10.0**	**14.5**	11.0	14.0	(1.0)	(9.1)
Other	**2.2**	**3.2**	2.1	2.7	0.1	4.8
	47.3	**68.4**	45.3	57.7	2.0	4.4
Contractors	**13.5**	**83.9**	11.5	84.6	2.0	17.4
Total	**60.8**	**70.9**	56.8	61.5	4.0	7.0

**as a percentage of respective Specialized & Industrial Services revenue*

DOE were $60.8 million as compared to $56.8 million in 2020. The increase of $4.0 million, or 7.0 percent, was despite the $6.7 million, or 7.3 percent, decline in segment revenue. As a percentage of revenue these expenses increased by 9.4 percent to 70.9 percent as compared to 61.5 percent in 2020 due to a reduction in CEWS. Excluding CEWS, these expenses increased by 4.2 percent as a percentage of revenue to 71.1 percent as compared to 66.9 percent in 2020 due to the change in revenue mix.

DOE associated with Company Equipment increased by $2.0 million, or 4.4 percent, to $47.3 million as compared to $45.3 million in 2020. This increase was despite the $9.3 million, or 11.8 percent, decrease in Company revenue. As a percentage of Company revenue these expenses increased by 10.7 percent to 68.4 percent as compared to 57.7 percent in 2020, primarily due to higher repairs and maintenance expense and higher fuel costs. CEWS in the current period accounted for a $0.1 million reduction in expenses as compared to a $5.0 million reduction in 2020. Excluding CEWS, DOE associated with Company Equipment as a percentage of Company revenue increased by 4.4 percent to 68.5 percent as compared to 64.1 percent in 2020 due to the change in revenue mix as well as higher repairs and maintenance, and fuel expenses.

Contractors expense increased by $2.0 million to $13.5 million as compared to $11.5 million in 2020. As a percentage of Contractors revenue, Contractors expense decreased to 83.9 percent as compared to 84.6 percent due to the greater availability of subcontractors.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – Specialized & Industrial Services *(unaudited)* *($ millions)*	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**5.2**	**6.1**	5.1	5.5	0.1	2.0
CEWS	**—**	**—**	(1.3)	(1.4)	1.3	(100.0)
Communications, utilities and general supplies	**2.8**	**3.3**	2.5	2.7	0.3	12.0
Profit share	**0.9**	**1.1**	1.6	1.7	(0.7)	(43.8)
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**0.3**	**0.2**	0.2	0.3	0.1	50.0
Total	**9.2**	**10.7**	8.1	8.8	1.1	13.6

**as a percentage of total Specialized & Industrial Services revenue*

S&A expenses increased by $1.1 million to $9.2 million as compared to $8.1 million in 2020, primarily due to the reduction in CEWS as well as the $0.6 million of incremental S&A expenses associated with the acquisition of Babine being mostly offset by the $0.7 million reduction in profit share expense. In 2020 CEWS was $1.3 million as compared to nil in 2021. S&A expenses as a percentage of segment revenue increased by 1.9 percent to 10.7 percent as compared to 8.8 percent in 2020. Excluding the effects of CEWS, S&A expenses increased by 0.5 percent as a percentage of revenue as compared to the 10.2 percent in 2020 due to the fixed nature of these expenses relative to the decline in revenue.

Operating Income Before Depreciation and Amortization

OIBDA decreased by $11.8 million, or 42.9 percent, to $15.7 million as compared to $27.5 million in 2020. Adjusted OIBDA[1] decreased by $5.6 million, or 26.4 percent, to $15.6 million as compared to $21.2 million due to the $5.3 million decline in OIBDA generated by Premay Pipeline. Adjusted operating margin[1] decreased by 4.7 percent to 18.2 percent as compared to 22.9 percent in 2020 due to a change in revenue mix associated with large diameter pipeline projects.

Specifically, the $5.6 million year over year decrease in Adjusted OIBDA[1] can be attributed to the following:

- a $6.5 million decrease relating to those Business Units providing specialized services including pipeline stockpiling and stringing services;
- a $1.2 million decrease in those Business Units involved in the transportation of fluids and servicing of wells; and
- a $2.1 million increase from those Business Units tied to drilling and drilling related activity.

Capital Expenditures

Net capital expenditures[1] were $2.0 million in the third quarter, an increase of $1.0 million as compared to $1.0 million in 2020. The Specialized & Industrial Services segment had gross capital expenditures of $3.5 million and dispositions of $1.5 million for net capital expenditures[1] of $2.0 million in 2021. The majority of the capital invested consisted of pumps, generators and water management equipment along with civil construction equipment to support demand at Canadian Dewatering L.P. ("**Canadian Dewatering**") and Smook, respectively. In 2020 gross capital expenditures were $2.2 million and dispositions were $1.2 million for net capital expenditures[1] of $1.0 million.

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

U.S. & INTERNATIONAL LOGISTICS SEGMENT

The Trailing Seven Quarters charts are irrelevant due to there being only one quarter.

Revenue

Q3 Revenue – U.S. & International Logistics *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%	$	%	$	%
Company	—	—	—	—	—	—
Contractors	57.0	100.0	—	—	57.0	—
Other	—	—	—	—	—	—
Total	57.0	100.0	—	—	57.0	—

This is the first reporting period for the segment. Revenue is generated from freight tendered to the company logistics group or to contracted Station Agents, independent business owners with customer contacts, that utilize SilverExpress, a company owned proprietary transportation management platform.

During the quarter, HAUListic generated $57.0 million in gross freight revenue, which was above expectations due to the strong U.S. freight market and new business generated from the addition of new regional Station Agents. The segment represented 13.1 percent of pre-consolidated revenue in the third quarter.

Direct Operating Expenses

Q3 Direct Operating Expenses – U.S. & International Logistics *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Company						
Wages and benefits	—	—	—	—	—	—
CEWS	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
Repairs and maintenance	—	—	—	—	—	—
Purchased transportation	—	—	—	—	—	—
Operating supplies	—	—	—	—	—	—
Other	0.1	—	—	—	0.1	—
	0.1	—	—	—	0.1	—
Contractors	51.6	90.5	—	—	51.6	—
Total	51.7	90.7	—	—	51.7	—

**as a percentage of respective U.S. & International Logistics revenue*

All freight tendered is transported by third-party providers and expensed as a cost of Contractors. In addition, all commissions earned by the Station Agents, which is a percentage of the net difference between gross revenue less Contractors cost, is expensed as Contractors cost.

During the quarter, DOE was $51.6 million or 90.7 percent of gross revenue. This is higher than other segments in our group, primarily due to the nature of the 3PL business. Gross margin generated from sales less cost of Contractors was $5.3 million or 9.3 percent of total revenue.

Selling and Administrative Expenses

Q3 Selling and Administrative Expenses – U.S. & International Logistics *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Wages and benefits	**1.9**	**3.3**	—	—	1.9	—
CEWS	**—**	**—**	—	—	—	—
Communications, utilities and general supplies	**0.4**	**0.7**	—	—	0.4	—
Profit share	**—**	**—**	—	—	—	—
Foreign exchange	**(0.1)**	**(0.2)**	—	—	(0.1)	—
Rent and other	**0.2**	**0.4**	—	—	0.2	—
Total	**2.4**	**4.2**	—	—	2.4	—

**as a percentage of total U.S. & International Logistics revenue*

These expenses are related to managing the business including management, sales and support personnel, communications and other general expenses.

During the quarter, S&A expenses at HAUListic were $2.4 million, representing 4.2 percent of total segment revenue, and 45.3 percent of net revenue.

Operating Income Before Depreciation and Amortization

The segment generated $2.9 million in OIBDA in the quarter, which represents a margin of 5.1 percent of gross revenue. This margin is lower than our asset based segments due to the nature of the business.

Capital Expenditures

In the third quarter of 2021, this new asset light operating segment did not have any capital expenditures or dispositions. This segment only has $3.3 million of property, plant and equipment and therefore generates cash in excess of its operating needs.

CORPORATE

The Corporate Office provides support to the Business Units including coordinating business strategies, monitoring financial and business performance and providing shared services such as payroll services, human resource support, information technology support, legal support and accounting services. The Corporate Office also owns a network of real estate holdings and facilities, through its subsidiary MT, which are leased primarily to the Business Units. Such properties are leased on commercially reasonable terms. In addition, the Corporate Office is responsible for capital allocation to the Business Units as well as all regulatory and public reporting.

The Corporate Office recorded a loss of $3.7 million in the third quarter of 2021 as compared to a loss of $2.4 million in 2020. The $1.3 million increase in loss was mainly attributable to $0.6 million of higher acquisition related costs. In addition, we also experienced an increase in salaries, higher facility repair costs associated with our $615.8 million real estate network as well as a $0.2 million negative variance in foreign exchange. These increases were somewhat offset by generating greater rental income from our real estate network and from lower stock-based compensation expense.

CONSOLIDATED FINANCIAL RESULTS – NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021

Revenue

Consolidated Revenue by Segment **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Less-Than-Truckload	**416.5**	**40.1**	327.5	37.6	89.0	27.2
Logistics & Warehousing	**333.8**	**32.1**	265.2	30.5	68.6	25.9
Specialized & Industrial Services	**231.4**	**22.3**	277.2	31.9	(45.8)	(16.5)
U.S. & International Logistics	**57.0**	**5.5**	—	—	57.0	—
Corporate and intersegment eliminations	**(3.2)**	**—**	(3.3)	—	0.1	—
Total	**1,035.5**	**100.0**	866.6	100.0	168.9	19.5

**as a percentage of pre-consolidated revenue*

Mullen Group's consolidated revenue in 2021 increased by $168.9 million, or 19.5 percent, to $1,035.5 million as compared to $866.6 million in 2020. This increase in revenue was primarily due to our previously announced acquisitions that accounted for $179.7 million of revenue growth. This growth was somewhat offset by lower revenue in the first quarter when comparing to the largely pre-pandemic first quarter of 2020 to the first quarter of 2021. Revenue decreased in the first quarter by $27.7 million, however, due to acquisitions as well as improvement in the general economy, revenue rose by $55.0 million in the second quarter and by $141.6 million in the third quarter.

Revenue in the Less-Than-Truckload segment rose by $89.0 million, or 27.2 percent, to $416.5 million as compared to $327.5 million in 2020 due to the $60.2 million of revenue generated by acquisitions as well as higher revenue due to strong consumer spending and an increase in fuel surcharge revenue. Revenue in the Logistics & Warehousing segment increased by $68.6 million, or 25.9 percent, to $333.8 million as compared to $265.2 million in 2020 due to the $56.0 million of revenue generated by acquisitions as well as the increased demand for freight and warehousing services due to the economic recovery in North America. Specialized & Industrial Services segment revenue decreased by $45.8 million, or 16.5 percent, to $231.4 million as compared to $277.2 million primarily due to the delays in large diameter pipeline construction activity.

Consolidated Revenue **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**718.7**	**69.4**	635.9	73.4	82.8	13.0
Contractors	**311.3**	**30.1**	227.2	26.2	84.1	37.0
Other	**5.5**	**0.5**	3.5	0.4	2.0	57.1
Total	**1,035.5**	**100.0**	866.6	100.0	168.9	19.5

Revenue related to Company Equipment increased by $82.8 million, or 13.0 percent, to $718.7 million as compared to $635.9 million in 2020 and represented 69.4 percent of consolidated revenue in the current period as compared to 73.4 percent in 2020. Revenue related to Contractors increased by $84.1 million, or 37.0 percent, to $311.3 million as compared to $227.2 million in 2020, and represented 30.1 percent of consolidated revenue in the current period as compared to 26.2 percent in 2020.

Direct Operating Expenses

Consolidated Direct Operating Expenses Nine month periods ended September 30 ***(unaudited) ($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**180.9**	**25.2**	172.0	27.0	8.9	5.2
CEWS	**(9.2)**	**(1.3)**	(16.3)	(2.5)	7.1	(43.6)
Fuel	**62.6**	**8.7**	50.1	7.9	12.5	25.0
Repairs and maintenance	**85.7**	**11.9**	79.3	12.5	6.4	8.1
Purchased transportation	**105.0**	**14.6**	63.9	10.0	41.1	64.3
Operating supplies	**44.1**	**6.1**	48.3	7.6	(4.2)	(8.7)
Other	**21.8**	**3.1**	19.4	3.0	2.4	12.4
	490.9	**68.3**	416.7	65.5	74.2	17.8
Contractors	**241.5**	**77.6**	174.4	76.8	67.1	38.5
Total	**732.4**	**70.7**	591.1	68.2	141.3	23.9

**as a percentage of respective Consolidated revenue*

DOE in 2021 were $732.4 million as compared to $591.1 million in 2020. The increase of $141.3 million, or 23.9 percent, was attributable to the $168.9 million, or 19.5 percent, increase in consolidated revenue. As a percentage of revenue these expenses increased slightly to 70.7 percent as compared to 68.2 percent in 2020 due to higher purchased transportation and fuel costs, and Contractors expense.

In 2021 DOE associated with Company Equipment increased to $490.9 million as compared to $416.7 million in 2020. The increase of $74.2 million, or 17.8 percent, was attributable to the $82.8 million, or 13.0 percent, increase in Company revenue. As a percentage of Company revenue these expenses increased to 68.3 percent as compared to 65.5 percent in 2020 due to higher purchased transportation and fuel costs. CEWS in the current period accounted for a $9.2 million reduction in expenses in 2021 as compared to $16.3 million in 2020. Excluding CEWS, these expenses increased as a percentage of revenue to 69.6 percent as compared to 68.1 percent in 2020.

Contractors expense in 2021 increased by 38.5 percent to $241.5 million, as compared to $174.4 million in 2020. This $67.1 million increase was generally in line with the $84.1 million, or 37.0 percent, increase in Contractors revenue. As a percentage of Contractors revenue, Contractors expense increased by 0.8 percent to 77.6 percent as compared to 76.8 percent in 2020 due to the effect of the HAUListic acquisition.

[The remainder of this page intentionally left blank.]

Selling and Administrative Expenses

Consolidated Selling and Administrative Expenses Nine month periods ended September 30 (*unaudited*) *($ millions)*	2021		2020		Change	
	$	%*	$	%*	$	%
Wages and benefits	**82.5**	**7.9**	68.6	7.9	13.9	20.3
CEWS	**(3.3)**	**(0.3)**	(4.9)	(0.5)	1.6	(32.7)
Communications, utilities and general supplies	**36.8**	**3.6**	31.1	3.6	5.7	18.3
Profit share[(1)]	**8.8**	**0.8**	9.6	1.1	(0.8)	(8.3)
Foreign exchange	**1.0**	**0.1**	(0.8)	(0.1)	1.8	(225.0)
Stock-based compensation	**0.3**	**—**	1.0	0.1	(0.7)	(70.0)
Rent and other	**6.4**	**0.7**	5.5	0.6	0.9	16.4
Total	**132.5**	**12.8**	110.1	12.7	22.4	20.3

**as a percentage of total Consolidated revenue*

[(1)] The profit share calculation excludes any benefits received from the CEWS program.

S&A expenses increased to $132.5 million in 2021 as compared to $110.1 million in 2020. The increase of $22.4 million was primarily due to the $19.8 million of incremental S&A expenses associated with our acquisitions as well as a $1.8 million negative variance on foreign exchange and a $1.6 million reduction in CEWS. Excluding CEWS, S&A expenses decreased to 13.1 percent of revenue as compared to 13.3 percent in 2020.

Operating Income Before Depreciation and Amortization

Consolidated Operating Income Before Depreciation and Amortization Nine month periods ended September 30 *(unaudited)* *($ millions)*	2021		2020		Change	
	$	%	$	%	$	%
Less-Than-Truckload	**69.7**	**40.9**	56.2	34.0	13.5	24.0
Logistics & Warehousing	**62.4**	**36.6**	51.6	31.2	10.8	20.9
Specialized & Industrial Services	**45.8**	**26.8**	64.7	39.1	(18.9)	(29.2)
U.S. & International Logistics	**2.9**	**1.7**	—	—	2.9	—
Corporate	**(10.2)**	**(6.0)**	(7.1)	(4.3)	(3.1)	43.7
Total	**170.6**	**100.0**	165.4	100.0	5.2	3.1

OIBDA for the period was $170.6 million, or 16.5 percent of revenue, as compared to $165.4 million, or 19.1 percent, in 2020. The $5.2 million increase was comprised of the following:

- a $13.5 million increase in the Less-Than-Truckload segment;
- a $10.8 million increase in the Logistics & Warehousing segment;
- an $18.9 million decrease in the Specialized & Industrial Services segment;
- the addition of $2.9 million from the U.S. & International Logistics segment; and
- a $3.1 million increase in Corporate costs.

Operating margin[1] decreased by 2.6 percent to 16.5 percent as compared to 19.1 percent in 2020, largely due to the following factors:

- an $8.7 million reduction in CEWS, which had a 1.3 percent year over year impact on operating margins[1];
- a change in business mix associated with our new acquisitions;
- an $18.9 million decrease of OIBDA in the Specialized & Industrial Services segment, the majority of which related to higher margin pipeline hauling and stringing activity;
- the detrimental impact on operating margins[1] associated with a $14.6 million increase in fuel surcharge revenue that resulted in a corresponding increase in expense; and
- a $3.1 million increase in Corporate costs.

Our new asset light U.S. & International Logistics segment generated revenue, OIBDA and operating margin[1] of $57.0 million, $2.9 million and 5.1 percent, respectively. Without this segment's lower operating margin[1], consolidated operating margin[1] would have been 17.1 percent as compared to the reported 16.5 percent.

Consolidated Adjusted Operating Income Before Depreciation and Amortization[(1)]
Nine month periods ended September 30

(unaudited) ($ millions)	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Less-Than-Truckload	**68.2**	**43.1**	52.6	36.5	15.6	29.7
Logistics & Warehousing	**60.1**	**38.0**	46.6	32.3	13.5	29.0
Specialized & Industrial Services	**37.1**	**23.5**	52.1	36.1	(15.0)	(28.8)
U.S. & International Logistics	**2.9**	**1.8**	—	—	2.9	—
Corporate	**(10.2)**	**(6.4)**	(7.1)	(4.9)	(3.1)	43.7
Total	**158.1**	**100.0**	144.2	100.0	13.9	9.6

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

Adjusted OIBDA[1] for the period was $158.1 million, or 15.3 percent of revenue, as compared to $144.2 million or 16.6 percent, in 2020. The increase of $13.9 million was mainly due to $25.1 million of incremental OIBDA generated by acquisitions. The change in Adjusted OIBDA[1] by operating segment was as follows:

- a $15.6 million increase in the Less-Than-Truckload segment due to $9.1 million of incremental OIBDA and improved performance by most Business Units being somewhat offset by higher purchased transportation and fuel costs;
- a $13.5 million increase in the Logistics & Warehousing segment due to $12.2 million of incremental OIBDA from acquisitions and a modest improvement from our legacy Business Units;
- a $15.0 million decrease in the Specialized & Industrial Services segment, primarily due to the reduction in OIBDA generated by Premay Pipeline being somewhat offset by $0.8 million of incremental OIBDA from acquisitions;
- added $2.9 million from the U.S. & International Logistics segment; and
- a $3.1 million increase in Corporate costs.

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

Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment was $52.3 million in the first nine months of 2021 as compared to $53.6 million in 2020. This decrease of $1.3 million was mainly attributable to a lower amount of depreciation being recognized in the Specialized & Industrial Services segment, which was somewhat offset by a greater amount of depreciation being recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment and the U.S. & International Logistics segment. Depreciation in the Corporate Office remained consistent on a year over year basis. Depreciation in the Specialized & Industrial Services segment decreased by $5.2 million and was mainly due to the lower amount of capital expenditures made within this segment, the sale of older assets by certain Business Units and from the Corporation's declining balance method of depreciation. Depreciation in the Less-Than-Truckload segment increased by $2.2 million due to acquisitions and from a greater amount of capital expenditures being made within this segment. Depreciation increased by $1.2 million and $0.5 million in the Logistics & Warehousing segment and in the U.S. & International Logistics segment, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets was $12.1 million in the first nine months of 2021 as compared to $8.6 million in 2020. The majority of our right-of-use assets consists of real property leases within the Less-Than-Truckload segment and the Logistics & Warehousing segment. This increase of $3.5 million was mainly attributable to a greater amount of depreciation of right-of-use assets being recorded in the Less-Than-Truckload segment (up $2.4 million) and the Logistics & Warehousing segment (up $1.0 million) by virtue of the leases acquired in our recent acquisitions. Depreciation of right-of-use assets within the U.S. & International Logistics segment was up $0.2 million while the Specialized & Industrial Services segment and the Corporate Office remained consistent on a year over year basis.

Amortization of Intangible Assets

Amortization of intangible assets was $19.2 million in the first nine months of 2021 as compared to $12.8 million in 2020. This increase of $6.4 million mainly resulted from the additional amortization recorded on the intangible assets associated with our recent acquisitions, which was somewhat offset by certain intangible assets becoming fully amortized.

Finance Costs

Finance costs were $22.4 million in the first nine months of 2021 as compared to $21.2 million in 2020. The increase of $1.2 million was mainly attributable to a reduction in interest income being generated from cash and cash equivalents and from a greater amount of interest expense being recognized on the RBC Credit Facility. These items were somewhat offset by a lower amount of interest expense being recorded on our U.S. dollar debt as a result of the change in the value of the Canadian dollar relative to the U.S. dollar.

Net Foreign Exchange (Gain) Loss

The net foreign exchange gain was $1.5 million in the first nine months of 2021 as compared to a gain of $2.5 million in 2020. The components of the net foreign exchange gain are as follows:

Net Foreign Exchange (Gain) Loss	**Nine month periods ended September 30**	
	CDN. $ Equivalent	
(unaudited) ***($ millions)***	**2021**	**2020**
Foreign exchange loss (gain) on U.S. $ debt	**0.2**	8.0
Foreign exchange (gain) loss on Cross-Currency Swaps	**(1.7)**	(10.5)
Net foreign exchange (gain) loss	**(1.5)**	(2.5)

Foreign Exchange Loss (Gain) on U.S. $ Debt

We recorded a foreign exchange loss of $0.2 million related to the Corporation's U.S. dollar debt due to the $0.0009 weakening of the Canadian dollar relative to the U.S. dollar in the first nine months of 2021. For the same period in 2020 we recorded a foreign exchange loss of $8.0 million due to the weakening of the Canadian dollar relative to the U.S. dollar. The details of the foreign exchange loss on U.S. dollar debt are summarized in the table below:

Foreign Exchange Loss (Gain) on U.S. $ Debt	**Nine month periods ended September 30**					
	2021			**2020**		
(unaudited) ***($ millions, except exchange rate amounts)***	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – September 30	**229.0**	**1.2741**	**291.8**	229.0	1.3339	305.5
Beginning – January 1	**229.0**	**1.2732**	**291.6**	229.0	1.2988	297.5
Foreign exchange loss (gain) on U.S. $ debt			**0.2**			8.0

Foreign Exchange (Gain) Loss on Cross-Currency Swaps

We recorded a foreign exchange gain on Cross-Currency Swaps of $1.7 million in the first nine months of 2021 as compared to a $10.5 million gain in 2020. 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	**Nine month periods ended September 30**			
	2021		**2020**	
(unaudited) ***($ millions)***	**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	**117.0**	**(0.9)**	117.0	(5.1)
Cross-Currency Swap maturing October 22, 2026	**112.0**	**(0.8)**	112.0	(5.4)
Foreign exchange (gain) loss on Cross-Currency Swaps		**(1.7)**		(10.5)

Other (Income) Expense

Other income was $2.4 million for the first nine months of 2021 as compared to $1.5 million of other income recorded in 2020. The $0.9 million positive variance was due to the factors set forth below:

Change in Fair Value of Investments (positive variance of $2.2 million). We recorded an increase in the fair value of investments of $0.8 million in the first nine months of 2021 as compared to a $1.4 million decrease in 2020. There were no investments purchased or sold during the first nine months of 2021 or 2020.

Gain on Sale of Property, Plant and Equipment (positive variance of $0.2 million). We recognized a gain of $0.4 million on sale of property, plant and equipment on consolidated proceeds on sale of $17.5 million in the first nine months of 2021 as compared to a $0.2 million gain on consolidated proceeds on sale of $5.8 million in 2020. The $0.4 million gain on sale of property, plant and equipment in 2021 mainly resulted from the sale of older equipment in the Specialized & Industrial Services segment and from the sale of redundant real estate within the Corporate Office. These gains were somewhat offset by some losses on sale of property, plant and equipment recognized within the Less-Than-Truckload segment.

Earnings from Equity Investments (negative variance of $1.3 million). We recognized $1.0 million of earnings from equity investments in the first nine months of 2021 as compared to $2.3 million in 2020. The $1.3 million negative variance was mainly due to acquiring control of PCX on September 1, 2020 and from a decline in profitability of some of our equity investments.

Gain on Fair Value of Equity Investment (negative variance of $0.4 million). We acquired control of PCX through a series of transactions. On August 1, 2018, we acquired 40.0 percent of the issued and outstanding shares of PCX for $2.0 million and then recognized $1.6 million of earnings from this equity investment until September 1, 2020, the date we obtained control. We acquired all the remaining issued and outstanding shares of PCX for cash consideration of $14.4 million. The fair value of PCX was $18.4 million on the date control was obtained resulting in a $0.4 million gain on this equity investment.

Gain on Contingent Consideration (positive variance of $0.2 million). On May 1, 2019, we acquired the business and assets of Jen Express Inc. ("Jen Express") for cash consideration of $1.5 million. Included in this amount was $0.3 million of contingent consideration. Pursuant to the purchase and sale agreement, the vendor could have received cash consideration of up to $0.3 million for achieving certain financial targets over the two year period ending May 1, 2021. Since Jen Express did not achieve all of these financial targets, we recognized a gain of $0.2 million in 2021.

Income Taxes

(unaudited) ***($ millions)***	**Nine month periods ended September 30**			
		2021		**2020**
Income before income taxes	**$**	**68.5**	$	73.2
Combined statutory tax rate		**25%**		26%
Expected income tax		**17.1**		19.0
Add (deduct):				
Non-deductible (taxable) portion of net foreign exchange (gain) loss		**(0.2)**		—
Non-deductible (taxable) portion of the change in fair value of investments		**(0.1)**		0.1
Stock-based compensation expense		**0.1**		0.2
Changes in unrecognized deferred tax asset		**(1.1)**		—
Other		**0.5**		—
Income tax expense	**$**	**16.3**	$	19.3

Income tax expense was $16.3 million in the first nine months of 2021 as compared to $19.3 million in 2020. The decrease of $3.0 million was mainly attributable to lower income being generated in 2021 and from the change in the unrecognized deferred tax asset.

Net Income

(unaudited) ***($ millions, except share and per share amounts)***	**Nine month periods ended September 30**				
		2021		**2020**	**% Change**
Net income	**$**	**52.2**	$	53.9	(3.2)
Weighted average number of Common Shares outstanding		**96,305,976**		101,884,589	(5.5)
Earnings per share – basic	**$**	**0.54**	$	0.53	1.9

Net income decreased to $52.2 million in the first nine months of 2021 as compared to $53.9 million in 2020. The factors contributing to the decrease in net income include:

- a $6.4 million increase in amortization of intangible assets;
- a $3.5 million increase in depreciation of right-of-use assets;
- a $1.3 million decrease in earnings from equity investments;
- a $1.2 million increase in finance costs;

- a $1.0 million negative variance in net foreign exchange; and
- a $0.4 million negative variance in the gain on fair value of equity investment.

These factors were somewhat offset by the following factors that increased net income:

- a $5.2 million increase in OIBDA;
- a $3.0 million decrease in income tax expense;
- a $2.2 million positive variance in the fair value of investments;
- a $1.3 million decrease in depreciation of property, plant and equipment;
- a $0.2 million increase in the gain on sale of property, plant and equipment; and
- a $0.2 million gain on contingent consideration.

Basic earnings per share increased to $0.54 in the first nine months of 2021 as compared to $0.53 in 2020. This increase resulted despite the effect of the $1.7 million decrease in net income. The weighted average number of Common Shares outstanding decreased from 101,884,589 to 96,305,976, which was due to the repurchase and cancellation of Common Shares under the NCIB being partially offset by the issuance of 750,000 Common Shares on the APPS acquisition.

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, the gain fair value of equity investments and from the gain on contingent consideration. Net income and basic earnings per share have been adjusted to reflect earnings from a strictly operating perspective.

(unaudited) ***($ millions, except share and per share amounts)***	**Nine month periods ended September 30**	
	2021	**2020**
Income before income taxes	**$ 68.5**	$ 73.2
Add (deduct):		
Net foreign exchange (gain) loss	**(1.5)**	(2.5)
Change in fair value of investments	**(0.8)**	1.4
Gain on fair value of equity investment	**—**	(0.4)
Gain on contingent consideration	**(0.2)**	—
Income before income taxes – adjusted	**66.0**	71.7
Income tax rate	**25%**	26%
Computed expected income tax expense	**16.5**	18.6
Net income – adjusted[(1)]	**49.5**	53.1
Weighted average number of Common Shares outstanding – basic	**96,305,976**	101,884,589
Earnings per share – adjusted[(1)]	**$ 0.51**	$ 0.52

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

SEGMENTED INFORMATION – NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021

Nine month period ended September 30, 2021 ***(unaudited)*** ***($ millions)***	**Less-Than -Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate and intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	**416.5**	**333.8**	**231.4**	**57.0**	**(3.2)**	**1,035.5**
Direct operating expenses	**292.0**	**233.8**	**161.0**	**51.7**	**(6.1)**	**732.4**
Selling and administrative expenses	**54.8**	**37.6**	**24.6**	**2.4**	**13.1**[(1)]	**132.5**
Operating income before depreciation and amortization	**69.7**	**62.4**	**45.8**	**2.9**	**(10.2)**	**170.6**
Net capital expenditures[(2)]	**17.1**	**7.6**	**2.8**	**—**	**(7.3)**	**20.2**

Nine month period ended September 30, 2020 ***(unaudited)*** ***($ millions)***	**Less-Than -Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate and intersegment eliminations**	**Total**
	$	$	$	$	$	$
Revenue	327.5	265.2	277.2	—	(3.3)	866.6
Direct operating expenses	226.6	185.2	184.9	—	(5.6)	591.1
Selling and administrative expenses	44.7	28.4	27.6	—	9.4[(3)]	110.1
Operating income before depreciation and amortization	56.2	51.6	64.7	—	(7.1)	165.4
Net capital expenditures[(2)]	14.2	6.2	6.1	—	5.2	31.7

(1) Includes a $1.3 million foreign exchange loss.
(2) Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".
(3) Includes a nil amount of foreign exchange.

LESS-THAN-TRUCKLOAD SEGMENT

Revenue

Revenue – Less-Than-Truckload Nine month periods ended September 30 ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**384.0**	**92.2**	313.2	95.6	70.8	22.6
Contractors	**31.7**	**7.6**	14.0	4.3	17.7	126.4
Other	**0.8**	**0.2**	0.3	0.1	0.5	166.7
Total	**416.5**	**100.0**	327.5	100.0	89.0	27.2

Segment revenue rose by $89.0 million, or 27.2 percent, to $416.5 million as compared to $327.5 million in 2020 and represented 40.1 percent of pre-consolidated revenue as compared to 37.6 percent in 2020. This increase in revenue was primarily due to the series of acquisitions undertaken within this segment as well as strong consumer spending and increase in fuel surcharge revenue. Revenue increased by $7.8 million in the first quarter, by $24.8 million in the second quarter and by $56.4 million in the third quarter, primarily due to acquisitions.

Specific factors affecting segment revenue were:

- a $60.2 million increase in revenue generated from the acquisitions of APPS, PCX and Harris;
- an $18.6 million increase in revenue due to market share gains and strong consumer spending; and
- an increase of $10.2 million in fuel surcharge revenue to $45.0 million, from the $34.8 million generated in 2020 resulting from the rise in diesel fuel prices.

Direct Operating Expenses

Direct Operating Expenses – Less-Than-Truckload **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**94.3**	**24.6**	85.2	27.2	9.1	10.7
CEWS	**(1.0)**	**(0.3)**	(3.0)	(1.0)	2.0	(66.7)
Fuel	**36.6**	**9.5**	28.6	9.1	8.0	28.0
Repairs and maintenance	**36.8**	**9.6**	33.7	10.8	3.1	9.2
Purchased transportation	**88.8**	**23.1**	58.7	18.7	30.1	51.3
Operating supplies	**5.7**	**1.5**	4.4	1.4	1.3	29.5
Other	**11.3**	**3.0**	9.8	3.2	1.5	15.3
	272.5	**71.0**	217.4	69.4	55.1	25.3
Contractors	**19.5**	**61.5**	9.2	65.7	10.3	112.0
Total	**292.0**	**70.1**	226.6	69.2	65.4	28.9

**as a percentage of respective Less-Than-Truckload revenue*

DOE were $292.0 million as compared to $226.6 million in 2020. The increase of $65.4 million, or 28.9 percent, was directly related to the $89.0 million, or 27.2 percent, increase in segment revenue. As a percentage of revenue these expenses increased by 0.9 percent to 70.1 percent as compared to 69.2 percent in 2020. Excluding the effect of CEWS, these expenses decreased by 0.3 percent as a percentage of revenue to 70.4 percent as compared to 70.1 percent in 2020 due to lower Contractors expense.

DOE associated with Company Equipment increased by $55.1 million, or 25.3 percent, to $272.5 million as compared to $217.4 million in 2020. This increase was directly related to the $70.8 million, or 22.6 percent, increase in Company revenue. As a percentage of Company revenue these expenses increased by 1.6 percent to 71.0 percent as compared to 69.4 percent in 2020, primarily due to the reduction in CEWS received, higher fuel cost and purchased transportation expense. In 2020 CEWS was $3.0 million as compared to $1.0 million in 2021. Fuel expense increased to 9.5 percent as a percentage of revenue as compared to 9.1 percent in 2020 due to the rise in diesel fuel prices.

Contractors expense increased by $10.3 million to $19.5 million as compared to $9.2 million in 2020. This increase was directly related to the $17.7 million increase in Contractors revenue. As a percentage of Contractors revenue, Contractors expense decreased to 61.5 percent as compared to 65.7 percent due to the effect of acquisitions.

Selling and Administrative Expenses

Selling and Administrative Expenses – Less-Than-Truckload Nine month periods ended September 30 *(unaudited)* *($ millions)*	2021		2020		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**35.0**	**8.4**	28.0	8.5	7.0	25.0
CEWS	**(0.5)**	**(0.1)**	(0.6)	(0.1)	0.1	(16.7)
Communications, utilities and general supplies	**15.6**	**3.7**	12.7	3.9	2.9	22.8
Profit share	**3.1**	**0.7**	2.6	0.8	0.5	19.2
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**1.6**	**0.5**	2.0	0.5	(0.4)	(20.0)
Total	**54.8**	**13.2**	44.7	13.6	10.1	22.6

**as a percentage of total Less-Than-Truckload revenue*

S&A expenses increased by $10.1 million to $54.8 million as compared to $44.7 million in 2020, primarily due to the $8.3 million of incremental S&A expenses associated with acquisitions and higher wages and benefits expense associated with higher revenue levels. S&A expenses as a percentage of segment revenue decreased by 0.4 percent to 13.2 percent as compared to 13.6 percent in 2020 due to the fixed nature of these expenses relative to the rise in revenue.

Operating Income Before Depreciation and Amortization

OIBDA increased by $13.5 million, or 24.0 percent, to $69.7 million as compared to $56.2 million in 2020. Adjusted OIBDA[1] increased by $15.6 million to $68.2 million as compared to $52.6 million in 2020. The majority of the increase was due to the $9.1 million increase from the incremental OIBDA generated by acquisitions as well as a rebound in revenue starting in the second quarter. Despite lower operating margin[1] generated by acquisitions, adjusted operating margin[1] increased by 0.3 percent to 16.4 percent as compared to 16.1 percent in 2020.

Capital Expenditures

Net capital expenditures[1] were $17.1 million in the first nine months of 2021, an increase of $2.9 million as compared to $14.2 million in 2020. The Less-Than-Truckload segment had gross capital expenditures of $18.5 million and dispositions of $1.4 million for net capital expenditures[1] of $17.1 million in 2021. The majority of the capital invested in 2021 consisted of trucks and trailers to support growth opportunities as well as replace some older less efficient equipment. In 2020 gross capital expenditures were $14.7 million and dispositions were $0.5 million for net capital expenditures[1] of $14.2 million.

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

LOGISTICS & WAREHOUSING SEGMENT

Revenue

Revenue – Logistics & Warehousing **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**149.6**	**44.8**	100.8	38.0	48.8	48.4
Contractors	**183.3**	**54.9**	163.7	61.7	19.6	12.0
Other	**0.9**	**0.3**	0.7	0.3	0.2	28.6
Total	**333.8**	**100.0**	265.2	100.0	68.6	25.9

Segment revenue rose by $68.6 million, or 25.9 percent, to $333.8 million as compared to $265.2 million in 2020 and represented 32.1 percent of pre-consolidated revenue as compared to 30.5 percent in 2020. Segment revenue increased as a result of our most recent acquisitions as well as the improvement in the general economy as the negative effects of the outbreak of the COVID-19 virus in North America have been greatly diminished. Fuel surcharge revenue increased by $3.6 million to $18.5 million as compared to $14.9 million in 2020. Revenue in the first quarter declined by $4.9 million. Revenue in the second and third quarters improved by $37.8 million and $35.7 million, respectively, primarily due to acquisitions.

Revenue related to Company Equipment increased by $48.8 million, or 48.4 percent, to $149.6 million as compared to $100.8 million in 2020 and represented 44.8 percent of segment revenue in the current period as compared to 38.0 percent in 2020 due to the effect of acquisitions. Revenue related to Contractors increased by $19.6 million, or 12.0 percent, to $183.3 million as compared to $163.7 million in 2020 and represented 54.9 percent of segment revenue in the current period as compared to 61.7 percent in 2020.

Direct Operating Expenses

Direct Operating Expenses – Logistics & Warehousing **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**35.5**	**23.7**	25.2	25.0	10.3	40.9
CEWS	**(1.5)**	**(1.0)**	(3.5)	(3.5)	2.0	(57.1)
Fuel	**12.2**	**8.2**	6.8	6.7	5.4	79.4
Repairs and maintenance	**16.6**	**11.1**	12.8	12.7	3.8	29.7
Purchased transportation	**15.0**	**10.0**	3.4	3.4	11.6	341.2
Operating supplies	**12.6**	**8.4**	13.5	13.4	(0.9)	(6.7)
Other	**5.0**	**3.4**	3.8	3.8	1.2	31.6
	95.4	**63.8**	62.0	61.5	33.4	53.9
Contractors	**138.4**	**75.5**	123.2	75.3	15.2	12.3
Total	**233.8**	**70.0**	185.2	69.8	48.6	26.2

**as a percentage of respective Logistics & Warehousing revenue*

Total DOE were $233.8 million as compared to $185.2 million in 2020. The increase of $48.6 million, or 26.2 percent was generally in line with the $68.6 million, or 25.9 percent, increase in segment revenue. DOE expressed as a percentage of revenue increased by 0.2 percent to 70.0 percent as compared to 69.8 percent in 2020 due to a rise in fuel and purchased transportation costs as well as a reduction in CEWS being mostly offset by the reduction in operating supplies, and repairs and maintenance expenses.

DOE related to Company Equipment increased by $33.4 million, or 53.9 percent, to $95.4 million as compared to $62.0 million in 2020. This increase was generally in proportion to the $48.8 million increase in Company revenue. In terms of a percentage of revenue, Company expenses increased by 2.3 percent to 63.8 percent as compared to

61.5 percent in 2020. This increase was primarily due to higher purchased transportation and fuel expenses as well as the effect of CEWS being partially offset by lower operating supplies expense. CEWS totalled $1.5 million during the current period as compared to $3.5 million in 2020. Excluding CEWS, DOE related to Company Equipment decreased by 0.2 percent as a percentage of revenue to 64.8 percent as compared to 65.0 percent in 2020.

Contractors expense increased by $15.2 million to $138.4 million as compared to $123.2 million in 2020. This increase was generally in line with the $19.6 million increase in Contractors revenue. As a percentage of Contractors revenue, Contractors expense increased by 0.2 percent to 75.5 percent as compared to 75.3 percent in 2020.

Selling and Administrative Expenses

Selling and Administrative Expenses – Logistics & Warehousing
Nine month periods ended September 30

(unaudited) ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**24.7**	**7.4**	19.2	7.2	5.5	28.6
CEWS	**(0.8)**	**(0.2)**	(1.5)	(0.5)	0.7	(46.7)
Communications, utilities and general supplies	**9.0**	**2.7**	7.4	2.8	1.6	21.6
Profit share	**3.4**	**1.0**	3.0	1.1	0.4	13.3
Foreign exchange	**(0.1)**	**—**	(0.8)	(0.3)	0.7	(87.5)
Rent and other	**1.4**	**0.4**	1.1	0.4	0.3	27.3
Total	**37.6**	**11.3**	28.4	10.7	9.2	32.4

**as a percentage of total Logistics & Warehousing revenue*

S&A expenses were $37.6 million as compared to $28.4 million in 2020. The increase of $9.2 million was primarily due to the $8.0 million of incremental S&A expenses generated by our recent acquisitions and the $0.7 million negative variance in foreign exchange. S&A expenses as a percentage of segment revenue increased by 0.6 percent to 11.3 percent as compared to 10.7 percent in 2020. CEWS totalled $0.8 million during the current period as compared to $1.5 million in 2020. Excluding the effects of foreign exchange and CEWS, S&A expenses as a percentage of segment revenue were reduced to 11.5 percent as compared to 11.6 percent in 2020. This decrease was due to lower S&A expenses experienced by our legacy Business Units due to the fixed nature of these expenses relative to the increase in revenue being somewhat offset by the net effect of higher S&A expenses experienced by our recent acquisitions.

Operating Income Before Depreciation and Amortization

OIBDA increased by $10.8 million, or 20.9 percent, to $62.4 million as compared to $51.6 million in 2020. Adjusted OIBDA[1] increased by $13.5 million to $60.1 million as compared to $46.6 million. The increase in OIBDA was primarily due to the $12.2 million of OIBDA generated by our most recent acquisitions in this segment. Adjusted operating margin[1] increased to 18.0 percent as compared to 17.6 percent in 2020.

Capital Expenditures

Net capital expenditures[1] were $7.6 million in the first nine months of 2021, an increase of $1.4 million as compared to $6.2 million in 2020. The Logistics & Warehousing segment had gross capital expenditures of $9.2 million and dispositions of $1.6 million for net capital expenditures[1] of $7.6 million in 2021. The majority of the capital invested in 2021 mainly consisted of the construction of a new salt warehouse at our Esterhazy, Saskatchewan production facility and from purchasing new trucks, trailers and operating equipment to replace some older less efficient equipment. In 2020 gross capital expenditures were $7.2 million and dispositions were $1.0 million for net capital expenditures[1] of $6.2 million.

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

SPECIALIZED & INDUSTRIAL SERVICES SEGMENT

Revenue

Revenue – Specialized & Industrial Services **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**185.1**	**80.0**	221.8	80.0	(36.7)	(16.5)
Contractors	**45.3**	**19.6**	54.9	19.8	(9.6)	(17.5)
Other	**1.0**	**0.4**	0.5	0.2	0.5	100.0
Total	**231.4**	**100.0**	277.2	100.0	(45.8)	(16.5)

Segment revenue decreased by $45.8 million, or 16.5 percent, to $231.4 million as compared to $277.2 million in 2020 and represented 22.3 percent of pre-consolidated revenue as compared to 31.9 percent of pre-consolidated revenue in 2020. This decline in revenue was mainly attributable to delays in large diameter pipeline construction activity. Segment revenue decreased by $32.0 million in the first quarter, $7.1 million in the second quarter and $6.7 million in the third quarter. Specific factors affecting the segment revenue were:

- a $45.0 million decrease in revenue generated by those Business Units providing specialized services to the oil sands, environmental, construction, pipeline, utility, telecom and water management industries including a $31.9 million decrease in pipeline hauling and stringing services revenue as well as an $11.5 million decrease in demand for civil construction services at Smook;

- a $10.2 million decrease in revenue generated by those Business Units involved in the transportation of fluids and servicing of wells due to the decline in demand experienced during the first and third quarters being partially offset by improved demand in the second quarter; and

- an $8.7 million increase in revenue generated by those Business Units most directly tied to oil and natural gas drilling activity as the demand for services that were severely impacted at the onset of the COVID-19 pandemic have begun to rebound and experienced a strong third quarter.

Direct Operating Expenses

Direct Operating Expenses – Specialized & Industrial Services **Nine month periods ended September 30** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**51.2**	**27.6**	61.5	27.7	(10.3)	(16.7)
CEWS	**(6.7)**	**(3.6)**	(9.8)	(4.4)	3.1	(31.6)
Fuel	**13.8**	**7.5**	14.7	6.6	(0.9)	(6.1)
Repairs and maintenance	**32.4**	**17.5**	32.8	14.8	(0.4)	(1.2)
Purchased transportation	**1.3**	**0.7**	1.7	0.8	(0.4)	(23.5)
Operating supplies	**25.8**	**13.9**	30.4	13.7	(4.6)	(15.1)
Other	**5.1**	**2.8**	6.2	2.8	(1.1)	(17.7)
	122.9	**66.4**	137.5	62.0	(14.6)	(10.6)
Contractors	**38.1**	**84.1**	47.4	86.3	(9.3)	(19.6)
Total	**161.0**	**69.6**	184.9	66.7	(23.9)	(12.9)

**as a percentage of respective Specialized & Industrial Services revenue*

DOE were $161.0 million as compared to $184.9 million in 2020. The decrease of $23.9 million, or 12.9 percent, was directly related to the $45.8 million, or 16.5 percent, decrease in segment revenue. As a percentage of revenue these expenses increased by 2.9 percent to 69.6 percent as compared to 66.7 percent in 2020, largely due to the effect of CEWS. Excluding CEWS, these expenses increased by 2.3 percent as a percentage of revenue to 72.5 percent as compared to 70.2 percent in 2020.

DOE associated with Company Equipment decreased by $14.6 million, or 10.6 percent, to $122.9 million as compared to $137.5 million in 2020. This decrease was directly related to the $36.7 million, or 16.5 percent, decrease in Company revenue. As a percentage of Company revenue these expenses increased by 4.4 percent to 66.4 percent as compared to 62.0 percent in 2020, primarily due to higher repairs and maintenance, and fuel expenses. CEWS accounted for a reduction in expenses of $6.7 million in 2021 as compared to $9.8 million in 2020. Excluding CEWS, these expenses increased as a percentage of revenue by 3.6 percent to 70.0 percent as compared to 66.4 percent in 2020 due to a change in revenue mix, higher repairs and maintenance expense, and higher fuel costs.

Contractors expense decreased by $9.3 million to $38.1 million as compared to $47.4 million in 2020. As a percentage of Contractors revenue, Contractors expense decreased to 84.1 percent as compared to 86.3 percent due to the change in revenue mix.

Selling and Administrative Expenses

Selling and Administrative Expenses – Specialized & Industrial Services
Nine month periods ended September 30

($ millions)	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**15.4**	**6.7**	16.6	6.0	(1.2)	(7.2)
CEWS	**(2.0)**	**(0.9)**	(2.8)	(1.0)	0.8	(28.6)
Communications, utilities and general supplies	**8.3**	**3.6**	8.7	3.1	(0.4)	(4.6)
Profit share	**2.3**	**1.0**	4.0	1.4	(1.7)	(42.5)
Foreign exchange	**—**	**—**	—	—	—	—
Rent and other	**0.6**	**0.2**	1.1	0.5	(0.5)	(45.5)
Total	**24.6**	**10.6**	27.6	10.0	(3.0)	(10.9)

**as a percentage of total Specialized & Industrial Services revenue*

S&A expenses decreased by $3.0 million to $24.6 million as compared to $27.6 million in 2020, primarily as a result of a reduction in wages and benefits expense, and profit share as well as other cost savings initiatives. CEWS during the period was $2.0 million as compared to $2.8 million in 2020. S&A expenses as a percentage of segment revenue increased by 0.6 percent to 10.6 percent as compared to 10.0 percent in 2020. Excluding CEWS, these expenses increased by 0.5 percent as a percentage of revenue to 11.5 percent as compared to 11.0 percent in 2020 due to the fixed nature of these expenses relative to the decline in revenue.

Operating Income Before Depreciation and Amortization

OIBDA decreased by $18.9 million, or 29.2 percent, to $45.8 million as compared to $64.7 million in 2020. Operating margin[1] decreased to 19.8 percent as compared to 23.3 percent in 2020. Adjusted OIBDA[1] decreased by $15.0 million to $37.1 million as compared to $52.1 million in 2020. Adjusted operating margin[1] decreased by 2.8 percent to 16.0 percent as compared to 18.8 percent in 2020. The margin decline was primarily due to the change in revenue mix associated with the reduction in large diameter pipeline activity.

Specifically, the $15.0 million year over year decrease in Adjusted OIBDA[1] can be attributed to the following:

- a $15.6 million decrease relating to those Business Units providing specialized services including pipeline stockpiling and stringing services;
- a $2.3 million decrease in those Business Units involved in the transportation of fluids and servicing of wells; and
- a $2.9 million increase from those Business Units tied to drilling and drilling related activity.

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

Capital Expenditures

Net capital expenditures[1] were $2.8 million in the first nine months of 2021, a decrease of $3.3 million as compared to $6.1 million in 2020. The Specialized & Industrial Services segment had gross capital expenditures of $9.0 million and dispositions of $6.2 million for net capital expenditures[1] of $2.8 million in 2021. The majority of the capital invested in 2021 consisted of pumps, generators and water management equipment along with civil construction equipment to support demand at Canadian Dewatering and Smook, respectively. In 2020 gross capital expenditures were $10.1 million and dispositions were $4.0 million for net capital expenditures[1] of $6.1 million.

U.S. & INTERNATIONAL LOGISTICS SEGMENT

Revenue

Revenue – U.S. & International Logistics **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%**	**$**	**%**	**$**	**%**
Company	**—**	**—**	—	—	—	—
Contractors	**57.0**	**100.0**	—	—	57.0	—
Other	**—**	**—**	—	—	—	—
Total	**57.0**	**100.0**	—	—	57.0	—

The newly created U.S. & International Logistics segment started operations in the third quarter of 2021; as such, the results for this segment represent one quarter's results. On a year to date basis, the U.S. & International Logistics segment generated 5.5 percent of pre-consolidated revenue. This segment added $57.0 million of incremental revenue to our consolidated results.

Direct Operating Expenses

Direct Operating Expenses – U.S. & International Logistics **Nine month periods ended September 30** ***(unaudited)*** ***($ millions)***	**2021**		**2020**		**Change**	
	$	**%***	**$**	**%***	**$**	**%**
Company						
Wages and benefits	**—**	**—**	—	—	—	—
CEWS	**—**	**—**	—	—	—	—
Fuel	**—**	**—**	—	—	—	—
Repairs and maintenance	**—**	**—**	—	—	—	—
Purchased transportation	**—**	**—**	—	—	—	—
Operating supplies	**—**	**—**	—	—	—	—
Other	**0.1**	**—**	—	—	0.1	—
	0.1	**—**	—	—	0.1	—
Contractors	**51.6**	**90.5**	—	—	51.6	—
Total	**51.7**	**90.7**	—	—	51.7	—

**as a percentage of respective U.S. & International Logistics revenue*

DOE expressed as a percentage of revenue was 90.7 percent and added $51.6 million of additional costs to Contractors expense. This is significantly higher than in our other segments but in line with logistics operations of this nature. Other costs added $0.1 million to DOE related to Company Equipment. On a gross margin basis, net revenue was $5.3 million, or 9.3 percent.

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

Selling and Administrative Expenses

Selling and Administrative Expenses – U.S. & International Logistics Nine month periods ended September 30 *(unaudited)* *($ millions)*	2021		2020		Change	
	$	**%***	**$**	**%***	**$**	**%**
Wages and benefits	**1.9**	**3.3**	—	—	1.9	—
CEWS	**—**	**—**	—	—	—	—
Communications, utilities and general supplies	**0.4**	**0.7**	—	—	0.4	—
Profit share	**—**	**—**	—	—	—	—
Foreign exchange	**(0.1)**	**(0.2)**	—	—	(0.1)	—
Rent and other	**0.2**	**0.4**	—	—	0.2	—
Total	**2.4**	**4.2**	—	—	2.4	—

**as a percentage of total U.S. & International Logistics revenue*

S&A expenses were $2.4 million and were 4.2 percent as a percentage of segment revenue. As a percentage of revenue, S&A expenses were lower in this segment than all other segments.

Operating Income Before Depreciation and Amortization

OIBDA was $2.9 million, or 5.1 percent of revenue. This operating margin[1] of 5.1 percent is below our average margin and had a detrimental effect on our overall consolidated operating margin[1].

Capital Expenditures

In 2021 this new asset light operating segment did not have any capital expenditures or dispositions. The segment only has $3.3 million of property, plant and equipment and therefore generates cash in excess of its operating needs.

CORPORATE

The Corporate Office recorded a loss of $10.2 million in the first nine months of 2021 as compared to a loss of $7.1 million in 2020. The $3.1 million increase in loss was mainly attributable to a $1.4 million negative variance in foreign exchange and $0.8 million of higher acquisition related costs. In addition, we also experienced an increase in salaries and higher facility repair costs. These increases were somewhat offset by generating greater rental income from our real estate network and from lower stock-based compensation expense.

[The remainder of this page intentionally left blank.]

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

CAPITAL RESOURCES AND LIQUIDITY

Consolidated Cash Flow Summary

(unaudited) *($ millions)*	Nine month periods ended September 30	
	2021	**2020**
Net cash from operating activities	**$ 132.2**	$ 172.3
Net cash used in financing activities	**(3.8)**	(102.4)
Net cash used in investing activities	**(226.1)**	(43.9)
Change in cash and cash equivalents	**(97.7)**	26.0
Effect of exchange rate fluctuations on cash held	**(1.4)**	0.4
Cash and cash equivalents, beginning of period	**105.3**	79.0
Cash and cash equivalents, end of period	**$ 6.2**	$ 105.4

Sources and Uses of Cash

Mullen Group continues to generate cash in excess of its operating needs by generating $132.2 million of cash from operating activities in the first nine months of 2021 as compared to $172.3 million in 2020. Net cash used in financing activities in 2021 decreased by $98.6 million to $3.8 million as compared to using $102.4 million in 2020. The $98.6 million decrease in cash used in financing activities was mainly due to borrowing $85.2 million in 2021 on the RBC Credit Facility. Net cash used in investing activities increased by $182.2 million due to the acquisitions that were completed in 2021. Specific changes in cash flow are set forth below.

Cash From Operating Activities

Net cash from operating activities decreased to $132.2 million in the first nine months of 2021 as compared to $172.3 million in 2020. The decrease of $40.1 million, or 23.3 percent was mainly due to a $14.5 million increase in cash taxes paid due to government policies implemented with respect to the timing of tax installments resulting from the COVID-19 pandemic and from a $31.9 million decrease in cash generated from non-cash working capital items. The change in non-cash working capital items from operating activities is detailed in the table below.

Changes in Non-Cash Working Capital Items from Operating Activities

(unaudited) *($ millions)*	Nine month periods ended September 30		
	2021	**2020**	**Variance**
	$	**$**	**$**
Sources (uses) of cash			
Trade and other receivables	**(7.8)**	14.6	(22.4)
Inventory	**(4.5)**	1.5	(6.0)
Prepaid expenses	**(9.1)**	(0.4)	(8.7)
Accounts payable and accrued liabilities	**7.9**	2.7	5.2
Total sources (uses) of cash from non-cash working capital items	**(13.5)**	18.4	(31.9)

In the first nine months of 2021 our company has grown through acquisitions resulting in us using $13.5 million of cash from changes in non-cash working capital items from operating activities as compared to generating $18.4 million of cash during the same period in 2020. This $31.9 million variance was mainly due to the following factors.

- An additional $22.4 million of cash was used from trade and other receivables that resulted from the combined effect of a $7.8 million use of cash in 2021 as compared to a $14.6 million source of cash in 2020.

- An additional $6.0 million of cash was used from inventory that resulted from the combined effect of a $4.5 million use of cash in 2021 as compared to a $1.5 million source of cash in 2020.

- An additional $8.7 million of cash was used from prepaid expenses that resulted from the combined effect of a $9.1 million use of cash in 2021 as compared to a $0.4 million use of cash in 2020.

Somewhat offsetting these items was the following:

- An additional $5.2 million of cash was generated from accounts payable and accrued liabilities that resulted from the combined effect of a $7.9 million source of cash in 2021 as compared to a $2.7 million source of cash in 2020.

Cash Used In Financing Activities

Net cash used in financing activities was $3.8 million in the first nine months of 2021 as compared to using $102.4 million during the same period in 2020. This $98.6 million variance was mainly due to the factors set forth below.

- We borrowed $85.2 million on our RBC Credit Facility in 2021.

- A $23.5 million decrease in cash used in 2021 to repurchase and cancel Common Shares under the NCIB as compared to 2020.

Somewhat offsetting these items were the following:

- A $6.9 million increase in cash used to pay dividends to common shareholders.

- A $2.9 million increase in the repayment of lease liabilities, long-term debt and loans in 2021.

- A $0.3 million increase in interest paid in 2021.

Cash Used In Investing Activities

Net cash used in investing activities increased to $226.1 million in the first nine months of 2021 as compared to $43.9 million during the same period in 2020. This $182.2 million increase was mainly due to the factors set forth below.

- A $183.9 million increase in cash used on acquisitions.

- A $10.2 million change in other assets.

- A $0.9 million decrease in interest received from cash and cash equivalents.

Somewhat offsetting these items were the following:

- An $11.5 million decrease in net capital expenditures[1]. In 2021 net capital expenditures[1] were $20.2 million as compared to $31.7 million in 2020.

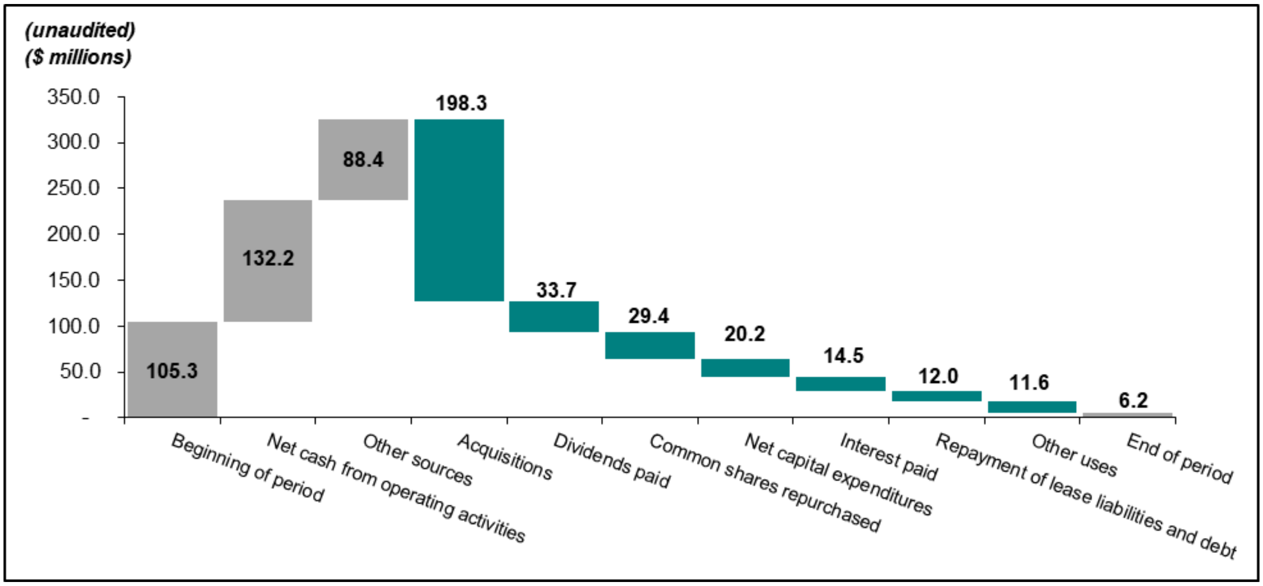
- A $1.2 million variance in changes in non-cash working capital items from investing activities.

- A $0.1 million increase in cash distributions from an equity investee.

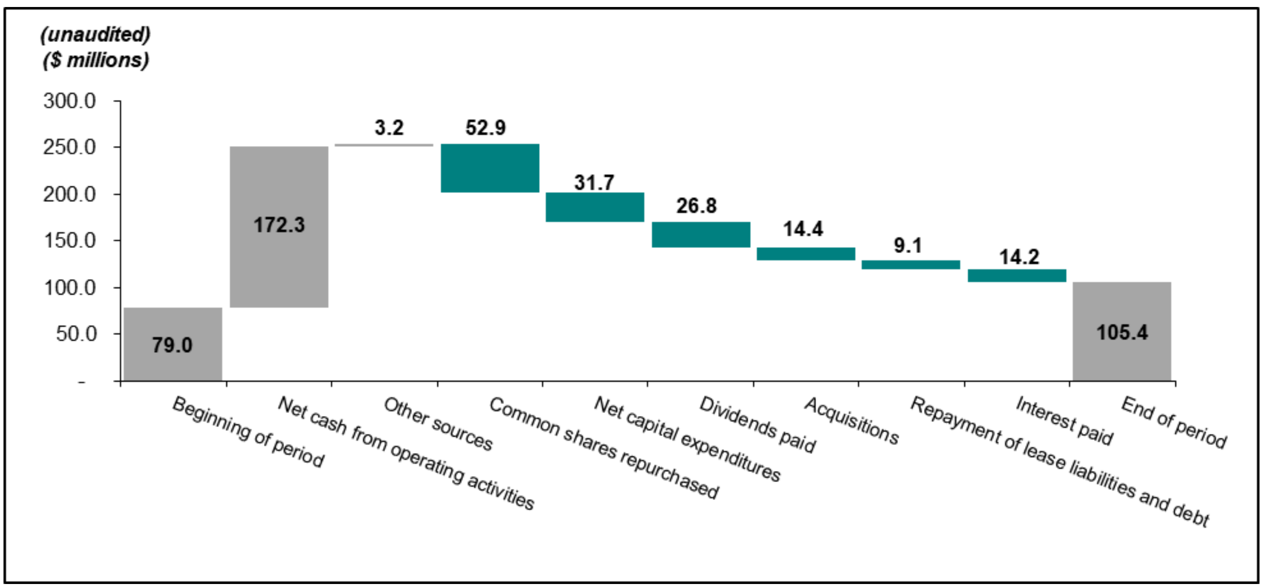
[1] Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

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

Nine month period ended September 30, 2021



Nine month period ended September 30, 2020



In addition to the $132.2 million (2020 – $172.3 million) of net cash from operating activities, we also received $88.4 million (2020 – $3.2 million) of cash from other sources, which mainly consisted of borrowings on our RBC Credit Facility, net investment from finance leases, interest income generated from cash and cash equivalents and cash received from an equity investee. Cash was used to fund acquisitions of $198.3 million (2020 – $14.4 million), repurchase and cancel 2,267,248 Common Shares for $29.4 million (2020 – $52.9 million), repay finance leases and debt of $12.0 million (2020 – $9.1 million), pay dividends totalling $33.7 million (2020 – $26.8 million), incur net capital expenditures[1] of $20.2 million (2020 – $31.7 million) and pay interest obligations of $14.5 million (2020 – $14.2 million). We also had $11.6 million (2020 – nil) of other uses, which mainly consisted of funding the October 1, 2021 acquisition of DirectIT.

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

Working Capital

At September 30, 2021, we had $65.1 million (December 31, 2020 – $239.1 million) of working capital, which included $85.2 million of amounts drawn on our RBC Credit Facility. We also have access to our undrawn $100.0 million CIBC Credit Facility that we entered into on October 1, 2021. This working capital also includes a current liability of $18.4 million (December 31, 2020 – $11.4 million) related to the current portion of lease liabilities. This working capital, the RBC Credit Facility, the CIBC Credit Facility and the anticipated cash flow from operating activities in 2021 are available to finance our ongoing working capital requirements, our 2021 dividend, our 2021 capital budget, as well as various special projects and acquisition opportunities.

Debt

As at September 30, 2021, we had net debt[1] outstanding of $572.1 million, (December 31, 2020 – $357.3 million), which consisted of total debt of $740.9 million (December 31, 2020 – $607.8 million) less working capital (excluding the current portion of lease liabilities) of $168.8 million (December 31, 2020 – $250.5 million). The primary reason for the increase in the carrying value of the long-term debt was due to drawing on our RBC Credit Facility, the incremental increase in lease liabilities resulting from our recent acquisitions and from the impact of the weakening of the Canadian dollar relative to the U.S. dollar on our U.S. dollar denominated debt. Total debt is comprised of the Private Placement Debt, the Debentures, lease liabilities and the RBC Credit Facility. The following table summarizes our total debt and net debt[1] as at September 30, 2021, and December 31, 2020:

($ millions)	Interest Rate	September 30, 2021 U.S. Dollar	September 30, 2021 CDN. Dollar Equivalent	December 31, 2020 U.S. Dollar	December 31, 2020 CDN. Dollar Equivalent	Change in CDN. Dollar Equivalent
Private Placement Debt:						
Series G - matures October 22, 2024	3.84%	$ 117.0	$ 149.1	$ 117.0	$ 149.0	$ 0.1
Series H - matures October 22, 2026	3.94%	112.0	142.7	112.0	142.6	0.1
Series I - matures October 22, 2024	3.88%	—	30.0	—	30.0	—
Series J - matures October 22, 2026	4.00%	—	3.0	—	3.0	—
Series K - matures October 22, 2024	3.95%	—	58.0	—	58.0	—
Series L - matures October 22, 2026	4.07%	—	80.0	—	80.0	—
Bank indebtedness	variable(1)	—	85.2	—	—	85.2
Long-term debt	3.31%	—	0.9	—	—	0.9
Less:						
Unamortized debt issuance costs		—	(0.7)	—	(0.9)	0.2
Long-term debt (including the current portion)		229.0	548.2	229.0	461.7	86.5
Debentures – debt component	5.75%	—	112.9	—	111.1	1.8
Lease liabilities (including the current portion)	3.20%	—	79.8	—	35.0	44.8
Total debt		$ 229.0	$ 740.9	$ 229.0	$ 607.8	$ 133.1
Less:						
Working capital (excluding the bank indebtedness and the current portion of leases)			168.8		250.5	(81.7)
Net debt(2)			$ 572.1		$ 357.3	$ 214.8

(1) Bank prime rate plus 0.5 percent or bankers' acceptance rates plus 1.5 percent.
(2) Refer to the section entitled "Glossary of Terms and Reconciliation of Non-GAAP Terms".

<u>Total Net Debt[1] to Operating Cash Flow</u>. Mullen Group's total net debt[1] cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months' financial results normalized for acquisitions. The term total net debt[1], as defined within the Private Placement Debt Agreement, means 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 the Private Placement Debt, lease liabilities, the RBC Credit Facility and letters of credit. The term "**operating cash flow**", as defined within the Private Placement Debt Agreement, means, for any quarterly period, the trailing twelve months' consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or

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

measured by income or excess profits; (ii) depreciation and amortization taken during such period; (iii) total interest charges, including interest on the Debentures; and (iv) non-cash charges. Total net debt[1] to operating cash flow financial covenant under our Private Placement Debt enables us to include the trailing twelve months operating cash flows from acquisitions. Although permitted, we have not included any operating cash flows generated prior to the date of the acquisition from our recent acquisitions in this financial covenant calculation.

Total net debt[1] to operating cash flow was calculated as follows:

Total net debt(1) to operating cash flow		**September 30 2021**		**June 30 2021**		**March 31 2021**		**December 31 2020**
Total net debt(1)	$	592.4	$	572.0	$	459.4	$	462.8
Operating cash flow	$	223.6	$	224.8	$	221.2	$	220.1
Total net debt(1) to operating cash flow		2.65:1		2.54:1		2.08:1		2.10:1

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

Total Earnings Available for Fixed Charges to Total Fixed Charges. The fixed charge coverage ratio cannot be less than 1.75:1 calculated using the trailing twelve months financial results.

The term "**total earnings available for fixed charges**", as defined within the Private Placement Debt Agreement, means, for any period, consolidated net income plus all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) the depreciation and amortization taken during such period, (iii) consolidated fixed charges, (iv) interest charges with respect to convertible debentures, and (v) non-cash charges, and less any non-cash gains included in the computation of consolidated net income. The term "**total fixed charges"**, as defined within the Private Placement Debt Agreement, means, for any period the sum of total interest charges and rental charges for such period.

Total Earnings Available for Fixed Charges to Total Fixed Charges		**September 30 2021**		**June 30 2021**		**March 31 2021**		**December 31 2020**
Total earnings available for fixed charges	$	226.3	$	227.0	$	223.4	$	222.4
Total fixed charges	$	23.2	$	21.5	$	21.7	$	22.5
Total earnings available for fixed charges to total fixed charges		9.76:1		10.57:1		10.30:1		9.87:1

Mullen Group, as evidenced by the table below, is in compliance with both of the aforementioned covenants.

Financial Covenants	**Financial Covenant Threshold**	**September 30 2021**	**June 30 2021**	**March 31 2021**	**December 31 2020**
Private Placement Debt Covenants					
(a) Total net debt(1) to operating cash flow cannot exceed	3.50:1	2.65:1	2.54:1	2.08:1	2.10:1
(b) Total earnings available for fixed charges to total fixed charges cannot be less than	1.75:1	9.76:1	10.57:1	10.30:1	9.87:1

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

Total net debt[1] to operating cash flow was 2.65:1 at September 30, 2021. Assuming the $592.4 million of total net debt[1] remains constant, we would need to generate approximately $169.3 million of operating cash flow on a trailing twelve month basis to remain in compliance with this financial covenant. When a business is acquired, the trailing twelve months of operating cash flows generated by the newly acquired business may be added to our trailing twelve months' operating cash flows from the date of acquisition for financial covenant calculation purposes, such has not been included in the above calculation.

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

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 September 30, 2021, the priority debt was $1.1 million or an insignificant percentage of total assets.

Our debt-to-equity ratio was 0.83:1 at September 30, 2021, as compared to 0.68:1 at December 31, 2020. This increase in the debt-to-equity ratio was due to the net effect of a $133.1 million increase in total debt (including the current portion) and a $2.9 million decrease in equity as compared to December 31, 2020. The $133.1 million increase in total debt was due to the $85.2 million bank indebtedness and from a $44.8 million increase in lease liabilities resulting from our recent acquisitions. We also experienced a $0.2 million foreign exchange loss on the Corporation's U.S. dollar debt. The $2.9 million decrease in equity mainly resulted from the $34.6 million of dividends declared to shareholders in 2021 and from the Common Shares repurchased under the NCIB. These items were somewhat offset by the $52.2 million of net income being recognized in 2021 and from the 750,000 Common Shares issued on the APPS acquisition.

Contractual Obligations

An overview of Mullen Group's contractual obligations can be found on page 43 of the 2020 MD&A. As at September 30, 2021, other than borrowing $85.2 million on the RBC Credit Facility and acquiring $44.7 million of lease liabilities through acquisitions in 2021, Mullen Group's contractual obligations have not changed significantly from this overview. On October 1, 2021, we also entered into the CIBC Credit Facility. For more information, please refer to the Subsequent Events section on page 14.

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, 2020	96,852,047	$	874.9
Common Shares repurchased and cancelled	(2,267,248)		(20.5)
Repurchased 214,608 Common Shares yet to be cancelled	—		(1.7)
Common Shares issued on acquisition	750,000		9.4
Balance at September 30, 2021	**95,334,799**	**$**	**862.1**

At September 30, 2021, there were 95,334,799 Common Shares outstanding representing $862.1 million in share capital. In the first nine months of 2021, we repurchased and cancelled 2,267,248 Common Shares under the NCIB program. We also repurchased 214,608 Common Shares that are scheduled to be cancelled in October 2021.

In the second quarter of 2021, we issued 750,000 Common Shares as partial consideration for the acquisition of APPS.

Stock Option Plan

	Options	Weighted average exercise price
Outstanding – December 31, 2020	2,995,000	$ 19.38
Granted	720,000	10.23
Exercised	—	—
Forfeited	(335,000)	(19.16)
Outstanding – September 30, 2021	**3,380,000**	**17.46**
Exercisable – September 30, 2021	**2,660,000**	**19.41**

In the first nine months of 2021, there were 720,000 stock options granted, no stock options exercised and 335,000 stock options forfeited. As at September 30, 2021, Mullen Group had 3,380,000 stock options outstanding under the stock option plan.

[The remainder of this page intentionally left blank.]

SUMMARY OF QUARTERLY RESULTS

Seasonality of Operations

Revenue and profitability within the Less-Than-Truckload and Logistics & Warehousing segments are generally lower in the first quarter than during the remainder of the year as freight volumes are typically lower following the holiday season due to less consumer demand and customers reducing shipments. 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, our third and fourth quarters tend to be the strongest in terms of demand for the services in these segments. As a result, our consolidated revenue is generally higher in these quarters compared to the first and second quarters of the year. The COVID-19 pandemic has had an impact on this typical pattern.

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 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 when wet weather and the spring thaw make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of heavy equipment, 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 unpredictable weather patterns may lead to declines in the activity levels and demand for certain services. As a result, the demand for these services is traditionally highest in the first quarter and lowest in the second quarter.

Financial Results

	TTM[1]	2021			2020				2019
(unaudited)		Q3	**Q2**	**Q1**	Q4	**Q3**	Q2	Q1	Q4
($ millions, except per share amounts)	**$**	$	**$**	**$**	$	**$**	$	$	$
Revenue	**1,333.2**	432.5	**312.5**	**290.5**	297.7	**290.9**	257.5	318.2	314.6
Operating income before depreciation and amortization	**222.8**	64.5	**59.0**	**47.1**	52.2	**65.2**	55.0	45.2	49.9
Net income	**62.3**	17.5	**21.7**	**13.0**	10.1	**26.2**	23.0	4.7	8.4
Earnings per share									
Basic	**0.64**	0.18	**0.23**	**0.13**	0.10	**0.27**	0.23	0.04	0.08
Diluted	**0.64**	0.18	**0.23**	**0.13**	0.10	**0.26**	0.23	0.04	0.08
Other Information									
Net foreign exchange (gain) loss	**(1.4)**	(0.2)	**(1.2)**	**(0.1)**	0.1	**(0.1)**	(5.2)	2.8	(2.3)
Decrease (increase) in fair value of investments	**(1.2)**	0.3	**(0.7)**	**(0.4)**	(0.4)	**0.1**	(0.2)	1.5	(0.3)

(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 third quarter of 2021 increased by $141.6 million to $432.5 million as compared to $290.9 million in 2020. Revenue generated by the Less-Than-Truckload segment increased by $56.4 million to $169.1 million due to $47.9 million of incremental revenue generated from acquisitions and from the continued strength in consumer spending. Revenue generated by the Logistics & Warehousing segment increased by $35.7 million to $121.9 million due to $28.3 million of incremental revenue generated from acquisitions and from greater demand for our services as compared to 2020 when COVID-19 impacted economic activity through supply chain disruptions, a lack of capital projects and business closures. Revenue generated by the Specialized & Industrial Services segment decreased by $6.7 million to $85.7 million due to lower demand for specialized services including demand for large diameter pipeline hauling and stringing services as well as civil construction projects in northern Manitoba. These decreases were somewhat offset by greater demand for drilling and drilling related services. Net income in the third quarter was $17.5 million, a decrease of $8.7 million from the $26.2 million of net income generated in 2020. The $8.7 million decrease in net income was mainly attributable to a $4.6 million increase in amortization of intangible assets, a $3.1 million increase in depreciation of right-of-use assets, a $1.4 million increase in finance costs, a $0.7 million decrease in the gain on sale of property, plant and equipment, a $0.7 million decrease in OIBDA and a $0.4 million gain on fair value of equity investment in 2020. These decreases were somewhat offset by a $2.6 million decrease in income tax expense. As a result, basic earnings per share in the third quarter of 2021 was $0.18, a decrease of $0.09, from the $0.27 of earnings per share generated in 2020.

Consolidated revenue in the second quarter of 2021 increased by $55.0 million to $312.5 million as compared to $257.5 million in 2020. Revenue generated by the Less-Than-Truckload segment increased by $24.8 million to $126.7 million due to the strength in consumer spending and from $6.4 million of incremental revenue generated from the acquisition of PCX. Revenue generated by the Logistics & Warehousing segment increased by $37.8 million to $120.6 million due to our recent acquisitions and from greater demand for our services as compared to 2020 when COVID-19 impacted economic activity, including supply chain disruptions, a lack of capital projects and business closures. Revenue generated by the Specialized & Industrial Services segment decreased by $7.1 million to $66.4 million due to lower demand for specialized services including demand for large diameter pipeline hauling and stringing services resulting from project delays related to COVID-19 restrictions. This decrease was somewhat offset by greater demand for fluid hauling and drilling related services along with the incremental revenue generated from acquisitions. Net income in the second quarter was $21.7 million, a decrease of $1.3 million from the $23.0 million of net income generated in 2020. The $1.3 million decrease in net income was mainly attributable to a $4.0 million negative variance in net foreign exchange, a $1.8 million increase in amortization of intangible assets, a $1.2 million decrease in earnings from equity investments, a $0.3 million increase in depreciation of right-of-use assets and a $0.2 million increase in income tax expense. These decreases were somewhat offset by a $4.0 million increase in OIBDA, a $0.8 million decrease in depreciation of property, plant and equipment, a $0.5 million positive variance in the fair value of investments, a $0.7 million decrease in the loss on sale of property, plant and equipment and a $0.2 million gain on contingent consideration. As a result, basic earnings per share in the second quarter of 2021 was $0.23, which is consistent with the $0.23 of earnings per share generated in 2020.

Consolidated revenue in the first quarter of 2021 decreased by $27.7 million to $290.5 million as compared to $318.2 million in 2020. Revenue generated by the Less-Than-Truckload segment increased by $7.8 million to $120.7 million due to $5.9 million of incremental revenue generated from the acquisition of PCX and from the strength of consumer spending. Revenue generated by the Logistics & Warehousing segment decreased by $4.9 million to $91.3 million due to the lingering effects of COVID-19 resulting in lower freight volumes and spot prices. Revenue generated by the Specialized & Industrial Services segment decreased by $32.0 million to $79.3 million due to lower demand for specialized services including demand for large diameter pipeline hauling and stringing services as well as fluid hauling and drilling related services. Net income in the first quarter was $13.0 million, an increase of $8.3 million from the $4.7 million of net income generated in 2020. The $8.3 million increase in net income was mainly attributable to a $2.9 million positive variance in net foreign exchange, a $1.9 million increase in OIBDA, a $1.9 million positive variance in the fair value of investments, a $0.7 million decrease in depreciation of property, plant and equipment and a $0.6 million decrease in income tax expense. These increases were partially offset by a $0.1 million increase in the depreciation of right-of-use assets. As a result, basic earnings per share in the first quarter of 2021 was $0.13, an increase of $0.09, from the $0.04 of earnings per share generated in 2020.

Consolidated revenue in the fourth quarter of 2020 decreased by $16.9 million to $297.7 million as compared to $314.6 million in 2019. Revenue generated by the Less-Than-Truckload segment increased by $2.1 million to $116.3 million due to the incremental revenue generated from the acquisition of PCX being somewhat offset by the negative effects of COVID-19 and lower fuel surcharge revenue. Revenue generated by the Logistics & Warehousing segment decreased by $5.4 million to $96.8 million due to COVID-19 resulting in supply chain disruptions, a lack of capital projects, business closures and lower fuel surcharge revenue. Revenue generated by the Specialized & Industrial Services segment decreased by $15.2 million to $84.8 million due to low oil prices, mandated curtailments and a poor drilling environment being moderately offset by improved results from Premay Pipeline. Net income in the fourth quarter was $10.1 million, an increase of $1.7 million from the $8.4 million of net income generated in 2019. The $1.7 million increase in net income was mainly attributable to a $7.9 million decrease in depreciation of property, plant and equipment, a $2.3 million increase in OIBDA, and a $0.5 million decrease in amortization of intangible assets. These increases were partially offset by a $4.3 million increase in the loss on sale of property, plant and equipment, a $2.4 million negative variance in net foreign exchange and a $1.0 million increase in income tax expense. As a result, basic earnings per share in the fourth quarter of 2020 was $0.10, an increase of $0.02, from the $0.08 of earnings per share generated in 2019.

TRANSACTIONS WITH RELATED PARTIES

A description of transactions with related parties can be found on page 63 of the 2020 MD&A. As at September 30, 2021, 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 $5.0 million of the Debentures subscribed to certain officers and directors of the Corporation.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of principal risks and uncertainties can be found beginning on page 64 of the 2020 MD&A. As at September 30, 2021, these risks and uncertainties have not changed significantly from those descriptions, however, due to economic implications associated with the COVID-19 health care crisis, some of these risks have been elevated in 2021. Our risks and are summarized as follows:

STRATEGIC RISKS:	FINANCIAL RISKS:	OPERATIONAL RISKS:

• geopolitical risks
  • general economy
  • natural gas and oil drilling and oil sands development
  • changes in the legal framework
• e-commerce and supply chain evolution
• acquisitions
• competition
	• foreign exchange rates
	• investments
	• access to financing
	• reliance on major customers
	• impairment of goodwill or intangible assets
	• credit risk
	• interest rates
		• employees & labour relations
		• cost escalation & fuel costs
		• potential operating risks & insurance
		• digital infrastructure & cyber security
		• business continuity, disaster recovery & crisis management
		• environmental liability risks
		• weather & seasonality
		• access to parts, development of new technology & relationships with key suppliers
		• regulation
		• litigation

CRITICAL ACCOUNTING ESTIMATES

This MD&A summarizes Mullen Group's financial condition and results of operations and is based upon our Interim Financial Statements, which have been prepared in accordance with IFRS and comply with IAS 34 Interim Financial Reporting. The Interim Financial Statements require management to select significant accounting policies and make certain critical accounting estimates that affect the reported assets, liabilities, revenue and expenses. A description of critical accounting estimates can be found beginning on page 79 of the 2020 MD&A. As at September 30, 2021, 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 82 of the 2020 MD&A. There have been no new standards or interpretations issued during 2021 that significantly impact Mullen Group.

Changes in Accounting Policies

Other than the newly adopted accounting policy as described below, there have been no changes to our accounting policies as disclosed in our audited annual consolidated financial statements for the fiscal year ended December 31, 2020.

Foreign Currency Translation

The financial statements for each of the Business Units are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The presentation and functional currency of Mullen Group is Canadian dollars. Assets and liabilities of foreign operations are translated into Canadian dollars at the market rates prevailing at the balance sheet date. Operating results are translated at the average rates for the period. Exchange differences arising on the consolidation of the net assets of foreign operations are recorded in other comprehensive income.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income.

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Internal Controls over Financial Reporting

As at September 30, 2021, an evaluation of the effectiveness of our disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"). In accordance with the provisions of National Instrument 52-109, management, including the CEO and CFO, have limited the scope of their design of the Corporation's disclosure controls and procedures to exclude controls, policies and procedures of APPS, Bandstra, Babine and HAUListic. Mullen Group acquired APPS on June 24, 2021. Since being acquired, APPS has generated revenue and earnings before tax of $37.6 million and $1.2 million, respectively. As at September 30, 2021, APPS had $26.9 million of current assets and $22.6 million of current liabilities. Mullen Group acquired Bandstra and Babine on April 16, 2021. Since being acquired, Bandstra and Babine have generated revenue and earnings before tax of $49.8 million and $7.2 million, respectively. As at September 30, 2021, Bandstra and Babine had $32.1 million of current assets and $12.2 million of current liabilities. Mullen Group acquired HAUListic on June 30, 2021. Since being acquired, HAUListic has generated revenue and earnings before tax of $57.0 million and $1.4 million, respectively. As at September 30, 2021, HAUListic had $31.3 million of current assets and $29.7 million of current liabilities. The scope limitation is primarily due to the time required for the Corporation's management to assess the disclosure controls and procedures to ensure that they are consistent with those of the Corporation. Based on this evaluation, the CEO and the CFO concluded that, as at September 30, 2021, the design and operation of Mullen Group's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities were reported within the time periods specified under Canadian securities laws.

Internal control over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. Under the supervision and with the participation of the CEO and CFO, management conducted an evaluation of the effectiveness of its internal control over financial reporting as at September 30, 2021.

The CEO and CFO limited the scope of their design of the Corporation's internal controls over financial reporting to exclude controls, policies and procedures of APPS, Bandstra, Babine and HAUListic due to the time required for the Corporation's management to assess their internal controls over financial reporting to ensure that they are consistent with those of the Corporation. Based on this evaluation, the CEO and CFO concluded that internal control over financial reporting was effective as at September 30, 2021, 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 September 30, 2021, there was no change in our 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 view the slowdowns in capital spending in the Canadian marketplace to be temporary, as referred to in the Executive Summary section beginning on page 4. This forward-looking statement is based on the assumption that it's only a matter of time before capital once again begins to be deployed in the Canadian marketplace and when it does the Mullen Group will be well positioned.

- Mullen Group's comment that we expect top line revenue to remain strong, primarily for the next few quarters, as referred to in the Outlook section beginning on page 4. This forward-looking statement is based on the assumption that we will continue to benefit from our previously announced acquisitions. However, we also are of the view that economic growth will slow as inflationary pressures begin to impact consumer spending. In addition, there is growing evidence that the supply chain bottlenecks are impacting the supply of many goods, restricting everything from economic activity to the availability of goods to ship. Within the current environment, we anticipate consumer demand will remain steady but growth will be difficult to achieve.

- Mullen Group's comment that we have been very active in 2021, completing six transactions, adding new revenue in excess of $400.0 million, as referred to in the Outlook section beginning on page 4. This forward-looking statement is based on the assumption that we will be able to successfully integrate, realize and achieve the economic benefits of these acquisitions on a go forward basis.

- Mullen Group's announcement of its plan to allocate $100.0 million over the course of three years to repurchase its Common Shares via an authorized share buyback program, as referred to in the Corporate Overview section beginning on page 7. This forward-looking statement is based on the assumption that we will obtain approvals from the TSX to renew a share buyback program and that we will generate sufficient cash in excess of our financial obligations to support the share buyback program.

- Mullen Group's intention to pay annual dividends of $0.48 per Common Share ($0.04 per Common Share on a monthly basis) for 2021, subject to Board approval, as referred to in the Corporate Overview section beginning on page 7. This forward-looking statement is based on the assumption that we will generate sufficient cash in excess of our financial obligations to support the dividend.

- Mullen Group's intention to invest $60.0 million in capital expenditures, exclusive of corporate acquisitions or investment in facilities, land and buildings, with $50.0 million allocated towards maintenance capital primarily to replace trucks, trailers, specialized equipment and technology to support the operations of the business. In addition, we will allocate $10.0 million to fund growth and create jobs in Canada, as referred to in the Corporate Overview section beginning on page 7. This forward-looking statement is based on the assumption that our Business Units will require capital to support their ongoing operations and growth opportunities and that we will generate sufficient cash in excess of our financial obligations to support the capital expenditures.

- Mullen Group's intention to use working capital, the RBC Credit Facility, the CIBC Credit Facility and the anticipated cash flow from operating activities in 2021 to finance our ongoing working capital requirements, our 2021 dividend, our 2021 capital budget, as well as various special projects and acquisition opportunities, as referred to in the Capital Resources and Liquidity section beginning on page 53. 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. These include, but are not limited to certain strategic, financial and operational risks, most important of which are geopolitical risks including but not limited to a slowdown in the general economy, reduced oil and natural gas drilling and decreased oil sands and heavy oil activity; e-commerce and supply chain evolution; acquisitions; competition; 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; prevailing interest rates; 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; regulatory framework governing matters such as tax and the environment in the jurisdictions in which the Corporation conducts and will conduct its business; and litigation. 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 SEDAR website at www.sedar.com. The forward-looking statements contained in this MD&A are made as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law. We rely on litigation protection for "forward-looking" statements.

GLOSSARY OF TERMS AND RECONCILIATION OF NON-GAAP TERMS

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

Adjusted Operating Income Before Depreciation and Amortization

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

	Three month periods ended September 30		Nine month periods ended September 30	
(unaudited) ***($ millions)***	**2021**	**2020**	**2021**	**2020**
Operating income before depreciation and amortization	**$ 64.5**	$ 65.2	**$ 170.6**	$ 165.4
Canada Emergency Wage Subsidy	**(0.1)**	(10.3)	**(12.5)**	(21.2)
Adjusted operating income before depreciation and amortization	**$ 64.4**	$ 54.9	**$ 158.1**	$ 144.2

Adjusted Operating Margin

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

(unaudited) *($ millions)*	Three month periods ended September 30		Nine month periods ended September 30	
	2021	**2020**	**2021**	**2020**
Adjusted operating income before depreciation and amortization	**$ 64.4**	$ 54.9	**$ 158.1**	$ 144.2
Revenue	**$ 432.5**	$ 290.9	**$ 1,035.5**	$ 866.6
Adjusted operating margin	**14.9%**	18.9%	**15.3%**	16.6%

Operating Margin

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

(unaudited) *($ millions)*	Three month periods ended September 30		Nine month periods ended September 30	
	2021	**2020**	**2021**	**2020**
Operating income before depreciation and amortization	**$ 64.5**	$ 65.2	**$ 170.6**	$ 165.4
Revenue	**$ 432.5**	$ 290.9	**$ 1,035.5**	$ 866.6
Operating margin	**14.9%**	22.4%	**16.5%**	19.1%

Net Income – Adjusted and Earnings per Share – Adjusted

Net income – adjusted and earnings per share – adjusted are calculated by adjusting net income and basic earnings per share by the impact of any net foreign exchange gains and losses, from the change in fair value of investments, the gain on contingent consideration and from the gain 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. See pages 25 and 43 for detailed calculations of net income – adjusted and earnings per share – adjusted.

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 September 30		Nine month periods ended September 30	
	2021	**2020**	**2021**	**2020**
Purchase of property, plant and equipment	**$ 12.4**	$ 10.2	**$ 37.7**	$ 37.5
Proceeds on sale of property, plant and equipment	**(7.9)**	(2.6)	**(17.5)**	(5.8)
Net capital expenditures	**$ 4.5**	$ 7.6	**$ 20.2**	$ 31.7

Net Debt

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

(unaudited) *($ millions)*		September 30, 2021		December 31, 2020
Long-term debt (including bank indebtedness)	**$**	**548.2**	$	461.7
Convertible debentures - debt component		**112.9**		111.1
Lease liabilities (non-current portion)		**61.4**		23.6
Total debt		**722.5**		596.4
Less working capital:				
Current assets		**332.2**		345.3
Current liabilities (excluding bank indebtedness)		**(181.8)**		(106.2)
Total working capital		**150.4**		239.1
Net debt	**$**	**572.1**	$	357.3

Total Net Debt

The term "*total net debt*" means all debt excluding the Debentures but includes the Private Placement Debt, lease liabilities, the RBC Credit Facility and letters of credit less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position. Management calculates total net debt to monitor its capital structure and makes adjustments to it in light of changes in economic conditions.

(unaudited) *($ millions)*		September 30, 2021
Private Placement Debt	**$**	**462.1**
Lease liabilities (including the current portion)		**79.8**
Bank indebtedness		**85.2**
Letters of credit		**4.0**
Long-term debt (including the current portion)		**0.9**
Total debt		**632.0**
Less: unrealized gain on Cross-Currency Swaps		**(39.6)**
Add: unrealized loss on Cross-Currency Swaps		—
Total net debt	**$**	**592.4**

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.

	Three month periods ended September 30				Nine month periods ended September 30			
(unaudited) *($ millions, except share and per share amounts)*		2021		2020		2021		2020
Net cash from operating activities	**$**	**37.3**	$	47.4	**$**	**132.2**	$	172.3
Weighted average number of Common Shares outstanding		**95,820,732**		98,507,667		**96,305,976**		101,884,589
Cash flow per share	**$**	**0.39**	$	0.48	**$**	**1.37**	$	1.69

Mullen Group Ltd.

SEPTEMBER 30, 2021

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited) *(thousands)*	Note	September 30 2021	December 31 2020
Assets			
Current assets:			
Cash and cash equivalents		**$ 6,221**	$ 105,340
Trade and other receivables	**6**	**256,304**	192,453
Inventory		**37,078**	30,072
Prepaid expenses		**26,337**	13,910
Current tax receivable		**6,250**	3,522
		332,190	345,297
Non-current assets:			
Property, plant and equipment		**978,091**	939,107
Right-of-use assets		**76,795**	32,186
Goodwill		**353,626**	271,340
Intangible assets		**91,645**	45,867
Investments		**37,508**	35,761
Deferred tax assets		**9,798**	9,072
Derivative financial instruments	**7**	**39,602**	37,906
Other assets	**8**	**12,079**	1,400
		1,599,144	1,372,639
Total Assets		**$ 1,931,334**	$ 1,717,936
Liabilities and Equity			
Current liabilities:			
Bank indebtedness	**11**	**$ 85,241**	$ —
Accounts payable and accrued liabilities		**154,682**	88,153
Dividends payable	**9**	**3,813**	2,906
Current tax payable		**4,898**	3,687
Lease liabilities – current portion		**18,399**	11,439
Current portion of long-term debt		**58**	16
		267,091	106,201
Non-current liabilities:			
Convertible debentures – debt component	**11**	**112,872**	111,111
Long-term debt	**11**	**462,914**	461,713
Lease liabilities		**61,373**	23,593
Asset retirement obligations		**1,627**	1,609
Deferred tax liabilities		**131,979**	117,291
		770,765	715,317
Equity:			
Share capital	**12**	**862,134**	874,888
Convertible debentures – equity component		**9,116**	9,116
Contributed surplus		**27,496**	36,577
Accumulated other comprehensive income		**1,347**	—
Deficit		**(6,615)**	(24,163)
		893,478	896,418
Subsequent events	**19**		
Total Liabilities and Equity		**$ 1,931,334**	$ 1,717,936

The notes which begin on page 73 are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors on October 27, 2021, after review by the Audit Committee.

"Signed: Murray K. Mullen"

Murray K. Mullen, Director

"Signed: Philip J. Scherman"

Philip J. Scherman, Director

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(unaudited) *(thousands, except per share amounts)*	Note	Three month periods ended September 30 2021	 2020	Nine month periods ended September 30 2021	 2020
Revenue	**15**	**$ 432,523**	$ 290,901	**$ 1,035,485**	$ 866,607
Direct operating expenses		**315,370**	190,580	**732,408**	591,067
Selling and administrative expenses		**52,624**	35,047	**132,494**	110,113
Operating income before depreciation and amortization		**64,529**	65,274	**170,583**	165,427
Depreciation of property, plant and equipment		**18,417**	18,199	**52,321**	53,584
Depreciation of right-of-use assets		**5,866**	2,832	**12,072**	8,601
Amortization of intangible assets		**9,030**	4,351	**19,195**	12,761
Finance costs		**8,216**	6,828	**22,405**	21,203
Net foreign exchange (gain) loss	**7**	**(214)**	(116)	**(1,490)**	(2,513)
Other (income) expense	**16**	**(471)**	(1,913)	**(2,361)**	(1,457)
Income before income taxes		**23,685**	35,093	**68,441**	73,248
Income tax expense	**10**	**6,200**	8,863	**16,287**	19,364
Net income		**$ 17,485**	$ 26,230	**$ 52,154**	$ 53,884
Earnings per share:	**13**				
Basic		**$ 0.18**	$ 0.27	**$ 0.54**	$ 0.53
Diluted		**$ 0.18**	$ 0.26	**$ 0.54**	$ 0.53
Weighted average number of Common Shares outstanding:	**13**				
Basic		**95,821**	98,508	**96,306**	101,885
Diluted		**95,916**	107,436	**96,358**	101,885

The notes which begin on page 73 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited) *(thousands)*	Three month periods ended September 30 2021	 2020	Nine month periods ended September 30 2021	 2020
Net income	**$ 17,485**	$ 26,230	**$ 52,154**	$ 53,884
Other comprehensive income *Items that may be reclassified subsequently to statement of income*				
Exchange differences from translating foreign operations	**1,347**	—	**1,347**	—
Other comprehensive income, net of tax	**1,347**	—	**1,347**	—
Total comprehensive income	**$ 18,832**	$ 26,230	**$ 53,501**	$ 53,884

The notes which begin on page 73 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		Deficit		Total
Balance at January 1, 2021		**$**	**874,888**	**$**	**9,116**	**$**	**36,577**	**$**	**—**	**$**	**(24,163)**	**$**	**896,418**
Net income for the period			**—**		**—**		**—**		**—**		**52,154**		**52,154**
Other comprehensive income, net of tax			**—**		**—**		**—**		**1,347**		**—**		**1,347**
Common Shares repurchased	**12**		**(22,167)**		**—**		**(9,339)**		**—**		**—**		**(31,506)**
Common Shares issued on acquisition	**5**		**9,413**		**—**		**—**		**—**		**—**		**9,413**
Stock-based compensation expense			**—**		**—**		**258**		**—**		**—**		**258**
Dividends declared to common shareholders	**9**		**—**		**—**		**—**		**—**		**(34,606)**		**(34,606)**
Balance at September 30, 2021		**$**	**862,134**	**$**	**9,116**	**$**	**27,496**	**$**	**1,347**	**$**	**(6,615)**	**$**	**893,478**

(unaudited) (*thousands*)	Note		Share capital		Convertible debentures – equity component		Contributed surplus		Accumulated Other Comprehensive Income		Deficit		Total
Balance at January 1, 2020		$	946,910	$	9,116	$	16,860	$	—	$	(54,965)	$	917,921
Net income for the period			—		—		—		—		53,884		53,884
Other comprehensive income, net of tax			—		—		—		—		—		—
Common Shares repurchased	**12**		(71,487)		—		18,613		—		—		(52,874)
Stock-based compensation expense			—		—		991		—		—		991
Dividends declared to common shareholders	**9**		—		—		—		—		(24,460)		(24,460)
Balance at September 30, 2020		$	875,423	$	9,116	$	36,464	$	—	$	(25,541)	$	895,462

The notes which begin on page 73 are an integral part of these condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *(thousands)*	Note	Nine month periods ended September 30 2021	2020
Cash provided by (used in):			
Cash flows from operating activities:			
Net income		**$ 52,154**	$ 53,884
Adjustments for:			
Depreciation and amortization		**83,588**	74,946
Finance costs		**22,405**	21,203
Stock-based compensation expense		**258**	991
Foreign exchange (gain) loss on cross-currency swaps	**7**	**(1,696)**	(10,551)
Foreign exchange loss (gain)		**1,588**	7,628
Change in fair value of investments	**16**	**(794)**	1,409
(Gain) loss on sale of property, plant and equipment	**16**	**(411)**	(179)
Gain on fair value of equity investment	**16**	**—**	(432)
Gain on contingent consideration	**16**	**(150)**	—
Earnings from equity investments	**16**	**(1,024)**	(2,274)
Accretion on asset retirement obligations	**16**	**18**	19
Income tax expense	**10**	**16,287**	19,364
Cash flows from operating activities before non-cash working capital items		**172,223**	166,008
Changes in non-cash working capital items from operating activities	**17**	**(13,586)**	18,322
Cash generated from operating activities		**158,637**	184,330
Income tax paid		**(26,520)**	(11,990)
Net cash from operating activities		**132,117**	172,340
Cash flows from financing activities:			
Bank indebtedness	**11**	**85,241**	—
Repurchase of Common Shares	**12**	**(29,356)**	(52,874)
Cash dividends paid to common shareholders		**(33,699)**	(26,794)
Interest paid		**(14,513)**	(14,253)
Repayment of long-term debt and loans		**(38)**	—
Repayment of lease liabilities		**(11,973)**	(9,102)
Changes in non-cash working capital items from financing activities	**17**	**612**	556
Net cash used in financing activities		**(3,726)**	(102,467)
Cash flows from investing activities:			
Acquisitions net of cash (bank indebtedness) acquired		**(198,319)**	(14,445)
Purchase of property, plant and equipment		**(37,706)**	(37,514)
Proceeds on sale of property, plant and equipment		**17,491**	5,813
Net investment in finance leases		**867**	947
Interest received		**348**	1,235
Other assets		**(10,147)**	(34)
Dividends from equity investee		**99**	—
Changes in non-cash working capital items from investing activities	**17**	**1,296**	125
Net cash used in investing activities		**(226,071)**	(43,873)
Change in cash and cash equivalents		**(97,680)**	26,000
Cash and cash equivalents at January 1		**105,340**	79,023
Effect of exchange rate fluctuations on cash held		**(1,439)**	410
Cash and cash equivalents at September 30		**$ 6,221**	$ 105,433

The notes which begin on page 73 are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Three and nine month periods ended September 30, 2021 and 2020 (unaudited)
(Tabular amounts in thousands, except share and per share amounts)

1. Reporting Entity

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

2. Basis of Presentation

(a) Statement of Compliance

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

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

3. Significant Accounting Policies

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

During the nine month period ended September 30, 2021, the Corporation adopted the following accounting policy as a result of acquiring the assets and business of QuadExpress (hereafter defined on page 74), a U.S. based third-party logistics provider, which has been rebranded as HAUListic LLC. ("**HAUListic**")

Foreign currency translation

The financial statements for each of the Business Units are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The presentation and functional currency of Mullen Group is Canadian dollars. The functional currency of HAUListic is U.S. dollars. Assets and liabilities of foreign operations are translated into Canadian dollars at the market rates prevailing at the balance sheet date. Operating results are translated at the average rates for the period. Exchange differences arising on the consolidation of the net assets of foreign operations are recorded in other comprehensive income.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income.

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

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.

September 30, 2021 **Financial Instrument**	**Fair Value Hierarchy**		**Carrying Amount**		**Fair Value**
Investments (excluding investments accounted for by using the equity method)	Level 1	$	2,001	$	2,001
Derivative Financial Instruments	Level 2	$	39,602	$	39,602
Private Placement Debt	Level 2	$	462,057	$	456,457
Convertible Debentures – debt component	Level 2	$	112,872	$	114,436

(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. Acquisitions

2021 Acquisitions

Bandstra Transportation Systems Ltd./Babine Truck & Equipment Ltd. – On April 16, 2021, Mullen Group acquired all of the issued and outstanding shares of Bandstra Transportation Systems Ltd. ("**Bandstra**") and Babine Truck & Equipment Ltd. ("**Babine"**) for total cash consideration of $76.4 million. Mullen Group recognized $67.8 million of cash used to acquire Bandstra and Babine in its condensed consolidated statement of cash flows, which consists of $76.4 million of cash consideration paid on closing net of $8.6 million of cash acquired. Bandstra is a privately held company headquartered in Smithers, British Columbia and provides a wide range of transportation and logistics services to communities in northern British Columbia including truckload, general freight, less-than-truckload ("**LTL**") and specialized hauling services. Customers are serviced through a network of three leased and eight owned facilities, all of which are included in the acquisition. They operate a fleet of approximately 180 power units, 360 trailers and 70 pieces of support equipment. Babine is an Original Equipment Manufacturer ("**OEM**") dealership providing sales of OEM trucks and trailers and also provides parts, service and maintenance work from three locations in British Columbia supporting the natural resources, energy and transportation industries. Mullen Group acquired Bandstra and Babine as part of its strategy to invest in the transportation sector. The financial results of Bandstra will be included within the Logistics & Warehousing segment while Babine's financial results will be included within the Specialized & Industrial Services segment.

APPS Transport Group Inc. – On June 24, 2021, Mullen Group acquired all of the issued and outstanding shares of APPS Transport Group Inc. including its operating businesses APPS Cartage Inc. and APPS Cargo Terminals Inc. (collectively "**APPS**") for total consideration of $75.9 million consisting of $66.5 million of cash consideration and from the issuance of 750,000 Common Shares of Mullen Group. Mullen Group recorded $9.4 million of consideration from issuing 750,000 Common Shares. Mullen Group recognized $61.9 million of cash used to acquire APPS in its condensed consolidated statement of cash flows, which consists of $66.5 million of cash consideration paid on closing net of $4.6 million of cash acquired. APPS provides LTL, truckload and intermodal along with warehousing services primarily from their head office in Mississauga, Ontario, with services extending into five locations throughout western Canada. Mullen Group acquired APPS as part of its strategy to invest in the transportation sector in Canada. The financial results of APPSs operations are included in the Less-Than-Truckload segment.

Tri Point Intermodal Services Inc. – On June 1, 2021, Mullen Group acquired all of the issued and outstanding shares of Tri Point Intermodal Services Inc. and Trillium Drayage Services Inc. (collectively "**Tri Point**") for total cash consideration of $8.8 million. Mullen Group recognized $8.8 million of cash used to acquire Tri Point on its condensed consolidated statement of cash flows. Tri Point is based out of Mississauga, Ontario and mainly provides intermodal services to and from the Greater Toronto Area. Mullen Group acquired Tri Point as part of its strategy to invest in the transportation sector in eastern Canada. The financial results of Tri Point's operations are included in the Logistics & Warehousing segment.

HAUListic LLC – On June 30, 2021, Mullen Group acquired all the assets and business of QuadExpress ("**QuadExpress**") from Quad Logistics Services, LLC, an indirect subsidiary of Quad/Graphics, Inc., ("**Quad**") for total cash consideration of $49.6 million. Mullen Group recorded $49.6 million of cash used to acquire the assets and business of QuadExpress in its condensed consolidated statement of cash flows. QuadExpress was rebranded and has been renamed HAUListic. HAUListic provides third-party logistics, logistics, technology, delivery and freight transportation services by utilizing its proprietary transportation management platform known as SilverExpress. HAUListic operates out of Naperville, Illinois. Mullen Group acquired the assets and business of HAUListic as part of its strategy to grow and expand its service offerings into the United States of America. The financial results of HAUListic's operations are being reported under the new operating segment "U.S. & International Logistics segment", which commenced in the third quarter of 2021.

R.S. Harris Transport Ltd. – On July 1, 2021, Mullen Group acquired all of the issued and outstanding shares of R.S. Harris Transport Ltd. ("**Harris**") for total cash consideration of $11.4 million. Mullen Group recognized $10.4 million of cash used to acquire Harris in its condensed consolidated statement of cash flows, which consists of $11.4 million of cash consideration paid on closing net of $1.0 million of cash acquired. Harris is a privately held company headquartered in Winnipeg, Manitoba and provides a wide range of transportation and logistics services including intermodal, truckload and general freight services. The acquisition of Harris aligns with Mullen Group's strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of Harris are included within the Less-Than-Truckload segment.

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

These acquisitions have been accounted for by the acquisition method, and results of operations have been included in these Interim Financial Statements from the dates of acquisition. The goodwill acquired in these acquisitions primarily relates to the assembled workforce and the synergies from the integration of the acquired businesses.

	Bandstra	APPS	HAUListic	Harris	Tri Point	Total
Assets:						
Non-cash working capital items	$ 5,954	$ (3,618)	$ (481)	$ 2,205	$ 857	**$ 4,917**
Property, plant and equipment	50,861	5,691	3,718	8,979	1,120	**70,369**
Right-of-use assets	15,828	25,421	1,416	—	2,053	**44,718**
Intangible assets	14,285	25,303	16,755	3,660	4,510	**64,513**
Goodwill	5,156[1]	40,921[1]	28,835	1,902[1]	4,665[1]	**81,479**
Due from shareholder	—	3,473	—	—	—	**3,473**
Other assets	571	—	—	97	—	**668**
	92,655	97,191	50,243	16,843	13,205	**270,137**
Assumed liabilities:						
Lease liabilities (long-term portion)	14,881	18,399	667	—	1,602	**35,549**
Long-term debt	938	—	—	—	—	**938**
Due to shareholder	—	—	—	3,334	1,508	**4,842**
Deferred income taxes	9,074	7,524	—	3,139	1,339	**21,076**
	24,893	25,923	667	6,473	4,449	**62,405**
Net assets before cash and cash equivalents	67,762	71,268	49,576	10,370	8,756	**207,732**
Cash and cash equivalents acquired	8,613	4,591	—	1,009	21	**14,234**
Net assets	76,375	75,859	49,576	11,379	8,777	**221,966**
Consideration:						
Cash	76,375	66,446	49,576	11,379	8,777	**212,553**
Share consideration	—	9,413	—	—	—	**9,413**
	$ 76,375	$ 75,859	$ 49,576	$ 11,379	$ 8,777	**$ 221,966**

[1] Goodwill is not deductible for tax purposes

Due to the limited time between the closing of these acquisitions and the preparation of these Interim Financial Statements, the value of the assets acquired and the liabilities assumed are based upon preliminary financial information available to management as of the date of this report and are subject to change.

6. Trade and Other Receivables

	September 30 2021	December 31 2020
Trade receivables	**$ 222,482**	$ 171,221
Other receivables	**31,786**	19,450
Net investment in finance leases	**212**	1,085
Contract assets	**1,824**	697
	$ 256,304	$ 192,453

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

7. Derivative Financial Instruments

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

For the nine month period ended September 30, 2021, Mullen Group has recorded a net foreign exchange gain of $1.5 million (2020 – $2.5 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 (Gain) Loss	**Nine month periods ended September 30**			
	CDN. $ Equivalent			
		2021		**2020**
Foreign exchange loss on U.S. $ debt	$	**206**	$	8,038
Foreign exchange gain on Cross-Currency Swaps		**(1,696)**		(10,551)
Net foreign exchange (gain) loss	$	**(1,490)**	$	(2,513)

For the nine month period ended September 30, 2021, Mullen Group recorded a foreign exchange loss on U.S. dollar debt of $0.2 million (2020 – $8.0 million) as summarized in the table below:

Foreign Exchange Loss (Gain) on U.S. $ Debt	**Nine month periods ended September 30**					
	2021			**2020**		
($ thousands, except exchange rate amounts)	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**	**U.S. $ Debt**	**Exchange Rate**	**CDN. $ Equivalent**
Ending – September 30	**229,000**	**1.2741**	**291,769**	229,000	1.3339	305,464
Beginning – January 1	**229,000**	**1.2732**	**291,563**	229,000	1.2988	297,426
Foreign exchange loss (gain) on U.S. $ debt			**206**			8,038

For the nine month period ended September 30, 2021, Mullen Group recorded a foreign exchange gain on its Cross-Currency Swaps of $1.7 million (2020 – $10.6 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	**Nine month periods ended September 30**			
	2021		**2020**	
	U.S. $ Swaps	**CDN. $ Change in Fair Value of Swaps**	**U.S. $ Swaps**	**CDN. $ Change in Fair Value of Swaps**
Cross-Currency Swap maturing October 22, 2024	**117,000**	**(855)**	117,000	(5,171)
Cross-Currency Swap maturing October 22, 2026	**112,000**	**(841)**	112,000	(5,380)
Foreign exchange (gain) loss on Cross-Currency Swaps		**(1,696)**		(10,551)

8. Other Assets

		September 30 2021		**December 31 2020**
Promissory notes		**678**		725
Net investment in finance leases(1)		**76**		212
Deposit on acquisition(2)		**10,000**		—
Other		**1,325**		463
	$	**12,079**	$	1,400

(1) Net investment in finance leases includes amounts owing after 12 months and mainly consists of the net investment in subleases on real property where the Business Unit has entered into the head lease.

(2) Deposit on acquisition consists of amounts funded to close the October 1, 2021, acquisition of the West Direct Express Ltd. group of companies. ▶ ***For more information, refer to Note 19***.

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

9. Dividends Payable

For the nine month period ended September 30, 2021, Mullen Group declared dividends totalling $0.36 per Common Share (2020 – $0.24 per Common Share). On December 9, 2020, Mullen Group announced its intention to pay annual dividends of $0.48 per Common Share ($0.04 per Common Share on a monthly basis) for 2021. At September 30, 2021, Mullen Group had 95,334,799 Common Shares outstanding and a dividend payable of $3.8 million (December 31, 2020 – $2.9 million), which was paid on October 15, 2021. Mullen Group also declared a dividend of $0.04 per Common Share on October 20, 2021, to the holders of record at the close of business on October 31, 2021.

10. 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 September 30		Nine month periods ended September 30	
	2021	2020	**2021**	2020
Income before income taxes	**$ 23,685**	$ 35,093	**$ 68,441**	$ 73,248
Combined statutory tax rate	**25%**	26%	**25%**	26%
Expected income tax	**5,921**	9,124	**17,110**	19,044
Add (deduct):				
Non-deductible (taxable) portion of net foreign exchange (gain) loss	**(24)**	—	**(171)**	—
Non-deductible (taxable) portion of the change in fair value of investments	**32**	(42)	**(91)**	122
Stock-based compensation expense	**22**	82	**59**	248
Changes in unrecognized deferred tax asset	**(156)**	—	**(1,092)**	—
Other	**405**	(301)	**472**	(50)
Income tax expense	**$ 6,200**	$ 8,863	**$ 16,287**	$ 19,364

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

Mullen Group has a loan agreement to borrow up to $150.0 million on an unsecured credit facility (the "**RBC Credit Facility**"). 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. As at September 30, 2021, there was $85.2 million drawn on this facility, which was included within Bank indebtedness on the condensed consolidated statement of financial position. This facility does not have any financial covenants, however, Mullen Group cannot be in default of its Private Placement Debt and it must be in compliance with certain reporting and general covenants. Mullen Group is in compliance with all of these reporting and general covenants. On October 1, 2021, the Corporation entered into a new credit agreement (the "**CIBC Credit Facility**") and amended certain terms of the RBC Credit Facility. ▶ **For more information, refer to Note 19.**

Mullen Group has $4.0 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.*

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

Mullen Group's unamortized debt issuance costs of $0.7 million related to its Private Placement Debt have been netted against its carrying value at September 30, 2021 (December 31, 2020 – $0.8 million). Mullen Group has certain financial covenants that must be met under its unsecured Private Placement Debt, which include a total net debt to operating cash flow ratio and a total earnings available for fixed charges to total fixed charges ratio. Mullen Group's total net debt cannot exceed 3.5 times operating cash flow calculated using the trailing twelve months financial results normalized for acquisitions. The term "**total net debt**" is defined in the Private Placement Debt agreement as all debt excluding the Debentures less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position but includes Private Placement Debt, lease liabilities, the RBC Credit Facility and letters of credit. The term "**operating cash flow**" is also defined in the Private Placement Debt agreement and means, for any quarterly period, the trailing twelve month consolidated net income adjusted for all amounts deducted in the computation thereof on account of (i) taxes imposed on or measured by income or excess profits, (ii) depreciation and amortization taken during such period, (iii) total interest charges, including interest on the Debentures and lease liabilities; and (iv) non-cash charges. Mullen Group cannot have a fixed charge coverage ratio less than 1.75:1 calculated using the trailing twelve months financial results. Mullen Group is in compliance with all the Private Placement Debt financial covenants.

Mullen Group entered into Cross-Currency Swaps to swap the Series G and Series H Notes into Canadian dollars at foreign exchange rates of $1.1047 and $1.1148 that mature on October 22, 2024 and October 22, 2026, respectively. ▶ **For more information, refer to Note 7**.

The following table summarizes the Corporation's total debt:

		September 30, 2021		December 31, 2020
Current liabilities:				
Private Placement Debt	**$**	**—**	$	—
Lease liabilities – current portion		**18,399**		11,439
Current portion of long-term debt		**58**		16
Bank indebtedness		**85,241**		—
		103,698		11,455
Non-current liabilities:				
Private Placement Debt		**462,057**		461,713
Lease liabilities		**61,373**		23,593
Long-term debt		**857**		—
		524,287		485,306
	$	**627,985**	$	496,761

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

			September 30, 2021		December 31, 2020	
	Year of Maturity	Interest Rate	Face Value	Carrying Amount	Face Value	Carrying Amount
			$	**$**	$	$
Bank indebtedness	—	Variable	**85,241**	**85,241**	—	—
Lease liabilities	2021 – 2028	3.20%	**93,930**	**79,772**	37,488	35,032
Private Placement Debt	2024 – 2026	3.84% - 4.07%	**462,769**	**462,057**	462,563	461,713
Various financing loans	2021 – 2024	1.90% - 3.31%	**915**	**915**	16	16
			642,855	**627,985**	500,067	496,761

In addition, Mullen Group has an aggregate principal amount of $125.0 million of convertible unsecured subordinated debentures (the "**Debentures**"). The Debentures mature on November 30, 2026 and are publicly listed on the TSX under 'MTL.DB'. The Debentures bear interest at a rate of 5.75 percent per annum, payable semi-annually in arrears on May 31 and November 30 of each year. The carrying amount of the debt component of the Debentures at September 30, 2021, was $112.9 million (December 31, 2020 – $111.1 million).

12. 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.

	Note	# of Common Shares 2021	2020
Issued Common Shares at January 1		**96,852,047**	104,824,973
Common Shares repurchased and cancelled		**(2,267,248)**	(7,914,260)
Common Shares issued on acquisition	5	**750,000**	—
Issued Common Shares at September 30		**95,334,799**	96,910,713

On March 3, 2021, Mullen Group announced the renewal of its normal course issuer bid ("**NCIB**"), commencing March 9, 2021, to purchase for cancellation up to 7,928,623 Common Shares in the open market on or before March 8, 2022. As at September 30, 2021, Mullen Group had purchased and cancelled 2,267,248 Common Shares for $29.4 million under this NCIB program. Mullen Group has also repurchased 214,608 Common Shares that are scheduled to be cancelled in October 2021.

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

In the second quarter of 2021, Mullen Group issued 750,000 Common Shares as partial consideration for the acquisition of APPS. ▶ **For more information, refer to Note 5.**

13. 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 and nine month periods ended September 30, 2021, were $17.5 million and $52.2 million (2020 – $26.2 million and $53.9 million), respectively. The weighted average number of Common Shares outstanding for the three and nine month periods ended September 30, 2021 and 2020 was calculated as follows:

	Note	Three month periods ended September 30 2021	2020	Nine month periods ended September 30 2021	2020
Issued Common Shares at beginning of period	12	**96,207,095**	99,620,189	**96,852,047**	104,824,973
Effect of Common Shares repurchased and cancelled	12	**(386,363)**	(1,112,522)	**(818,049)**	(2,940,384)
Effect of Common Shares issued on acquisition		**—**	—	**271,978**	—
Weighted average number of Common Shares at end of period – basic		**95,820,732**	98,507,667	**96,305,976**	101,884,589

(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 September 30 2021	2020	Nine month periods ended September 30 2021	2020
Net income	**$ 17,485**	$ 26,230	**$ 52,154**	$ 53,884
Effect on finance costs from conversion of Debentures (net of tax)	**—**	1,750	**—**	—
Net income – adjusted	**$ 17,485**	$ 27,980	**$ 52,154**	$ 53,884

(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 September 30		Nine month periods ended September 30	
	2021	**2020**	**2021**	**2020**
Weighted average number of Common Shares – basic	**95,820,732**	98,507,667	**96,305,976**	101,884,589
Effect of "in the money" stock options	**95,574**	—	**51,756**	—
Effect of the Debentures	**—**	8,928,571	**—**	—
Weighted average number of Common Shares at end of period – diluted	**95,916,306**	107,436,238	**96,357,732**	101,884,589

For the three and nine month periods ended September 30, 2021, 700,000 stock options outstanding were included in the diluted weighted average number of Common Shares calculation as their effect would have been dilutive. For the three and nine month periods ended September 30, 2020, all stock options 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 September 30, 2021 and 2020. For the three and nine month periods ended September 30, 2021, the Common Shares that would be issued upon conversion of the Debentures were excluded from the diluted weighted average calculation as their effect would have been anti-dilutive. For the three month period ended September 30, 2020, the Common Shares that would have been issued upon conversion of the Debentures, were included in the diluted weighted average calculation as their effect was dilutive.

14. 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. The COVID-19 pandemic has had an impact on this typical pattern.

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.

15. 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 Investments Inc. ("**MT**"), owns a network of real estate holdings and facilities that are leased primarily to the Business Units. Such properties are leased by MT to the Business Units on commercially reasonable terms. The day to day management of the Business Units is conducted at the subsidiary level. The U.S. & International Logistics segment has been added as a new segment and reflects the Corporation's strategic direction to grow its U.S. and international logistics business with the acquisition of the assets and business of QuadExpress being the first in this segment. ▶ **For more information, refer to Notes 5 and 18.**

At September 30, 2021, the Less-Than-Truckload segment consisted of 12 Business Units and is often referred to as the final or last mile delivery of general freight consisting of smaller shipments, packages and parcels. Through an extensive terminal network the pickup, handling and delivery of a wide range of freight including ambient, temperature controlled and consumer goods is coordinated from regional hubs located in Ontario and western Canada. 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 September 30, 2021, the Logistics & Warehousing segment consisted of 12 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.

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

At September 30, 2021, the Specialized & Industrial Services segment consisted of 16 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 September 30, 2021, 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.

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:

Nine month period ended September 30, 2021	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	**401,019**	**203,871**	**109,107**	**—**	**—**	**—**	**713,997**
Logistics	**16,634**	**70,151**	**11,680**	**56,997**	**—**	**—**	**155,462**
Other[1]	**5,005**	**63,415**	**112,616**	**—**	**2,994**	**—**	**184,030**
Eliminations	**(6,133)**	**(3,683)**	**(2,015)**	**—**	**—**	**(6,173)**	**(18,004)**
	416,525	**333,754**	**231,388**	**56,997**	**2,994**	**(6,173)**	**1,035,485**
Timing of revenue recognition							
Over time	**401,199**	**207,344**	**153,388**	**—**	**2,561**	**—**	**764,492**
Point in time	**21,459**	**130,093**	**80,015**	**56,997**	**433**	**—**	**288,997**
Eliminations	**(6,133)**	**(3,683)**	**(2,015)**	**—**	**—**	**(6,173)**	**(18,004)**
	416,525	**333,754**	**231,388**	**56,997**	**2,994**	**(6,173)**	**1,035,485**

[1] Included within other revenue is $27.4 million of rental revenue comprised of $0.2 million, $3.5 million, $21.2 million, nil and $2.5 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.

Nine month period ended September 30, 2020	**Less-than-Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Intersegment eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue by service line							
Transportation	315,857	152,657	146,374	—	—	—	614,888
Logistics	13,110	59,707	4,013	—	—	—	76,830
Other[1]	3,993	56,167	129,566	—	2,358	—	192,084
Eliminations	(5,471)	(3,353)	(2,716)	—	—	(5,655)	(17,195)
	327,489	265,178	277,237	—	2,358	(5,655)	866,607
Timing of revenue recognition							
Over time	316,032	156,165	204,829	—	1,843	—	678,869
Point in time	16,928	112,366	75,124	—	515	—	204,933
Eliminations	(5,471)	(3,353)	(2,716)	—	—	(5,655)	(17,195)
	327,489	265,178	277,237	—	2,358	(5,655)	866,607

[1] Included within other revenue is $26.9 million of rental revenue comprised of $0.2 million, $3.5 million, $21.4 million and $1.8 million recorded in the Less-Than-Truckload segment, the Logistics & Warehousing segment, the Specialized & Industrial Services segment and Corporate, respectively.

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

16. Other (Income) Expense

	Three month periods ended September 30		Nine month periods ended September 30	
	2021	**2020**	**2021**	**2020**
Change in fair value of investments	**$ 272**	$ 94	**$ (794)**	$ 1,409
(Gain) loss on sale of property, plant and equipment	**(194)**	(907)	**(411)**	(179)
Gain on fair value of equity investment	**—**	(432)	**—**	(432)
Gain on contingent consideration	**—**	—	**(150)**	—
Earnings from equity investments	**(555)**	(674)	**(1,024)**	(2,274)
Accretion on asset retirement obligations	**6**	6	**18**	19
Other (income) expense	**$ (471)**	$ (1,913)	**$ (2,361)**	$ (1,457)

17. Changes in Non-Cash Working Capital

	Nine month periods ended September 30	
	2021	**2020**
Trade and other receivables	**$ (7,848)**	$ 14,555
Inventory	**(4,498)**	1,497
Prepaid expenses	**(9,139)**	(431)
Accounts payable and accrued liabilities	**9,807**	3,382
	$ (11,678)	$ 19,003

	Nine month periods ended September 30	
	2021	**2020**
Changes in non-cash working capital items from:		
Operating activities	**$ (13,586)**	$ 18,322
Financing activities	**612**	556
Investing activities	**1,296**	125
	$ (11,678)	$ 19,003

18. Operating Segments

In the third quarter of 2021, Mullen Group has commenced reporting 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. This new segment resulted from the acquisition of the assets and business of QuadExpress.

▶ **For more information, refer to Notes 5 and 15**.

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

The following tables provide financial results by segment:

						Intersegment eliminations				
Three month period ended September 30, 2021	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	**169,171**	**121,901**	**85,669**	**56,997**	**855**	**(400)**	**(872)**	**(798)**	**—**	**432,523**
Income (loss) before income taxes	**10,930**	**12,191**	**2,837**	**1,373**	**(3,646)**	**—**	**—**	**—**	**—**	**23,685**
Depreciation of property, plant and equipment	**4,688**	**3,404**	**8,305**	**473**	**1,547**	**—**	**—**	**—**	**—**	**18,417**
Amortization of intangible assets	**3,492**	**3,135**	**1,551**	**852**	**—**	**—**	**—**	**—**	**—**	**9,030**
Capital expenditures(1)	**5,799**	**3,087**	**3,455**	**—**	**119**	**—**	**(46)**	**(3)**	**—**	**12,411**
Total assets at September 30, 2021	**510,628**	**358,839**	**401,368**	**81,218**	**579,281**	**—**	**—**	**—**	**—**	**1,931,334**

(1) Excludes business acquisitions.

						Intersegment eliminations				
Three month period ended September 30, 2020	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	112,725	86,194	92,398	—	661	(208)	(340)	(529)	—	290,901
Income (loss) before income taxes	11,819	10,592	12,967	—	(285)	—	—	—	—	35,093
Depreciation of property, plant and equipment	3,851	2,813	9,994	—	1,541	—	—	—	—	18,199
Amortization of intangible assets	1,963	1,523	865	—	—	—	—	—	—	4,351
Capital expenditures(1)	6,088	2,207	2,188	—	122	—	(253)	(113)	—	10,239
Total assets at December 31, 2020	363,517	249,470	420,104	—	684,845	—	—	—	—	1,717,936

(1) Excludes business acquisitions.

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

						Intersegment eliminations				
Nine month period ended September 30, 2021	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	**416,525**	**333,754**	**231,388**	**56,997**	**2,994**	**(877)**	**(3,339)**	**(1,957)**	**—**	**1,035,485**
Income (loss) before income taxes	**30,197**	**35,394**	**7,984**	**1,373**	**(6,507)**	**—**	**—**	**—**	**—**	**68,441**
Depreciation of property, plant and equipment	**13,096**	**9,505**	**24,635**	**473**	**4,612**	**—**	**—**	**—**	**—**	**52,321**
Amortization of intangible assets	**7,336**	**6,774**	**4,233**	**852**	**—**	**—**	**—**	**—**	**—**	**19,195**
Capital expenditures[(1)]	**18,594**	**9,153**	**8,971**	**—**	**1,674**	**(55)**	**(341)**	**(290)**	**—**	**37,706**
Total assets at September 30, 2021	**510,628**	**358,839**	**401,368**	**81,218**	**579,281**	**—**	**—**	**—**	**—**	**1,931,334**

[(1)] *Excludes business acquisitions.*

						Intersegment eliminations				
Nine month period ended September 30, 2020	**Less than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Corporate**	**Less-than Truckload**	**Logistics & Warehousing**	**Specialized & Industrial Services**	**U.S. & International Logistics**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	327,489	265,178	277,237	—	2,358	(530)	(3,484)	(1,641)	—	866,607
Income (loss) before income taxes	25,332	29,676	20,227	—	(1,987)	—	—	—	—	73,248
Depreciation of property, plant and equipment	10,892	8,354	29,828	—	4,510	—	—	—	—	53,584
Amortization of intangible assets	5,595	4,570	2,596	—	—	—	—	—	—	12,761
Capital expenditures[(1)]	14,741	7,151	10,068	—	7,543	—	(411)	(1,578)	—	37,514
Total assets at December 31, 2020	363,517	249,470	420,104	—	684,845	—	—	—	—	1,717,936

[(1)] *Excludes business acquisitions.*

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

19. Subsequent Events

Subsequent to September 30, 2021, until the date of this report, the Corporation repurchased 214,608 Common Shares at a total cost of $2.9 million.

DirectIT Group of Companies – On October 1, 2021, Mullen Group acquired the DirectIT Group of companies consisting of all of the issued and outstanding shares of West Direct Express Ltd., including certain related companies and tradenames ("**DirectIT**") for total consideration of $15.3 million consisting of $10.0 million of cash consideration and from the issuance of 400,000 Common Shares of Mullen Group. DirectIT is a privately held company headquartered in Calgary, Alberta and provides courier and small package delivery transportation services. The acquisition of DirectIT aligns with Mullen Group's strategy of acquiring transportation and logistics companies that have a strong regional presence. The financial results of DirectIT will be included within the Less-Than-Truckload segment.

New and Amended Credit Facilities – On October 1, 2021, Mullen Group entered into the CIBC Credit Facility with Canadian Imperial Bank of Commerce ("**CIBC**"). The CIBC Credit Facility is a $100.0 million revolving demand credit facility to finance the Corporation's general operating requirements including acquisition transactions. Interest on the CIBC Credit Facility is based on either the Canadian bank prime rate plus 0.50 percent or U.S. bank base rate plus 0.50 percent, in each case payable in arrears or banker's acceptance rates plus an acceptance fee of 1.50 percent payable upon acceptance. The CIBC Credit facility is unsecured although the Corporation's wholly-owned subsidiary, MT Investments Inc. ("**MTI**"), has granted an unlimited guarantee of any indebtedness owing on the CIBC Credit Facility.

The Corporation also amended the terms of its existing RBC Credit Facility with Royal Bank of Canada ("**RBC**"), to add MTI as a guarantor. MTI has granted an unlimited guarantee of any indebtedness owing on the RBC Credit Facility. All other material terms of the RBC Credit Facility remain the same.

CORPORATE INFORMATION

DIRECTORS | OFFICERS

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

Sonia Tibbatts, MBA
Lead Director

Stephen H. Lockwood, LLB
Director

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

Jamil Murji, CFA
Director

David E. Mullen
Director

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

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

Richard J. Maloney
Senior Vice President

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

Carson Urlacher, CPA, CA
Corporate Controller

CORPORATE OFFICE

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.

WE THINK tomorrow™