

2024/25 MESSAGE FROM THE CHAIR

To My Fellow Shareholders,

THE TARIFFS ARE COMING!

The talk of tariffs, the ramifications of trade wars, and what all this means in terms of an economic realignment, dominate the headlines today. Obviously, I have no insight into how the negotiations between Canada and the United States will ultimately unfold, but like everyone I do have a view. Under the auspicious of “MAKE AMERICA GREAT AGAIN”, I believe President Trump, and his advisors, view tariffs as a way to ensure the United States maintains its economic dominance over the world, by forcing tariffs/taxes on foreign entities selling into the United States market. It seems as though their view is that tariffs are a way to pay down the massive United States deficit and at the same time encourage capital investment in the United States. Whether this strategy is successful or not is open for debate, especially if we look back in the history books where past attempts to gain wealth and economic dominance by way of tariffs has not worked. Eventually deals are made and the tariffs are reduced or eliminated. I suspect history will be repeated once again, once calmer heads prevail. Until then, BUCKLE UP.

WE ARE PREPARED! IS CANADA?

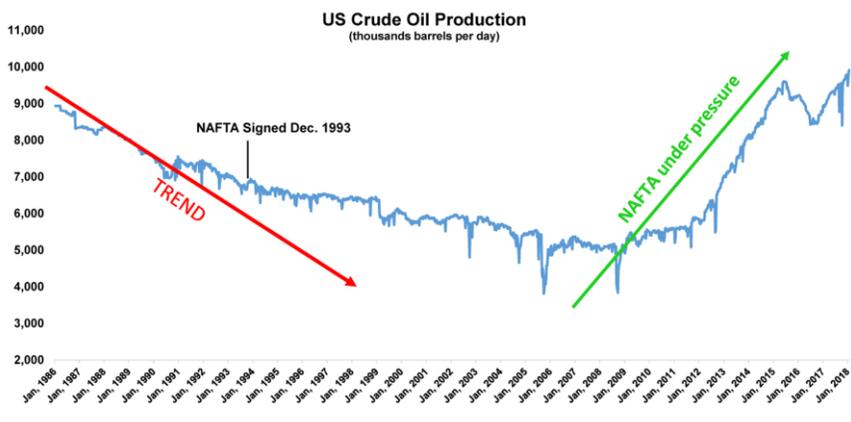
The messaging emulating from both Canada and the United States politicians, and other so called authorities, should be cause for concern to all of us. The most troubling, from my perspective, is that Canada has the most to lose in a “trade war” with the United States. But make no mistake, there will be pain felt in both countries. Trade flows will be disrupted, inflation is the most likely by-product of increased tariffs, or from any increase in taxes for that matter, and consumer confidence will be eroded. With all of this confusion, my biggest concern is that the United States will be the winner in the quest to attract CAPITAL INVESTMENT, primarily due to the fact that business deploys new capital where the opportunities offer the highest returns. And, since there is a reality that capital investment offers up the creation of new high paying jobs, it seems apparent that attracting capital investment is important to any economy. This leaves Canada on the short end, because companies have limited capital to invest and even the threat of tariffs can influence where companies invest the next capital dollar. Furthermore, President Trump has repeatedly said that the United States will be pro-business under his administration.

During the past decade we have transformed the Mullen Group from an oilfield services company into a very diversified and resilient company. Our firm belief is that consumers will continue to spend, perhaps they will alter their buying habits and travel less, but essential needs will still be required. This supports our Less-Than-Truckload segment. In addition, we believe our governments will continue to invest in Canadians, even if this is at the expense of higher deficits. In other words, there will be economic activity. Furthermore, we have a solid and well-structured balance sheet, a huge advantage that many of our competitors do not enjoy. As such, we are well prepared for the “TRADE WARS”. The Canadian economy may not be in position to grow during this transition period but Mullen Group can, and most likely will. I am also of the opinion that eventually calmer heads will prevail and a destructive “trade war” will be avoided, or at the very least resolved before there is too much damage to the consumers of both nations.

WHEN THE FACTS CHANGE – WE CHANGE!

There is little doubt that we will also be impacted by the foolishness of all this trade/tariff back and forth, but not significantly is our hope. The primary reason is that we started preparing for potential trade related problems with the United States a decade ago. My thesis, back then, was that Canada was losing its negotiating leverage with the United States due to the resurgence of the United States' energy independence. NAFTA originated in 1992, when the United States crude oil production was declining quite rapidly. However, the emergence of a new technology, horizontal multistage hydraulic fracturing during the next decade revolutionized how hydrocarbons were extracted, turning the United States into an energy superpower once again. My belief was, if NAFTA, the precursor to the current USMCA trade agreement, was signed when

I reference my [2017/18 Message to Shareholder's](#), if you are interested in the full text.



DOES ANYONE BELIEVE THAT THERE MIGHT BE A CORRELATION? At the same time U.S. oil demand was rising – from 16 million barrels per day in 1986, to 17 million in 1993, to 21 million in 2004 – the U.S. production of oil was falling. Imports were the only way to meet demand. When the U.S. needed Canada's oil – NAFTA was signed. TODAY IS MUCH DIFFERENT.

the United States needed energy from Canada, what would happen when they achieved energy independence? Furthermore, the Canadian political landscape had changed from a pro-business Conservative Government to the Liberal Government agenda, which began implementing a number of policy changes, including changes that drastically altered the prospects for continued growth and expansion of Western Canada's energy sector. As a result, capital investment by business, in Canada, started a multi year decline. I was so concerned at that time, that our entire business model was changed to avoid as much of the collateral damage to our shareholders to the extent possible. Today, I quite confidently say to you, NOT ONLY WAS THAT THE CORRECT MOVE, WE ARE PREPARED FOR WHATEVER TOMORROW BRINGS!

MULLEN GROUP 10 YEAR OVERVIEW

REVENUE

(\$ millions)

2024	\$1,989
2023	\$1,995
2022	\$2,000
2021	\$1,477
2020	\$1,164
2019	\$1,279
2018	\$1,261
2017	\$1,138
2016	\$1,035
2015	\$1,214

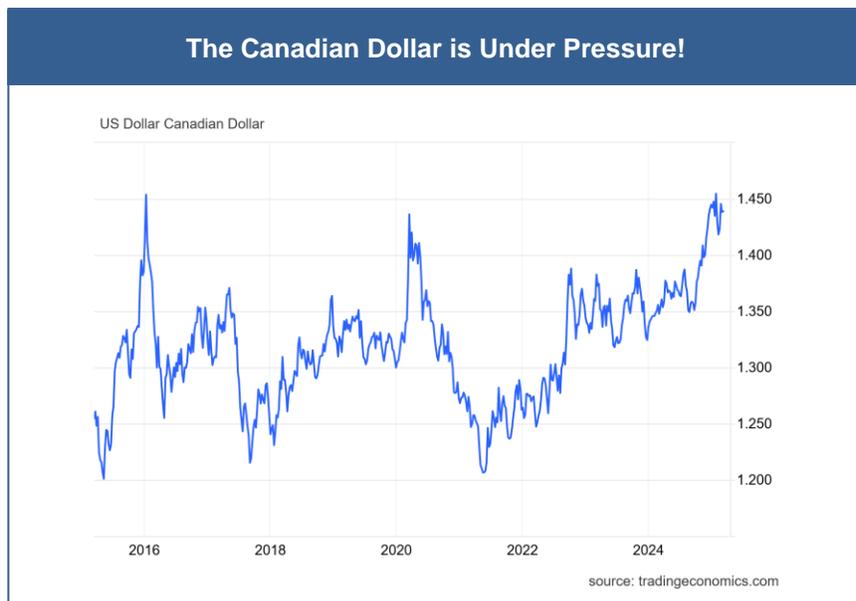
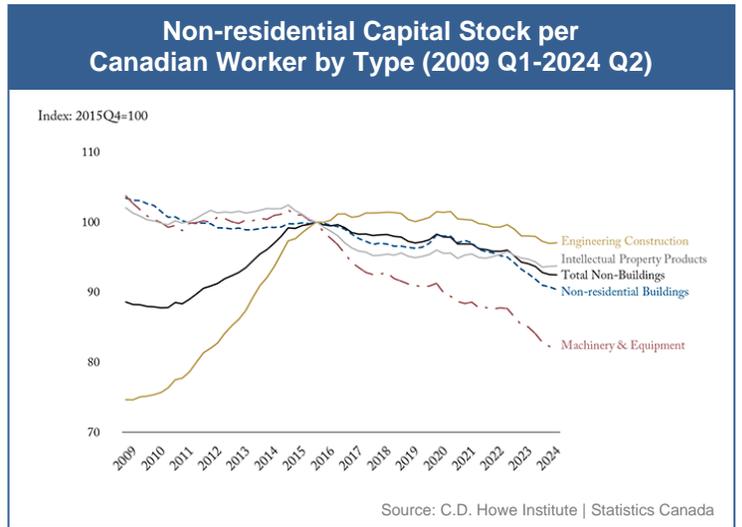
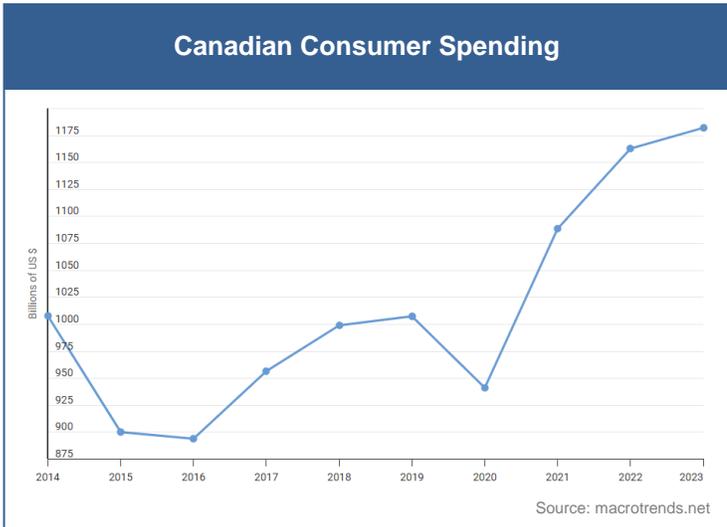
OIBDA

(\$ millions)

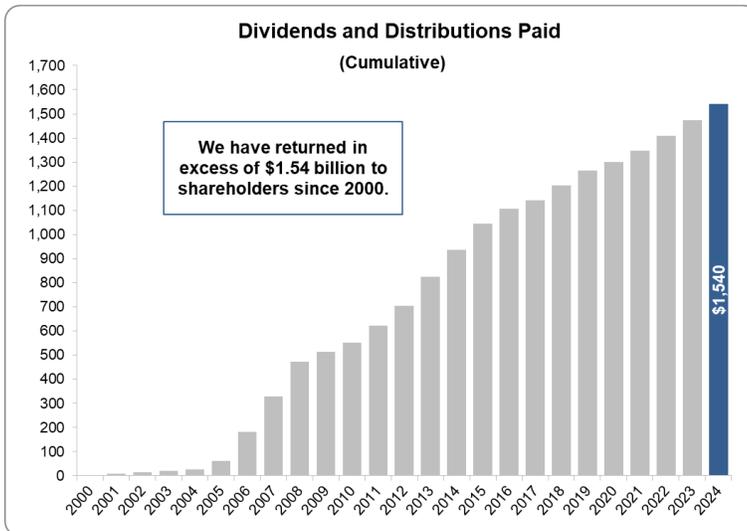
2024	\$332
2023	\$328
2022	\$330
2021	\$236
2020	\$218
2019	\$201
2018	\$189
2017	\$172
2016	\$181
2015	\$229



The pivot that we made a decade ago, was to redirect capital and acquisition strategy away from the capital intensive oil and natural gas service sector of the economy, to the consumer sector. Fundamentally, this new strategy was designed to identify new growth opportunities associated with consumer spending in Canada, as opposed to the prior decade, 2004-2014, a period when capital investment in Canada was near record highs. It was a period when the Canadian economy flourished, and Mullen Group did remarkably well. But when the facts change we move fast. (See the charts of consumer spending in Canada versus capital investment below.) There are many ways to measure capital investment within an economy, but the one I found as informative as any is by the C.D. Howe Institute, where they measure capital investment by worker. The evidence is clear – capital investment in Canada has plummeted, leaving the economy, the Canadian dollar, and Canadians vulnerable, I believe.



REWARDING OUR SHAREHOLDERS – WE LOVE TO PAY DIVIDENDS!



It takes a great business model to continuously reward shareholders with a sustainable annual dividend, which we have done for many years. The chart on the left reflects a long history of returning cash to investors in Mullen Group. Today, we pay over \$70 million in annual dividend payments, while at the same time balancing the needs of the organization to ensure our long-term success. So, one might ask – how do we do it? First, we start by having a strong and diversified portfolio of Business Units, operating in four segments. Over the past 32 years we have thoughtfully and strategically invested in quality businesses that generate FREE CASH, a portion we gladly return to shareholders. Secondly, we like to own the real estate our Business Units operate from. There are multiple reasons to own real estate, but the one reason I like the most is,

you, as a shareholder, are essentially the landlord, and as our landlord we happily pay you. Or, as I like to tell our team, or anyone else who will listen is, that we do not want to just own the tree, we want the fruit from the tree!

Here are a few reasons why I believe Mullen can continuously reward you:

- ✓ Throughout our 32 year journey as a public company we have invested in quality companies involved in the transportation, logistics and warehousing business. Our mission has stayed the same – **WE ACQUIRE COMPANIES AND STRIVE TO IMPROVE THEIR PERFORMANCE.**
- ✓ The Business Units are independently managed by experienced and professional teams, each dedicated to protecting and enhancing their respective brands. It is from these excellent Business Units that substantial cash from operations is generated, funds that are reinvested back into the business or returned to shareholders.
- ✓ We own a large and valuable real estate portfolio, enabling our shareholders to be the “landlords of our operating Business Units”.
- ✓ We always ensure the balance sheet is well structured and not at risk of short term market disruptions.

By staying disciplined, and following our proven business model, I am of the view Mullen Group can distribute out another \$1 billion to our shareholders over the next 10 years. That is the goal.

Now to be clear, our share price chart does not have the same left to right trajectory as our Dividend chart, and the primary reason is because we return excess funds to YOU, rather than pursue acquisition targets that do not meet our high standards. Hopefully your astute financial advisors used these funds to generate exceptional returns for you.



2024: ACCOMPLISHMENTS & HIGHLIGHTS

We are always THINKING ABOUT TOMORROW at the Mullen Group, and this includes ensuring we have the best people to manage the business. This may help explain how we have successfully handled every major downturn throughout our long history. Not only do we always prepare, we have outstanding teams overseeing all aspects of our business. Everyone knows that to be successful you need passionate and very smart people. The key is, to engage with them, empower them, give them the responsibility to manage the business, hold everyone accountable, and then reward success. This is how we embrace business everyday. And in doing so, your investment in MTL is in the hands of people that care. They know that being best-in-class and generating profitability, not only benefits the shareholders that invest their hard earned dollars in our organization, but they too will do well, have a great place to work, and a place to build a career.

WE THINK
about tomorrow

In terms of our 2024 performance, I am pleased with the results and the initiatives we undertook, within the context of the economic challenges and competitive landscape. There was nothing easy about last year. The details of the challenges and results are included in the Annual Financial Report. However, there are a few key points that I would like to highlight:

1. Achieved the 2024 business plan, by ensuring our independently managed Business Units stayed focused on MARGIN and completing a series of acquisitions – 1 platform company (ContainerWorld Forwarding Services) and 4 of the ‘tuck-in’ variety.
2. We completed a new long-term bond transaction, raising \$400 million, funds that can be invested to grow the business over the next 10 years.
3. We strengthened the corporate team, consisting of a very talented and dedicated group, led by Lee Hellyer, Steve Bogstie, Cathy Moore, Randy Mercer, Dwayne Sweany, and Jesse Clarke, with the addition of Nik Woodworth and Sydni Kind. The corporate team has never been stronger anchored by outstanding senior executives, Richard Maloney, Carson Urlacher and Joanna Scott and supported by a seasoned Board of Directors. There is a team in place to lead Mullen for many years to come, as some of us are getting a little long in the tooth as they say.

The finance and accounting team, spearheaded by our Senior Financial Officer, Carson Urlacher, prepared a detailed and informative Annual Financial Review, full of charts and detail, which is available on our website at www.mullen-group.com. I encourage all shareholders to check out this report. Everything you need to know about Mullen Group, our 2024 performance, and just about anything else, is in that 129 page document. Enjoy!!



2025: BUSINESS PLAN

Each year we embark upon a comprehensive review of our business, the markets we serve, digging deep into the fundamentals impacting both end demand and overall supply. From this analysis we prepare a Business Plan and Budget. On December 9, 2024 the 2025 Business Plan was presented to shareholders, after review by the Board of Directors, by way of a news release. I refer interested readers to the following link ([News Release – December 9, 2024](#))

The underlying principles associated with the 2025 Business Plan are quite simple and founded upon two objectives:

NUMBER 1: Maintain the DIVIDEND.

NUMBER 2: Use our well structured balance sheet and strong cash position to pursue accretive and strategic acquisitions, opportunities that we believe will drive future growth for Mullen and ensure the sustainability of the DIVIDEND.

For 2025, there is no doubt that new risks have emerged since the start of the year. The recent uncertainty created by the “go it alone” strategy being thrashed about by the U.S. Presidential Office, is a cause for concern for many, including Mullen Group, because the situation is so fluid. My concern is that events could spiral out of hand at any moment. And, while no one knows for sure how the tariff/trade spat will ultimately work out, or how the economy performs, especially in light of trade disputes and the potential for geopolitical disruptions, we have a plan that is fundamentally sound. It was based upon the following assumptions:

- Steady economic growth; not robust but just enough to keep existing overall demand close to last year. This implies that we do not expect demand or pricing to improve in any meaningful way in 2025.
- Acquisitions, once again, will support revenue growth. We have targeted \$2.25 billion in consolidated revenues this year.
- An expectation that there will be fewer competitors by the end of 2025, which should support market share gains and improved pricing later in 2025. The more difficult the market gets, the quicker this becomes reality, is our view.

ACQUISITIONS & STRATEGY DISCUSSION

Long-term shareholders of MTL know and understand that we invest in companies involved in the LOGISTICS, WAREHOUSING AND TRANSPORTATION segment of the North American economy.

It is crucial for shareholders to understand that we are very DISCIPLINED. Our own Richard Maloney has coined this approach to acquisitions as, a PRECISION-BASED STRATEGY, which essentially means – *do our homework before we put your money down*. Our current approach is based upon the following criteria:

- “Tuck-in” acquisitions are preferred, especially in the Less-Than-Truckload segment, because this is the best path we know of to improve margins.
- The target must meet 3 tests, which we view as the best way to generate a superior return on the investment:
 1. FIT,
 2. PRICE, AND
 3. PROVIDE SYNERGIES.
- Lastly, we do not chase revenue growth. This we leave to others. We stay DISCIPLINED, always respecting the fact that as custodians of YOUR MONEY, we must manage for the downside and maintain an ultra-conservative approach before investing.

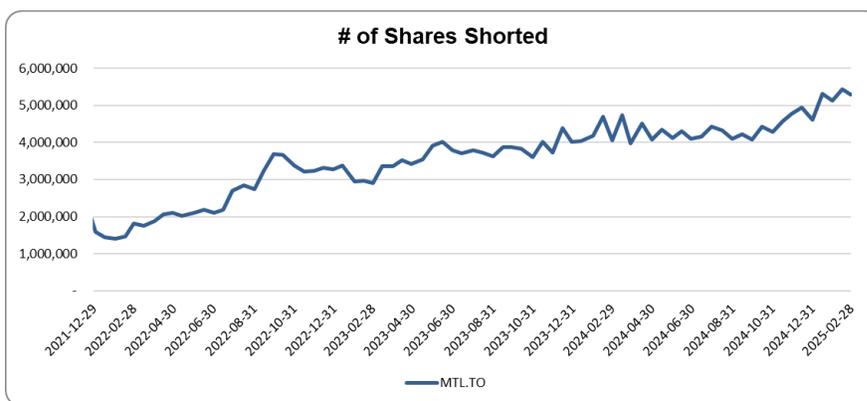


SHARE STRUCTURE & SHORT POSITIONS

There are a few aspects of our capital structure that shareholders need to consider and be aware of.

- Firstly, there are currently 87,670,714 Common Shares outstanding, which is down from 104,824,973 in 2019, due to an aggressive share buyback program we implemented in 2020. The average price for the redeemed Common Shares was \$10.63.
- Based upon the current stock price of \$13.00 and an annual dividend of \$0.84 per common share, the implied dividend yield is 6.5 percent. Shareholders are justifiably right in questioning why the yield is so high? We do as well.
- We have \$125 million in convertible debentures, which we entered into in 2019. We used these funds to virtually double the business since then, acquiring some really good companies. But the debenture has served its purpose and its time for Mullen to move on from them. We will send notice in November 2025, as per the agreement entered into in 2019, of our intentions to redeem the notes.

- There is currently a sizeable **SHORT POSITION** in our stock, which essentially means that some investors believe our stock price will fall from current levels. Why else would these investors enter into such a transaction, especially since the holder of the short position is obligated to pay the monthly dividend? It defies logic, unless these positions are associated with convertible debentures. Either way I suspect the



“shorts” will be forced to cover their positions by year end. As part of informing our shareholders, we intend on highlighting the number of shares outstanding and short positions in our stock on our web page for all shareholders and interested investors to see. One day the investors in the short sale position will have to cover their positions, which at 5,299,942 shares implies that it would take months to close out these positions, based upon our average daily trading volumes. I can honestly say that it is my goal to ensure that Mullen continues to grow, pay the dividend, and to have the stock price of MTL increase over time, putting immense pressure on these investors to close out their positions. If successful, the “shorts” will be squeezed. The bottom line is that our company is too strong, we generate sizeable “free cash from operations” year in and year out, and is significantly undervalued relative to our peers, to have any short position, let alone 5,299,942 shares. Those that “short sold” will either have to convert the debentures into MTL stock in November or buy in the open market.

Summary of Short Trades in MTL

	Top 10 Increases		Average Stock Price	Top 10 Decreases		Average Stock Price
1.	2021-10-29	2,967,329	\$13.86	2021-11-15	(1,921,518)	\$12.72
2.	2021-12-15	920,696	\$11.67	2021-02-26	(1,288,537)	\$10.06
3.	2021-06-15	789,578	\$13.10	2020-02-28	(960,012)	\$8.64
4.	2021-07-15	748,856	\$13.00	2021-12-31	(913,321)	\$11.56
5.	2025-01-15	699,201	\$14.79	2018-06-15	(812,392)	\$14.70
6.	2019-02-28	698,501	\$12.36	2021-10-15	(790,753)	\$13.57
7.	2024-03-15	675,235	\$14.77	2021-06-30	(781,013)	\$12.57
8.	2023-12-15	663,013	\$13.43	2024-03-28	(758,636)	\$14.49
9.	2021-02-12	625,624	\$10.82	2021-01-29	(674,151)	\$10.92
10.	2024-04-15	535,843	\$14.79	2024-02-29	(638,475)	\$14.98



TRIBUTE TO THE FOUNDERS



Leona J. Mullen

July 12, 1934 – June 21, 2024

Roland O. Mullen

April 2, 1931 – January 10, 2025

Many of you will not know the early history of the Mullen Group. Our beginnings started well before December 1993, the year a very successful, family owned, Alberta based business listed as a public company trading on the TSX. In fact, our roots date back to 1949, 75 years ago, when Roland Mullen at the tender age of 18 bought his first truck in Didsbury, Alberta. From the most humbling of beginnings, Roland, and soon thereafter his loving wife Leona, began the very difficult journey of building a business and at the same time raising a family. Mom and Dad were not just the Founders of the Mullen Group, they were the heart, the soul, the inspiration behind what is now a very successful and large company with over 8,000 employees throughout North America.

They may be gone now but their legacy will forever live at the Mullen Group, as long as I am around. My parents instilled in me that you can have fun in life, but you must work hard to be successful. And, if you get to that place called success, make sure you treat everyone with respect.

Sincerely,

A handwritten signature in black ink that reads "Murray".

Murray Mullen
Chair and Senior Executive Officer
March 28, 2025

WE THINK
about tomorrow

ADVISORY: This message may contain forward-looking statements that are subject to risk factors associated with the overall economy, tariffs, geopolitical climate, dividends, 2025 business plan, acquisitions, market share, pricing, debentures and the energy industry. Mullen Group believes that the expectations reflected in this message are reasonable, but results may be affected by a variety of variables. Additional information on risks that could affect the operations or financial results of Mullen Group may be found in the 2024 Annual Financial Review starting on page 48, which is available on SEDAR+ at www.sedarplus.ca or our website at www.mullen-group.com. The forward-looking statements contained herein are made as of the date of this message and Mullen Group disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise.

