Interim Financial Report for the Period Ended September 24, 2022

Q3 2022

Revenue

(in millions of Canadian dollars)	2019	2020	2021	**2022**
March	114.7	109.4	104.9	**141.4**
June	156.2	123.6	172.5	**219.0**
September	195.3	191.9	236.2	**284.2**
December	173.7	179.8	230.1	
Year-to-date	639.9	604.7	743.7	**644.6**

Adjusted EBITDA [(1)]

(in millions of Canadian dollars)	2019	2020	2021	**2022**
March	1.2	7.5	6.2	**7.8**
June	21.7	19.9	27.3	**34.2**
September	36.0	41.7	49.7	**58.7**
December	30.7	31.6	37.6	
Year-to-date	89.6	100.7	120.8	**100.7**

Profit (loss) attributable to owners of the Company

(in millions of Canadian dollars)	2019	2020	2021	**2022**
March	(8.9)	(5.4)	(5.7)	**(6.0)**
June	5.9	4.6	10.2	**13.0**
September	17.4	20.4	26.8	**31.6**
December	11.8	13.0	14.1	
Year-to-date	26.2	32.6	45.4	**38.6**

Total diluted earnings (loss) per share [(2)]

(in Canadian dollars)	2019	2020	2021	**2022**
March	(0.70)	(0.42)	(0.44)	**(0.46)**
June	0.45	0.35	0.78	**1.00**
September	1.33	1.56	2.04	**2.43**
December	0.90	0.99	1.09	
Year-to-date	2.00	2.49	3.46	**2.97**

[(1)] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 16.

[(2)] For earnings (loss) per share per class of share, please refer to the selected quarterly financial information on page 6.

TO OUR SHAREHOLDERS

Highlights from the third quarter of 2022:

- Consolidated revenue totalled $284.2 million, up $48.0 million or 20.3%.
- Adjusted EBITDA [(1)] closed at $58.7 million, up $9.0 million.
- Total diluted earnings per share of $2.43, up $0.39.

Highlights from the nine-month period ended September 24, 2022:

- Consolidated revenue totalled $644.6 million, up $131.0 million or 25.5%.
- Adjusted EBITDA [(1)] closed at $100.7 million, up $17.5 million.
- Total diluted earnings per share of $2.97, up $0.59.

RESULTS OF THE PERIOD

LOGISTEC delivered very strong results for the third quarter of 2022. Consolidated revenue was $284.2 million for the period, an increase of $48.0 million or 20.3% over the same period in 2021. Our core markets remained strong in the USA and Canada. Our extensive network, the depth of our expertise and the diverse industries we served, enabled us to achieve another successful quarter in an ever-changing context.

MARINE SERVICES

Revenue from the marine services segment reached $160.6 million in the third quarter of 2022, up $48.7 million or 43.6% compared with the same period in 2021. Our marine services segment delivered outstanding results due to strong demand, especially in the steel and wind energy industries. An important increase in cargo activities in the U.S. Gulf Coast was driven by strong activity in the energy sector.

We collaborated with our supply chain partners to increase capacity at our port terminals and facilities. With such high volumes of cargo, we further optimized terminal operations and leveraged safe and efficient handling methods to increase speed of delivery. To improve supply chain fluidity, we offer a customizable solution for just-in-time delivery to destination.

In September, LOGISTEC was named 2022 Terminal Operator of the Year at the Heavy Lift Awards Ceremony held in Hamburg, Germany. The award comes at a time of global challenges in the supply chain and recognizes LOGISTEC's ability to respond to and anticipate customers' needs with innovative solutions. LOGISTEC was also highly commended for Excellence in Environmental Performance, as it is leading the drive to a sustainable supply chain through concrete Environmental, Social, and Governance ("ESG") objectives, smart investments and continuous operational enhancements.

ENVIRONMENTAL SERVICES

Revenue from the environmental services segment reached $123.6 million, slightly down by $0.7 million or 0.6% in the third quarter of 2022, which is consistent with last year's results. Traditional environmental services delivered their entire backlog for the quarter. However, some delays and project changes led to lower than expected revenue and margins. Given the seasonal and project-based nature of our operations, our focus will remain on achieving our business objectives and completing our projects before the end of the year.

We are continuing to position our ALTRA PFAS solutions to address the real and present negative impacts of per- and polyfluoroalkyl ("PFAS") in drinking water and soils, as public awareness and concerns grow regarding the health and environmental damage caused by these forever chemicals.

[(1)] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 16.

OUTLOOK

We are well positioned to deliver a strong financial performance for the remainder of the year, particularly in our marine services segment and keep developing innovative solutions in our environmental and water activities. As the global economy is in transition, LOGISTEC remains focused on its long-term strategic plan. Our unique business model in two highly important sectors, positions us to adapt to shifting markets, providing solutions for a resilient global supply chain and implementing innovative technologies in support of a sustainable future.

(signed) J. Mark Rodger	*(signed) Madeleine Paquin*
J. Mark Rodger	Madeleine Paquin, C.M.
Chairman of the Board	President and Chief Executive Officer

November 3, 2022

FORWARD-LOOKING STATEMENTS

This management's discussion and analysis ("MD&A") along with the annual report, audited annual consolidated financial statements, the annual information form and the information circular and compensation disclosure and analysis are all filed on SEDAR's website (www.sedar.com) and some of these documents can also be consulted on LOGISTEC's website (www.logistec.com), in the Investors section.

The interim financial reports and financial press releases can also be consulted on SEDAR and LOGISTEC's website.

For the purpose of informing shareholders and potential investors about the Company's prospects, sections of this document may contain forward-looking statements, within the meaning of securities legislation, about the Company's activities, performance and financial position and, in particular, hopes for the success of the Company's efforts in the development and growth of its business. These forward-looking statements express, as of the date of this document, the estimates, predictions, projections, expectations, or opinions of the Company about future events or results. Although the Company believes that the expectations produced by these forward-looking statements are founded on valid and reasonable bases and assumptions, these forward-looking statements are inherently subject to important uncertainties and contingencies, many of which are beyond the Company's control, such that the Company's performance may differ significantly from the predicted performance expressed or presented in such forward-looking statements. The important risks and uncertainties that may cause the actual results and future events to differ significantly from the expectations currently expressed are examined under business risks in the Company's 2021 annual report and include (but are not limited to) the impact of the COVID-19 pandemic on the Company's business and results of operations, the performances of domestic and international economies and their effect on shipping volumes, weather conditions, labour relations, pricing, and competitors' marketing activities. The reader of this document is thus cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update or revise these forward-looking statements, except as required by law.

INTRODUCTION

This MD&A deals with LOGISTEC Corporation's operations, results and financial position for the three-month and nine-month periods ended September 24, 2022, and September 25, 2021. All financial information contained in this MD&A and the attached condensed consolidated interim financial statements ("Q3 2022 financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the same accounting policies as outlined in Note 2 of the notes to 2021 audited consolidated financial statements. In this report, unless indicated otherwise, all dollar amounts are expressed in Canadian dollars.

OUR BUSINESS

The Company is incorporated in the Province of Québec and its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The Company's largest shareholder is Sumanic Investments Inc.

The operations of LOGISTEC Corporation, its subsidiaries, and its joint ventures (collectively "LOGISTEC", the "Company", "we", "us", or "our") are divided into two segments: marine services and environmental services.

MARINE SERVICES

Consisting of 53 ports and 79 terminals across North America, LOGISTEC's marine services segment provides specialized cargo handling and other services to a wide variety of marine and industrial customers. LOGISTEC's cargo handling services business is one of the largest service providers in Canada and a growing player in the United States. Cargoes handled typically consist of products such as forest products, metals, dry bulk, fruit, grain and bagged cargoes, containers, general and project cargoes. Other marine services include marine transportation and marine agencies. The Company is consistently pursuing opportunities to deliver value to its customers and enhance long-term shareholder value.

ENVIRONMENTAL SERVICES

LOGISTEC's environmental services segment delivers creative and customized solutions to industrial, municipal and governmental clients with respect to renewal of underground water mains, dredging, dewatering, contaminated soils and materials management, site remediation, risk assessment and manufacturing of fluid transportation products.

OUTLOOK FROM THE CHIEF FINANCIAL OFFICER

As the global economy is presently in transition, LOGISTEC remains focused on its long-term strategic plan. Our unique business model in two highly important sectors positions us to adapt to evolving markets, providing solutions for a sustainable global supply chain and completing bold environmental projects. The diverse nature of our business segments, the breadth of our network, and the expanding scope of our expertise continue to strengthen our Company's resiliency.

We are well positioned to deliver a strong financial performance for the remainder of the year in our marine services and environmental services segments. As pressure continues to grow on the global supply chain, we can leverage our network of port terminals across North America and offer innovative ways to counter the effects of congestion, allowing our customers to benefit from both our gateway access and operational expertise.

BUSINESS COMBINATIONS

2021 BUSINESS COMBINATIONS

AMERICAN PROCESS GROUP

On June 3, 2021, SANEXEN Environmental Services Inc. acquired 100% ownership of American Process Group ("APG") for a purchase price of $50.0 million, subject to adjustments. On January 11, 2022, the Company settled the post-closing working capital adjustments and the balance of payment for an additional cash consideration of $3.3 million. APG is an Alberta-based environmental industry leader, specializing in dredging, dewatering and residuals management. This strategic acquisition positions us well in Western Canada and the United States, two markets with strong potential. In addition, APG's complementary expertise allows us to enhance our service offering to our current and future clients in our environmental services segment.

SELECTED QUARTERLY INFORMATION

(in thousands of Canadian dollars, except earnings per share amounts)

	Q1 $	Q2 $	Q3 $	Q4 $	**Year-to-date $**
2022					
Revenue	**141,442**	**218,972**	**284,209**		**644,623**
Adjusted EBITDA [1]	**7,801**	**34,222**	**58,725**		**100,748**
Profit (loss) attributable to owners of the Company	**(6,018)**	**13,024**	**31,636**		**38,642**
Basic earnings (loss) per Class A Common Share [2]	**(0.44)**	**0.96**	**2.35**		**2.87**
Basic earnings (loss) per Class B Subordinate Voting Share [3]	**(0.49)**	**1.06**	**2.58**		**3.15**
Total basic earnings (loss) per share	**(0.46)**	**1.00**	**2.45**		**2.99**
Diluted earnings (loss) per Class A share	**(0.44)**	**0.95**	**2.34**		**2.85**
Diluted earnings (loss) per Class B share	**(0.49)**	**1.06**	**2.56**		**3.13**
Total diluted earnings (loss) per share	**(0.46)**	**1.00**	**2.43**		**2.97**

	Q1 $	Q2 $	Q3 $	Q4 $	Year $
2021					
Revenue	104,850	172,593	236,171	230,089	743,703
Adjusted EBITDA [1]	6,247	27,234	49,687	37,653	120,821
Profit (loss) attributable to owners of the Company	(5,724)	10,241	26,739	14,108	45,364
Basic earnings (loss) per Class A share	(0.42)	0.75	1.98	1.03	3.34
Basic earnings (loss) per Class B share	(0.47)	0.84	2.17	1.14	3.68
Basic earnings (loss) per share	(0.44)	0.79	2.05	1.09	3.49
Diluted earnings (loss) per Class A share	(0.42)	0.75	1.95	1.03	3.31
Diluted earnings (loss) per Class B share	(0.47)	0.83	2.15	1.13	3.64
Total diluted earnings (loss) per share	(0.44)	0.78	2.04	1.09	3.46

[1] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 16.

[2] Class A Common Share ("Class A share").

[3] Class B Subordinate Voting Share ("Class B share").

SEASONAL NATURE OF OPERATIONS

Marine services are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Environmental services are also affected by weather conditions, as most of the specialized services offered involve the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity than the other quarters. The third and fourth quarters are usually the most active.

CONSOLIDATED FINANCIAL REVIEW

(in thousands of Canadian dollars, except per share amounts)

	For the three months ended		For the nine months ended	
	September 24, 2022	September 25, 2021	**September 24, 2022**	September 25, 2021
	$	$	**$**	$
Revenue	**284,209**	236,171	**644,623**	513,614
Employee benefits expense	**(129,554)**	(110,596)	**(310,504)**	(248,192)
Equipment and supplies expense	**(76,201)**	(59,485)	**(177,200)**	(132,606)
Operating expense	**(16,626)**	(14,602)	**(43,981)**	(34,748)
Other expenses	**(10,460)**	(7,931)	**(26,440)**	(21,629)
Depreciation and amortization expense	**(14,056)**	(12,564)	**(40,890)**	(35,808)
Share of profit of equity accounted investments	**6,342**	4,020	**12,411**	6,107
Other (losses) gains	**(9)**	2,110	**(1,549)**	622
Operating profit	**43,645**	37,123	**56,470**	47,360
Finance expense	**(4,178)**	(2,660)	**(10,380)**	(7,917)
Finance income	**126**	109	**394**	411
Profit before income taxes	**39,593**	34,572	**46,484**	39,854
Income taxes	**(7,827)**	(7,815)	**(7,466)**	(8,431)
Profit for the period	**31,766**	26,757	**39,018**	31,423
Profit attributable to:				
Owners of the Company	**31,636**	26,739	**38,642**	31,256
Non-controlling interest	**130**	18	**376**	167
Profit for the period	**31,766**	26,757	**39,018**	31,423
Basic earnings per Class A share	**2.35**	1.98	**2.87**	2.31
Basic earnings per Class B share	**2.58**	2.17	**3.15**	2.54
Diluted earnings per Class A share	**2.34**	1.95	**2.85**	2.28
Diluted earnings per Class B share	**2.56**	2.15	**3.13**	2.51

THIRD QUARTER

Consolidated revenue totalled $284.2 million for the third quarter of 2022, up $48.0 million or 20.3% from $236.2 million for the same period in 2021. Consolidated revenue was positively affected by a $5.8 million foreign exchange effect due to a stronger U.S. dollar against the Canadian dollar in the third quarter of 2022. Please refer to the segmented results section for the revenue variance explanation of each segment.

In the third quarter of 2022, employee benefits expense increased by $19.0 million or 17.1% to $129.6 million from the $110.6 million recorded for the same quarter in 2021. The overall ratio of employee benefits expense to consolidated revenue decreased to 45.6% for the third quarter of 2022, compared with 46.8% for the same period in 2021. Although the employee benefits expense related to our field operations are variable in nature, the lower ratio is mainly attributable to support and administrative employees benefits expense that are fixed in nature.

Equipment and supplies expense amounted to $76.2 million in the third quarter of 2022, an increase of $16.7 million compared with the same period last year. The overall ratio of equipment and supplies expense to consolidated revenue increased to 26.8% in the third quarter of 2022 compared with 25.2% for the same period in 2021. The ratio increase was primarily attributable to a higher cost of energy and trucking expenses in the marine services segment.

Operating expense amounted to $16.6 million for the third quarter of 2022, up $2.0 million from the comparative period last year. This increase was mainly revenue driven, as the overall ratio of operating expense to consolidated revenue was only slightly lower at 5.9% in the third quarter of 2022 compared with 6.2% for the same period in 2021.

Other expenses totalled $10.5 million, an increase of $2.5 million or 31.9% compared with the same period last year. This increase stems mainly from three factors: higher insurance premium, incremental travel expenses since governments lifted some COVID-19 restrictions, and the professional fees incurred to analyze business development opportunities.

Share of profit of equity accounted investments reached $6.3 million, an increase of $2.3 million over the same period last year. This increase stemmed mainly from the strong performance of our equity accounted investments in TERMONT Terminal Inc., whose subsidiary specializes in handling containers, and in Transport Nanuk Inc., which specializes in transportation of cargoes to communities in the Canadian Arctic.

Other gains and losses varied by $2.1 million, from a $2.1 million gain in the third quarter of 2021 to nil this quarter. This variance is mainly related to lower unrealized exchange gains on translating net working capital denominated in U.S. dollars, partly offset by $1.0 million configuration and customization costs in a cloud computing arrangement.

Finance expense reached $4.2 million for the third quarter of 2022, up $1.5 million from the comparative period of 2021. This increase stems mainly from a higher level of net indebtedness [(1)] as explained in the liquidity and capital resources section, and rising interest rates in the market since a portion of the long-term debt bears interest at floating rates.

Overall, the Company reported a profit attributable to owners of the Company of $31.6 million in the third quarter of 2022, an increase compared with the $26.7 million profit recorded in the corresponding period last year. This translated into total diluted earnings per share of $2.43, of which $2.34 per share was attributable to Class A shares and $2.56 per share to Class B shares.

NINE-MONTH PERIOD

For the nine-month period ended September 24, 2022, consolidated revenue totalled $644.6 million, compared with $513.6 million for the same period in 2021, an increase of $131.0 million. Consolidated revenue was positively affected by a $10.6 million foreign exchange effect due to a stronger U.S. dollar against the Canadian dollar in the first nine months of 2022. Please refer to the segmented results section for the revenue variance explanation of each segment.

For the first nine months of 2022, the employee benefits expense reached $310.5 million, an increase of $62.3 million or 25.1% over the $248.2 million recorded for the same period last year. The increase stemmed mainly from higher revenue in both segments, as the ratio of employee benefits expense to revenue remained relatively stable, excluding the $2.9 million Canada Emergency Wage Subsidy ("CEWS") recognized in 2021.

For the first nine months of 2022, equipment and supplies expense amounted to $177.2 million, an increase of $44.6 million or 33.6% over the first nine months of 2021. The overall ratio of equipment and supplies expense to consolidated revenue increased to 27.5% in 2022, compared with 25.8% in 2021. The ratio increase was primarily attributable to a higher cost of energy and trucking expenses in the marine services segment.

Operating expense amounted to $44.0 million for the first nine months of 2022, up $9.2 million from the comparative period last year. This increase was mainly revenue driven, as the overall ratio of operating expense to consolidated revenue was stable at 6.8% in 2022 compared with 6.8% for the same period in 2021.

Other expenses totalled $26.4 million, an increase of $4.8 million or 22.2% compared with the first nine months of 2021. This increase stemmed mainly from three factors: higher insurance premium, incremental travel expenses since governments lifted some COVID-19 restrictions, and the professional fees incurred to analyze business development opportunities.

[(1)] The net indebtedness is reconciled in Note 5 of the notes to Q3 2022 financial statements.

Depreciation and amortization expense reached $40.9 million in 2022, up $5.1 million from $35.8 million last year. The increase resulted from our business combination and property, plant and equipment investments made in 2021, such as, the amortization of intangible assets related to client relationships and backlog associated with the investment in APG.

Share of profit of equity accounted investments reached $12.4 million, an increase of $6.3 million over the same period last year. This increase stemmed mainly from the strong performance of our equity accounted investments in TERMONT Terminal Inc. and in Transport Nanuk Inc.

Other gains and losses varied by $2.1 million, from a $0.6 million gain in the first nine months of 2021 to a $1.5 million loss this year. This variance is mainly related to $3.4 million configuration and customization costs in a cloud computing arrangement, partly offset by higher unrealized exchange gains on translating net working capital denominated in U.S. dollars.

Finance expense reached $10.4 million this year, up $2.5 million when compared with the comparative period of 2021. This increase stems mainly from a higher level of net indebtedness [(1)] as explained in the liquidity and capital resources section, and rising interest rates in the market, since a portion of the long-term debt bears interest at floating rates.

Income taxes stood at $7.5 million for 2022. When the profit before income taxes is adjusted to exclude the effect of the share of profit of equity accounted investments, the 2022 effective tax rate corresponds to 21.9% compared with 25.0% in 2021. This variation is explained by the effect of foreign tax differences and to adjustments in respect to prior year.

For the first nine months of 2022, the Company reported a profit of $39.0 million, of which $0.4 million was attributable to a non-controlling interest, resulting in a $38.6 million profit attributable to owners of the Company. This translated into a total diluted earnings per share of $2.97, of which $2.85 per share was attributable to Class A shares and $3.13 per share was attributable to Class B shares.

All other items of the condensed consolidated interim statements of earnings varied according to normal business parameters and were comparable to 2021 levels.

SEGMENTED RESULTS

(in thousands of Canadian dollars)	**For the three months ended September 24, 2022**			For the three months ended September 25, 2021		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**160,617**	**123,592**	**284,209**	111,878	124,293	236,171
Profit before income taxes	**19,553**	**20,040**	**39,593**	13,170	21,402	34,572

	For the nine months ended September 24, 2022			For the nine months ended September 25, 2021		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**411,196**	**233,427**	**644,623**	298,850	214,764	513,614
Profit before income taxes	**38,291**	**8,193**	**46,484**	28,062	11,792	39,854

(1) The net indebtedness is reconciled in Note 5 of the notes to Q3 2022 financial statements.

MARINE SERVICES

THIRD QUARTER

Revenue from the marine services segment reached $160.6 million in 2022, up $48.7 million or 43.6% compared with $111.9 million in 2021. The increase was mainly attributable to our activities in the U.S. Gulf Coast region, as the energy industry continued to fuel the performance of our operations.

Profit before income taxes from the marine services segment amounted to $19.6 million in the third quarter of 2022, up $6.4 million from the $13.2 million reported for the same quarter of 2021. This increase was mainly attributable to higher revenue and share of profit of equity accounted investments, partly offset by higher interest rates expense and trucking expenses as explained above.

FIRST NINE MONTHS

Revenue in the marine services segment totalled $411.2 million for the first nine months of 2022, up by $112.3 million from $298.9 million for the same period last year. The increase stemmed mainly from the U.S. Gulf Coast region as explained above and a general volume increase in our general cargo terminals, which saw more activity in the first nine months of 2022 than in the same period of 2021, partly offset by reduced operations at the Port of Brunswick terminal, following the fire incident that occurred in May 2021.

For the first nine months of 2022, profit before income taxes from the marine services segment amounted to $38.3 million, up $10.2 million from $28.1 million in the same period of 2021. These results reflected a higher level of activity, a higher share of profit of equity accounted investments than in the same period of 2021 and are partly offset by $1.6 million CEWS recognized in 2021.

ENVIRONMENTAL SERVICES

THIRD QUARTER

Revenue from the environmental services segment was $123.6 million, down $0.7 million or 0.6%, in the third quarter of 2022 which remains consistent with last year's results.

Profit before income taxes from the environmental services segment amounted to $20.0 million in the third quarter of 2022, $1.4 million less than the $21.4 million profit reported for the same quarter of 2021. The decreased profit was derived from incremental costs due to projects delayed in our ALTRA water portfolio.

FIRST NINE MONTHS

The environmental services segment generated revenue totalling $233.4 million, an increase of $18.6 million over revenue of $214.8 million for the same nine-month period in 2021. The increase for the first nine months of 2022 was mainly driven by higher revenue from site remediation and contaminated soils and materials management services.

For the first nine months of 2022, the environmental services segment reported an $8.2 million profit before income taxes, a negative variance of $3.6 million compared to the $11.8 million profit in the same period of 2021. The comparative results include a $1.3 million CEWS recognized in 2021.

FIRE INCIDENT AT THE PORT OF BRUNSWICK (GA)

On May 2, 2021, a fire destroyed a leased warehouse, a portion of a conveyor and certain terminal equipment assets at our bulk facilities in Brunswick (GA).

The Company has insurance in place covering, among other things, property and equipment damage and general liability up to specified amounts, subject to limited deductibles. The Company has notified its insurers of the incident and the anticipated proceeds from the insurance coverage is expected to be sufficient to cover the cost of the assets destroyed, as well as other costs incurred as a direct result of the fire.

During the year ended December 31, 2021, the Company received an advance from the property insurance carriers on its initial claim in the amount of US$5.0 million ($6.1 million) related to the incident. The Company also recognized an impairment loss of US$5.3 million ($6.5 million) for the destroyed assets that were impacted by the fire. Both the insurance recovery and the impairment loss related to the assets destroyed were recognized under other gains (losses) in the consolidated statements of earnings for the year ended December 31, 2021.

Pursuant to the lease agreement with Georgia Ports Authority, the Company is required to rebuild the warehouse that was destroyed by the fire, unless agreed to otherwise. As at the date of these Q3 2022 financial statements, discussions are ongoing with the Georgia Ports Authority and other parties to determine if the warehouse will be rebuilt and if so, the size and the type of warehouse to be constructed. In accordance with the lease agreement, this warehouse was insured for US$21.9 million ($29.7 million). As at the date of this MD&A, the Company has not begun reconstruction of the warehouse and is able to operate with reduced capacity at this facility. The Company will record the impact of final discussions related to the warehouse, including any required obligations for rebuilding the warehouse and a corresponding insurance recovery, in the period when all information will be available.

This reflects management's best estimates based on the information available as at the date of this MD&A and is subject to change as new developments occur in the future in connection with the Company's reconstruction of the warehouse and finalization of the insurance claim.

DIVIDENDS

The Company's Board of Directors determines the level of dividend payments. Although LOGISTEC does not have a formal dividend policy, the practice to date has been to maintain regular quarterly dividends with increases over the years.

On August 4, 2022, the Company's Board of Directors elected to increase the dividend payment by 20.0%.

The following table shows the 2022 dividend payments schedule, which are all eligible dividends for Canada Revenue Agency purposes.

(in millions of Canadian dollars, except per share amounts)

Declaration date	Record date	Payment date	Per Class A share $	Per Class B share $	Total $
December 9, 2021	January 4, 2022	January 18, 2022	0.09818	0.10799	1.3
March 18, 2022	March 31, 2022	April 14, 2022	0.09818	0.10799	1.3
May 5, 2022	June 23, 2022	July 8, 2022	0.09818	0.10799	1.3
August 4, 2022	September 23, 2022	October 7, 2022	0.11782	0.12959	1.6

LIQUIDITY AND CAPITAL RESOURCES

CAPITAL MANAGEMENT

The Company's financial strategy and primary objectives when managing capital are described in Note 12 of the notes to the 2021 audited consolidated financial statements and were applied consistently in the third quarter of 2022. Please also refer to Note 5 of the notes to Q3 2022 financial statements for an update on financial risk management information.

CAPITAL RESOURCES

Total assets amounted to $1,018.4 million as at September 24, 2022, up $119.4 million over the closing balance of $899.0 million as at December 31, 2021. This increase stemmed from two factors: investments made in property, plant and equipment and right-of-use assets to support the growth in our operations, and higher current assets that reflect the seasonality of our operations. These increases were partly offset by lower cash and cash equivalents as explained below.

Cash and cash equivalents totalled $21.5 million at the end of the third quarter of 2022, down $16.0 million from $37.5 million as at December 31, 2021. The main items behind this decrease were as follows:

(in thousands of Canadian dollars)	
Sources:	
Cash generated from operations	87,865
Issuance of long-term debt, net of repayment and transaction costs	63,009
Dividends received from equity accounted investments	11,175
Effect of exchange rate on foreign currencies balances of foreign operations	3,855
	165,904
Uses:	
Changes in non-cash working capital items	(55,262)
Acquisition of property, plant and equipment, net of proceeds from disposal	(35,233)
Repayment of due to a non-controlling interest	(19,086)
Income taxes paid	(15,654)
Repayment of lease liabilities	(11,939)
Interest paid	(10,086)
Repurchase of Class B shares, net of issuance	(9,792)
Dividends paid to a non-controlling interest	(8,826)
Net change in short-term bank loans	(8,565)
Dividends paid on Class A and Class B shares	(3,986)
Business combinations	(3,264)
	(181,693)

WORKING CAPITAL

As at September 24, 2022, current assets totalled $325.6 million and current liabilities totalled $193.0 million, computing to working capital of $132.6 million and a current ratio of 1.69:1. This compares with working capital of $81.8 million and a 1.45:1 ratio as at December 31, 2021. The increase in working capital was due to the seasonal nature of our operations.

LONG-TERM DEBT

Total net indebtedness [(1)] amounted to $245.5 million as at September 24, 2022, up $79.1 million from $166.4 million as at December 31, 2021. The increased borrowing was drawn under the existing revolving credit facility and includes a revaluation of long-term debt held in foreign currency in the amount of $8.6 million as at September 24, 2022. The use of this additional indebtedness is explained in the capital resources section above.

LIABILITY DUE TO NON-CONTROLLING INTERESTS

On March 31, 2022, the non-controlling interest shareholders exercised their put option. On July 29, 2022, the Company acquired an additional 16.3% investment ("first tranche") in FER-PAL Construction Ltd. ("FER-PAL") for a cash consideration of $19.1 million.

[(1)] The net indebtedness is reconciled in Note 5 of the notes to Q3 2022 financial statements.

For the nine-month period ended September 24, 2022, the net remeasurement of the written put option liability was a reduction of $5.0 million ($14.8 million in 2021), which corresponds to the portion of a dividend of $8.7 million (nil in 2021) paid to the non-controlling shareholders of the subsidiary, less the remeasurement of the liability of $3.7 million ($14.8 million in 2021).

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

As at September 24, 2022, equity attributable to owners of the Company amounted to $348.9 million, up $34.3 million from $314.6 million as at December 31, 2021. Adding total net indebtedness [1] yields a capitalization of $594.3 million, which computes to a net indebtedness/capitalization ratio of 41.3% compared with 34.6% as at December 31, 2021. This means that the Company has financial leverage available should the need arise.

As at November 3, 2022, 7,361,022 Class A shares and 5,455,591 Class B shares were issued and outstanding. Each Class A share is convertible at any time by its holder into one Class B share. Please refer to Note 6 of the notes to Q3 2022 financial statements for further details regarding the Company's share capital.

EQUITY IN JOINT VENTURES

As disclosed in Note 16 of the notes to the 2021 audited consolidated financial statements, the Company holds various investments in joint ventures. The Company has one significant joint venture, TERMONT Terminal Inc., specializing in handling containers, which is aligned with the Company's core marine services segment.

The following table summarizes the financial information of TERMONT Terminal Inc. at 100%. The Company holds a 50% equity interest in this joint venture.

(in thousands of Canadian dollars)

	As at September 24, 2022 $	As at December 31, 2021 $
Statement of financial position		
Total assets	**103,216**	99,418
Total liabilities	**45,163**	43,539

	For the three months ended		**For the nine months ended**	
	September 24, 2022 $	September 25, 2021 $	**September 24, 2022 $**	September 25, 2021 $
Statement of earnings				
Revenue	**1,606**	1,166	**4,493**	3,404
Share of profit of an equity accounted investment	**7,233**	2,945	**16,367**	7,640
Profit for the period	**8,162**	3,522	**18,927**	9,377

[1] The net indebtedness and the net indebtedness/capitalization ratio are reconciled in Note 5 of the notes to Q3 2022 financial statements.

OTHER ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Financial position as at *(in millions of Canadian dollars)*	**SEPT 24, 2022 $**	DEC 31, 2021 $	**Var. $**	**Var. %**	Explanation of variation
Trade and other receivables	217.9	183.3	34.6	18.9	The variation reflects the higher level of our seasonal operations and the increase in revenue, which are returning to the pre-pandemic level.
Contract assets	40.1	7.5	32.6	n.m	Contract assets represent the gross unbilled amount that will be collected from customers for contract work performed in our environmental services segment. The start of the season in all business activities led to higher work in progress at the end of the third quarter of 2022.
Current income tax assets	14.5	7.6	6.9	91.0	The increase was due to the income tax recovery related to 2021 not yet received and the revaluation of current income tax assets denominated in foreign currency in the amount of $0.6 million.
Inventory	21.0	16.8	4.2	24.7	The increase was due to a higher level of inventory held in 2022 to hedge against supply chain disruptions and ALTRA Proven Solutions products that will be installed by the end of the year by our environmental services segment.
Property, plant and equipment	231.5	207.3	24.2	11.7	The increase stemmed mainly from the capital expenditures of $39.7 million and the revaluation of property, plant and equipment denominated in foreign currency in the amount of $7.1 million, offset by the depreciation expense of $22.1 million.
Right-of-use assets	160.0	135.0	25.0	18.5	This increase stemmed mainly from the addition of $31.4 million and the revaluation of right-of-use assets denominated in foreign currency in the amount of $8.3 million, which exceeded the depreciation expense of $13.6 million.
Post-employment benefit assets	2.2	—	2.2	n.m	The increase stemmed mainly from the reclassification of the Company's plan in a net benefit asset position following the remeasurement of benefit obligations based on the prevailing discount rate of 5.0% as at September 24, 2022, compared with 3.0% as at December 31, 2021, partly offset by the negative return on plan assets.
Non-current financial assets	8.3	5.9	2.4	41.1	The increase stemmed from additional contract holdback due to seasonal nature of our operations.
Short-term bank loans	—	8.6	(8.6)	n.m	Refer to the liquidity and capital resources section of this MD&A.

Financial position as at *(in millions of Canadian dollars)*	**SEPT 24, 2022 $**	DEC 31, 2021 $	**Var. $**	**Var. %**	Explanation of variation
Trade and other payables	139.1	127.0	12.1	9.5	The variation is primarily explained by the seasonality of operations.
Contract liabilities	12.8	14.8	(2.0)	(13.7)	Contract liabilities represent advance consideration received from customers, recognized when contract work is performed in our environmental services segment. The timing in the issuance of invoices led to lower deferred revenue at the end of the third quarter of 2022.
Current income tax liabilities	11.4	10.4	1.0	9.0	The increase was due to higher profit before income tax related to the rise in level of activities as explained above.
Current portion of lease liabilities	17.2	15.8	1.4	8.9	The increase stemmed mainly from the addition of $31.4 million and the remeasurement of lease liabilities denominated in foreign currency in the amount of $8.8 million, partly offset by the repayment of lease liabilities in the amount of $11.9 million.
Non-current lease liabilities	151.6	125.2	26.4	21.1	
Current portion of long-term debt	11.0	3.4	7.6	n.m.	Refer to the liquidity and capital resources section of this MD&A.
Long-term debt	256.0	191.9	64.1	33.4	
Post-employment benefit obligations	14.5	16.2	(1.7)	(10.8)	The decrease stemmed mainly from the reclassification of the Company's plan in a net benefit asset position as explained above and the remeasurement of benefit obligations based on the prevailing discount rate of 5.0% as at September 24, 2022, compared with 3.0% as at December 31, 2021, partly offset by the negative return on plan assets.
Non-current liabilities	25.4	40.7	(15.3)	(37.5)	The decrease is mainly from the reclassification to short-term of the second tranche to repurchase the non-controlling interest in FER-PAL.

n.m.: not meaningful

Other items in the consolidated statements of financial position varied according to normal business parameters.

NON-IFRS MEASURE

In this MD&A, the Company uses a measure that is not in accordance with IFRS. Adjusted earnings before interest expense, income taxes, depreciation and amortization expense ("adjusted EBITDA") is not defined by IFRS and cannot be formally presented in financial statements. The definition of adjusted EBITDA excludes the configuration and customization costs related to the implementation of an Enterprise Resource Planning ("ERP") system and the Company's impairment charge. The definition of adjusted EBITDA used by the Company may differ from those used by other companies. Even though adjusted EBITDA is a non-IFRS measure, it is used by managers, analysts, investors, and other financial stakeholders to analyze and assess the Company's performance and management from a financial and operational standpoint.

The following table provides a reconciliation of profit for the year to adjusted EBITDA:

(in thousands of Canadian dollars)

	Q1	Q2	Q3	Q4	Year-to-date
	$	$	$	$	$
2022					
Profit (loss) for the period	**(5,898)**	**13,150**	**31,766**		**39,018**
PLUS:					
Depreciation and amortization expense	**12,797**	**14,037**	**14,056**		**40,890**
Net finance expense	**2,829**	**3,105**	**4,052**		**9,986**
Income taxes	**(2,410)**	**2,049**	**7,827**		**7,466**
Configuration and customization costs in a cloud computing arrangement	**483**	**1,881**	**1,024**		**3,388**
Adjusted EBITDA	**7,801**	**34,222**	**58,725**		**100,748**

	Q1	Q2	Q3	Q4	Year
	$	$	$	$	$
2021					
Profit (loss) for the period	(5,621)	10,287	26,757	14,201	45,624
PLUS:					
Depreciation and amortization expense	11,361	11,883	12,564	13,292	49,100
Net finance expense	2,433	2,522	2,551	3,056	10,562
Income taxes	(1,926)	2,542	7,815	2,040	10,471
Configuration and customization costs in a cloud computing arrangement	—	—	—	5,064	5,064
Adjusted EBITDA	6,247	27,234	49,687	37,653	120,821
2020					
Profit (loss) for the period	(5,230)	4,615	20,464	12,939	32,788
PLUS:					
Depreciation and amortization expense	10,776	11,223	11,602	11,789	45,390
Net finance expense	3,006	2,676	2,914	3,222	11,818
Income taxes	(1,079)	1,416	6,740	3,585	10,662
Adjusted EBITDA	7,473	19,930	41,720	31,535	100,658
2019					
Profit (loss) for the period	(8,931)	6,106	17,478	11,784	26,437
PLUS:					
Depreciation and amortization expense	10,834	10,728	10,497	10,063	42,122
Net finance expense	2,552	2,804	2,662	4,335	12,353
Income taxes	(3,287)	2,106	5,403	4,477	8,699
Adjusted EBITDA	1,168	21,744	36,040	30,659	89,611

REPORT ON DISCLOSURE CONTROLS

Pursuant to the requirements of National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings", the President and Chief Executive Officer and the Chief Financial Officer are responsible for the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). They are assisted in these tasks by a Certification Steering Committee, which comprises of members of the Company's senior management, including the two previously mentioned executives.

They have reviewed this management's discussion and analysis and the Q3 2022 financial statements and related notes (the "Interim Filings"). Based on their knowledge, the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings. Based on their knowledge, the Q3 2022 financial statements, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance, and cash flows of the Company, as of the date and for the periods presented in the Interim Filings.

The President and Chief Executive Officer and the Chief Financial Officer have concluded that the design of DC&P provided reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, was communicated to them in a timely manner for the preparation of the Interim Filings and that information required to be disclosed in its Interim Filings was recorded, processed, summarized and reported within the required time periods.

The President and Chief Executive Officer and the Chief Financial Officer have also designed such ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Despite the COVID-19 outbreak and the necessity of physical distancing, there has been no change in the Company's ICFR that occurred in the third quarter of 2022 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

(signed) Carl Delisle
Carl Delisle, CPA
Chief Financial Officer

November 3, 2022

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

(in thousands of Canadian dollars, except per share amounts and number of shares)

	Notes	For the three months ended September 24, 2022 $	September 25, 2021 $	For the nine months ended September 24, 2022 $	September 25, 2021 $
Revenue	7	**284,209**	236,171	**644,623**	513,614
Employee benefits expense		**(129,554)**	(110,596)	**(310,504)**	(248,192)
Equipment and supplies expense		**(76,201)**	(59,485)	**(177,200)**	(132,606)
Operating expense		**(16,626)**	(14,602)	**(43,981)**	(34,748)
Other expenses		**(10,460)**	(7,931)	**(26,440)**	(21,629)
Depreciation and amortization expense		**(14,056)**	(12,564)	**(40,890)**	(35,808)
Share of profit of equity accounted investments		**6,342**	4,020	**12,411**	6,107
Other (losses) gains		**(9)**	2,110	**(1,549)**	622
Operating profit		**43,645**	37,123	**56,470**	47,360
Finance expense		**(4,178)**	(2,660)	**(10,380)**	(7,917)
Finance income		**126**	109	**394**	411
Profit before income taxes		**39,593**	34,572	**46,484**	39,854
Income taxes		**(7,827)**	(7,815)	**(7,466)**	(8,431)
Profit for the period		**31,766**	26,757	**39,018**	31,423
Profit attributable to:					
Owners of the Company		**31,636**	26,739	**38,642**	31,256
Non-controlling interest		**130**	18	**376**	167
Profit for the period		**31,766**	26,757	**39,018**	31,423
Basic earnings per Class A Common Share (1)		**2.35**	1.98	**2.87**	2.31
Basic earnings per Class B Subordinate Voting Share (2)		**2.58**	2.17	**3.15**	2.54
Diluted earnings per Class A share		**2.34**	1.95	**2.85**	2.28
Diluted earnings per Class B share		**2.56**	2.15	**3.13**	2.51
Weighted average number of Class A Shares outstanding, basic and diluted		**7,361,022**	7,377,022	**7,369,911**	7,377,022
Weighted average number of Class B Shares outstanding, basic		**5,461,358**	5,677,569	**5,554,728**	5,619,662
Weighted average number of Class B Shares outstanding, diluted		**5,580,269**	5,738,227	**5,647,748**	5,737,438

(1) Class A Common Share (“Class A share”).

(2) Class B Subordinate Voting Share (“Class B share”).

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of Canadian dollars)

	For the three months ended		For the nine months ended	
	September 24, 2022 $	September 25, 2021 $	**September 24, 2022 $**	September 25, 2021 $
Profit for the period	**31,766**	26,757	**39,018**	31,423
Other comprehensive income (loss)				
Items that are or may be reclassified to the consolidated statements of earnings				
Currency translation differences arising on translation of foreign operations	**9,258**	5,775	**12,911**	(232)
Unrealized (loss) gain on translating debt designated as hedging item of the net investment in foreign operations	**(3,172)**	(4,275)	**(4,396)**	213
Income taxes relating to translation of debt designated as hedging item of the net investment in foreign operations	**420**	332	**582**	(28)
Gain on derivatives designated as cash flow hedges	**201**	10	**1,814**	100
Income taxes relating to derivatives designated as cash flow hedges	**(53)**	(3)	**(481)**	(27)
Total items that are or may be reclassified to the consolidated statements of earnings	**6,654**	1,839	**10,430**	26
Items that will not be reclassified to the consolidated statements of earnings				
Remeasurement (losses) gains on benefit obligation	**(1,443)**	–	**7,796**	4,174
Return on retirement plan assets	**(18)**	125	**(2,902)**	218
Income taxes on remeasurement of benefit obligation and return on retirement plan assets	**387**	(33)	**(1,297)**	(1,164)
Total items that will not be reclassified to the consolidated statements of earnings	**(1,074)**	92	**3,597**	3,228
Other comprehensive income for the period, net of income taxes	**5,580**	1,931	**14,027**	3,254
Total comprehensive income for the period	**37,346**	28,688	**53,045**	34,677
Total comprehensive income attributable to:				
Owners of the Company	**37,142**	28,642	**52,569**	34,513
Non-controlling interest	**204**	46	**476**	164
Total comprehensive income for the period	**37,346**	28,688	**53,045**	34,677

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Notes	**As at September 24, 2022 $**	As at December 31, 2021 $
Assets			
Current assets			
Cash and cash equivalents		**21,522**	37,530
Trade and other receivables		**217,896**	183,322
Contract assets		**40,065**	7,517
Current income tax assets		**14,514**	7,597
Inventories		**20,994**	16,830
Prepaid expenses and other		**10,566**	10,437
		325,557	263,233
Equity accounted investments		**47,547**	46,311
Property, plant and equipment		**231,476**	207,321
Right-of-use assets		**160,034**	135,049
Goodwill		**187,571**	182,706
Intangible assets		**38,550**	41,043
Non-current assets		**2,221**	2,448
Post-employment benefit assets		**2,161**	–
Non-current financial assets		**8,325**	5,902
Deferred income tax assets		**14,996**	14,958
Total assets		**1,018,438**	898,971
Liabilities			
Current liabilities			
Short-term bank loans		**–**	8,600
Trade and other payables		**139,072**	127,044
Contract liabilities		**12,780**	14,801
Current income tax liabilities		**11,382**	10,442
Dividends payable		**1,575**	1,338
Current portion of lease liabilities		**17,178**	15,775
Current portion of long-term debt		**11,025**	3,427
		193,012	181,427
Lease liabilities		**151,618**	125,249
Long-term debt		**255,963**	191,927
Deferred income tax liabilities		**25,726**	25,684
Post-employment benefit obligations		**14,456**	16,212
Contract liabilities		**1,833**	2,133
Non-current liabilities		**25,448**	40,730
Total liabilities		**668,056**	583,362
Equity			
Share capital	6	**49,480**	50,889
Retained earnings		**279,997**	254,621
Accumulated other comprehensive income	8	**19,381**	9,051
Equity attributable to owners of the Company		**348,858**	314,561
Non-controlling interest		**1,524**	1,048
Total equity		**350,382**	315,609
Total liabilities and equity		**1,018,438**	898,971

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars)

		Attributable to owners of the Company					
		Share capital issued $	Retained earnings $	Accumulated other comprehensive income (Note 8) $	Total $	Non-controlling interest $	Total equity $
Balance as at January 1, 2022	Notes	**50,889**	**254,621**	**9,051**	**314,561**	**1,048**	**315,609**
Profit for the period		**–**	**38,642**	**–**	**38,642**	**376**	**39,018**
Other comprehensive income (loss)							
Currency translation differences arising on translation of foreign operations		**–**	**–**	**12,811**	**12,811**	**100**	**12,911**
Unrealized loss on translating debt designated as hedging item of the net investment in foreign operations, net of income taxes		**–**	**–**	**(3,814)**	**(3,814)**	**–**	**(3,814)**
Remeasurement gains on benefit obligation and return on retirement plan assets, net of income taxes		**–**	**3,597**	**–**	**3,597**	**–**	**3,597**
Cash flow hedges, net of income taxes		**–**	**–**	**1,333**	**1,333**	**–**	**1,333**
Total comprehensive income for the period		**–**	**42,239**	**10,330**	**52,569**	**476**	**53,045**
Net remeasurement of written put option liability	8	**–**	**(5,025)**	**–**	**(5,025)**	**–**	**(5,025)**
Issuance of Class B shares	6	**683**	**–**	**–**	**683**	**–**	**683**
Repurchase of Class B shares	6	**(2,092)**	**(7,974)**	**–**	**(10,066)**	**–**	**(10,066)**
Class B shares to be issued under the Executive Stock Option Plan	6	**–**	**486**	**–**	**486**	**–**	**486**
Other dividend	8	**–**	**(127)**	**–**	**(127)**	**–**	**(127)**
Dividends on Class A shares	6	**–**	**(2,316)**	**–**	**(2,316)**	**–**	**(2,316)**
Dividends on Class B shares	6	**–**	**(1,907)**	**–**	**(1,907)**	**–**	**(1,907)**
Balance as at September 24, 2022		**49,480**	**279,997**	**19,381**	**348,858**	**1,524**	**350,382**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

(in thousands of Canadian dollars)

		Attributable to owners of the Company						
		Share capital issued $	Share capital to be issued $	Retained earnings $	Accumulated other comprehensive income (Note 8) $	Total $	Non-controlling interest $	Total equity $
Balance as at January 1, 2021		**45,575**	**4,906**	**242,358**	**7,943**	**300,782**	**789**	**301,571**
Profit for the year		–	–	31,256	–	31,256	167	31,423
Other comprehensive (loss) income								
Currency translation differences arising on translation of foreign operations		–	–	–	(229)	(229)	(3)	(232)
Unrealized gain on translating debt designated as hedging item of the net investment in foreign operations, net of income taxes		–	–	–	185	185	–	185
Remeasurement gains on benefit obligation and return on retirement plan assets, net of income taxes		–	–	3,228	–	3,228	–	3,228
Cash flow hedges, net of income taxes		–	–	–	73	73	–	73
Total comprehensive income for the period		–	–	34,484	29	34,513	164	34,677
Remeasurement of written put option liability	8	–	–	(14,756)	–	(14,756)	–	(14,756)
Repurchase of Class B shares	6	(83)	–	(338)	–	(421)	–	(421)
Issuance of Class B share capital to a subsidiary shareholder	6	5,421	(4,906)	–	–	515	–	515
Class B shares to be issued under the Executive Stock Option Plan	6	–	–	241	–	241	–	241
Other dividend		–	–	(107)	–	(107)	–	(107)
Dividends on Class A shares	6	–	–	(2,104)	–	(2,104)	–	(2,104)
Dividends on Class B shares	6	–	–	(1,772)	–	(1,772)	–	(1,772)
Balance as at September 25, 2021		**50,913**	**–**	**258,006**	**7,972**	**316,891**	**953**	**317,844**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

	Notes	For the nine months ended September 24, 2022 $	September 25, 2021 $
Operating activities			
Income for the period		**39,018**	31,423
Items not affecting cash and cash equivalents		**48,847**	46,264
Cash generated from operations		**87,865**	77,687
Dividends received from equity accounted investments		**11,175**	3,565
Contributions to defined benefit retirement plans		**(542)**	(752)
Settlement of provisions		**(450)**	(726)
Changes in non-cash working capital items		**(55,262)**	(30,133)
Income taxes paid		**(15,654)**	(8,019)
		27,132	41,622
Financing activities			
Net change in short-term bank loans		**(8,565)**	524
Issuance of long-term debt, net of transaction costs		**126,121**	59,870
Repayment of long-term debt		**(63,112)**	(15,280)
Repayment of other non-current liabilities		**–**	(2,432)
Repayment of lease liabilities		**(11,939)**	(10,019)
Repayment of due to a non-controlling interest	8	**(19,086)**	–
Interest paid		**(10,086)**	(8,962)
Issuance of Class B shares	6	**221**	130
Repurchase of Class B shares	6	**(10,013)**	(421)
Dividends paid on Class A shares		**(2,173)**	(2,069)
Dividends paid on Class B shares		**(1,813)**	(1,729)
		(445)	19,612
Investing activities			
Dividends paid to a non-controlling interest	8	**(8,826)**	(107)
Acquisition of property, plant and equipment		**(36,238)**	(28,129)
Proceeds from disposal of property, plant and equipment		**1,005**	505
Business combinations		**(3,264)**	(50,390)
Acquisition of intangible assets		**(211)**	(14)
Interest received		**150**	565
Cash receipts from other non-current financial assets		**1,058**	1,049
Net acquisition of other non-current assets		**(224)**	(144)
		(46,550)	(76,665)
Net change in cash and cash equivalents		**(19,863)**	(15,431)
Cash and cash equivalents, beginning of year		**37,530**	46,778
Effect of exchange rate on foreign currency balance of foreign operations		**3,855**	61
Cash and cash equivalents, end of period		**21,522**	31,408
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**5,018**	5,703
Issuance of Class B shares under the Employee Stock Purchase Plan for non-interest-bearing loans	6	**462**	385
Repurchase of Class B shares included in trade and other payables		**53**	–

See accompanying notes to the condensed consolidated interim financial statements.

1. GENERAL INFORMATION

LOGISTEC Corporation (the "Company") provides specialized cargo handling and other services to a wide variety of marine, industrial and municipal customers. The Company has cargo handling facilities in 53 ports across North America, and offers marine agency services to foreign shipowners and operators serving the Canadian market. The Company is widely diversified in terms of cargo type and port location with a balance between import and export activities. Furthermore, the Company operates in the environmental services segment where it provides services for the renewal of underground water mains, dredging, dewatering, contaminated soils and materials management, site remediation, risk assessment and manufacturing of fluid transportation products.

The Company is incorporated in the Province of Québec and is governed by the Québec *Business Corporations Act*. Its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The address of its registered office is 600 De la Gauchetière Street West, 14th Floor, Montréal, Québec H3B 4L2, Canada.

The Company's largest shareholder is Sumanic Investments Inc.

The accompanying condensed consolidated interim financial statements ("Q3 2022 financial statements") of the Company have been prepared by and are the responsibility of management. The Q3 2022 financial statements were approved by the Company's Board of Directors on November 3, 2022.

2. BASIS OF PREPARATION

These Q3 2022 financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, using the same accounting policies as outlined in Note 2 of the notes to 2021 audited consolidated financial statements.

In the application of the Company's significant accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. The measurement of certain assets and liabilities in the preparation of these Q3 2022 financial statements includes significant assumptions made by management, which have been set out in Note 3 of the notes to 2021 audited consolidated financial statements.

The Q3 2022 financial statements do not include all of the information required for annual financial statements and should therefore be read in conjunction with the 2021 audited consolidated financial statements included in the Company's 2021 annual report.

3. SEASONAL NATURE OF OPERATIONS

Marine services are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Environmental services are also affected by weather conditions, as most of the specialized services offered involve the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity than the other quarters. The third and fourth quarters are usually the most active.

(in thousands of Canadian dollars)

4. BUSINESS COMBINATIONS

2021 BUSINESS COMBINATIONS

AMERICAN PROCESS GROUP

On June 3, 2021, SANEXEN Environmental Services Inc. ("SANEXEN") acquired 100% ownership of American Process Group ("APG") for a purchase price of $50,000, subject to adjustments. On January 11, 2022, the Company settled the post-closing working capital adjustments and the balance of payment for an additional cash consideration of $3,264. APG is an Alberta-based environmental industry leader, specializing in dredging, dewatering and residuals management. This strategic acquisition positions the Company well in Western Canada and the United States, two markets with strong potential. In addition, APG's complementary expertise allows us to enhance our service offering to our current and future clients in our environmental services segment.

5. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

The Company monitors the ratio of net indebtedness/capitalization on a quarterly basis. As at September 24, 2022, the ratio was calculated as follows:

	As at September 24, 2022 $	As at December 31, 2021 $
Short-term bank loans	**–**	8,600
Long-term debt, including the current portion	**266,988**	195,354
Less:		
Cash and cash equivalents	**(21,522)**	(37,530)
Total net indebtedness	**245,466**	166,424
Equity attributable to owners of the Company	**348,858**	314,561
Capitalization	**594,324**	480,985
Ratio of net indebtedness/capitalization	**41.3%**	34.6%

As at September 24, 2022, the Company was in compliance with all of its obligations under the terms of its banking agreements.

FINANCIAL RISK MANAGEMENT

Due to the nature of the activities carried out and as a result of holding financial instruments, the Company is exposed to credit risk, liquidity risk and market risk, especially interest rate risk and foreign exchange risk.

CREDIT RISK

Credit risk arises from the possibility that a counterpart will fail to perform its obligations. The Company conducts a thorough assessment of credit issues prior to committing to the investment and actively monitors the financial health of its investees on an ongoing basis. In addition, the Company is exposed to credit risk from customers. On one hand, the Company does business mostly with large industrial, municipal and well-established customers, thus reducing its credit risk. On the other hand, the number of customers served by the Company is limited, which increases the risk of business concentration and economic dependency. Overall, the Company serves some 2,200 customers. For the nine months ended September 24, 2022, the 20 largest customers accounted for 40.6% (39.8% in 2021) of consolidated revenue.

(in thousands of Canadian dollars)

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at September 24, 2022, and December 31, 2021, the estimated fair values of cash and cash equivalents, trade and other receivables, short-term bank loans, trade and other payables, and dividends payable approximated their respective carrying values due to their short-term nature.

The estimated fair value of long-term notes receivable, included in non-current financial assets, was not significantly different from their carrying value as at September 24, 2022, and December 31, 2021, based on the Company's estimated interest rate for long-term notes receivable with similar terms and conditions.

The estimated fair value of long-term debt was $3,542 lower than its carrying value as at September 24, 2022 ($288 higher as at December 31, 2021), as a result of a change in financial conditions of similar instruments available to the Company. The fair value of long-term debt is determined using the discounted future cash flows method and management's estimates for market interest rates for identical or similar issuances.

For the period ended September 24, 2022, no financial instruments were recorded at fair value or transferred between levels 1, 2 and 3.

SENSITIVITY ANALYSIS

On September 24, 2022, all other things being equal, a 10.0% increase of the pre-established financial performance threshold of acquired businesses related to the written put option would have resulted in a decrease of $3,754 in retained earnings for the period ended September 24, 2022, and an increase of the same amount in total liabilities. A 10.0% decrease of the pre-established financial performance threshold would have had the opposite estimated impact.

6. SHARE CAPITAL

Issued and outstanding [1]	**As at September 24, 2022 $**	As at December 31, 2021, $
7,361,022 Class A shares (7,377,022 as at December 31, 2021)	**4,864**	4,875
5,460,091 Class B shares (5,683,036 as at December 31, 2021)	**44,616**	46,014
	49,480	50,889

[1] All issued and outstanding shares are fully paid.

Since the beginning of the year, there were 16,000 Class A shares converted into Class B shares (nil in 2021).

(in thousands of Canadian dollars)

EXECUTIVE STOCK OPTION PLAN

The Company accounts for the Executive Stock Option Plan as an equity-settled plan. The expenses recorded in the condensed consolidated financial statements of earnings for the three-month and nine-month periods ended September 24, 2022, were respectively $245 ($136 in 2021) and $486 ($241 in 2021), respectively.

The number of stock options and the weighted average exercise price are summarized as follows:

Stock options	**Number of options**	**Weighted average exercise price $**
Outstanding at January 1, 2021	**60,658**	**24.86**
Granted during the year	60,933	44.79
Forfeited during the year	(2,680)	44.79
Outstanding at December 31, 2021	**118,911**	**34.62**
Granted during the period	72,801	40.11
Forfeited during the period	(4,733)	42.48
Outstanding at September 24, 2022	**186,979**	**36.56**
Exercisable at September 24, 2022	**44,890**	**31.33**

The table below shows the assumptions used to determine the Black-Scholes values for 2022 and 2021 grants.

	2022	2021
Strike price ($)	40.11	44.79
Dividend yield (%)	1.18	0.94
Expected volatility (%)	25.84	25.96
Interest rate (%)	2.98	1.39
Expected life (years)	10	10
Fair value ($)	13.77	13.99

EMPLOYEE STOCK PURCHASE PLAN

As of September 24, 2022, following the issuance of 19,450 Class B shares under the Employee Stock Purchase Plan ("ESPP"), there remains an unallocated balance of 137,250 Class B shares reserved for issuance pursuant to this ESPP. Those 19,450 Class B shares were issued in exchange for a cash consideration of $221 ($130 in 2021) and non-interest-bearing loans of $462 ($385 in 2021), repayable over two years. The carrying value of non-interest-bearing loans amounted to $593 as at September 24, 2022 ($500 as at December 31, 2021).

NORMAL COURSE ISSUER BID

Since the beginning of the year, pursuant to the Company's normal course issuer bid, 258,395 (11,100 in 2021) Class B shares were repurchased and cancelled for a cash consideration of $10,066 ($421 in 2021). Of this amount, the excess over the stated capital of the repurchased shares of $7,974 ($338 in 2021) was charged to retained earnings.

SHARE CAPITAL TO BE ISSUED

Following the 2016 agreement with SANEXEN, during the nine-month period ended September 25, 2021, LOGISTEC issued 148,567 Class B shares at $33.02 per share, which reduced the share capital to be issued from $4,906 as at December 31, 2020 to nil as at September 25, 2021.

(in thousands of Canadian dollars)

DIVIDENDS

Details of dividends declared per share are as follows:

	For the nine months ended	
	September 24, 2022	September 25, 2021
	$	$
Class A shares	**0.31**	0.29
Class B shares	**0.35**	0.31

7. REVENUE

	For the three months ended		For the nine months ended	
	September 24, 2022	September 25, 2021	**September 24, 2022**	September 25, 2021
	$	$	**$**	$
Revenue from cargo handling services	**160,453**	111,865	**410,265**	298,365
Revenue from services relating to the renewal of underground water mains	**73,032**	83,174	**126,766**	124,606
Revenue from site remediation and contaminated soils and materials management services	**42,138**	35,626	**85,301**	71,489
Revenue from the sale of goods	**8,586**	5,506	**22,291**	19,154
	284,209	236,171	**644,623**	513,614

8. STATEMENTS OF CHANGE IN EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at September 24, 2022	As at September 25, 2021
	$	$
Gain (loss) on financial instruments designated as cash flow hedges	**1,086**	(5)
Currency translation differences arising on translation of foreign operations	**20,870**	6,961
Unrealized (loss) gain on translating debt designated as hedging item of the net investment in foreign operations	**(2,575)**	1,016
	19,381	7,972

LIABILITY DUE TO NON-CONTROLLING INTERESTS

Following the business combination of a subsidiary in 2017, the Company granted the non-controlling interest shareholders a put option, exercisable at any time after July 6, 2021, allowing them to sell all the remaining shares to LOGISTEC in three equal tranches over three fiscal years for a cash consideration using a predetermined purchase price formula according to the subsidiary’s performance.

On March 31, 2022, the non-controlling interest shareholders exercised their put option. On July 29, 2022, the Company settled the first tranche of $19,086 included in trade and other payables, which resulted in an additional 16.3% investment in that subsidiary at that date (“first tranche”).

(in thousands of Canadian dollars)

As at September 24, 2022, the written put option liability amounted to $41,606 ($64,366 as at December 31, 2021), of which $21,090 ($27,895 as at December 31, 2021) was included in trade and other payables while the remaining balance of $20,516 ($36,471 as at December 31, 2021) was included in non-current liabilities in the condensed consolidated interim statements of financial position.

For the nine-month period ended September 24, 2022, the net remeasurement of the written put option liability was a reduction of $5,025 ($14,756 in 2021), which corresponds to the portion of a dividend of $8,699 (nil in 2021) paid to the non-controlling shareholders of the subsidiary, less the remeasurement of the liability of $3,674 ($14,756 in 2021).

9. SEGMENTED INFORMATION

The Company and its subsidiaries are organized and operate primarily in two reportable industry segments: marine services and environmental services. The accounting policies used within the segments are applied in the same manner as for the condensed consolidated interim financial statements.

The Company discloses information about its reportable segments based upon the measures used by management in assessing the performance of those reportable segments. The Company uses segmented profit before income taxes to measure the operating performance of its segments.

The financial information by industry and geographic segments is as follows:

INDUSTRY SEGMENTS

The financial information by industry segment is as follows:

	Three months ended September 24, 2022			Three months ended September 25, 2021		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**160,617**	**123,592**	**284,209**	111,878	124,293	236,171
Profit before income taxes	**19,553**	**20,040**	**39,593**	13,170	21,402	34,572

	Nine months ended September 24, 2022			Nine months ended September 25, 2021		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**411,196**	**233,427**	**644,623**	298,850	214,764	513,614
Profit before income taxes	**38,291**	**8,193**	**46,484**	28,062	11,792	39,854

	As at September 24, 2022			As at December 31, 2021		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Total assets	**647,286**	**371,152**	**1,018,438**	538,261	360,710	898,971
Total liabilities	**455,688**	**212,368**	**668,056**	376,841	206,521	583,362

(in thousands of Canadian dollars)

GEOGRAPHIC SEGMENTS

The Company's revenue from external customers by country of origin and information about its non-current assets by location of assets are detailed below:

	Three months ended September 24, 2022			Three months ended September 25, 2021		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Revenue	**151,014**	**133,195**	**284,209**	161,694	74,477	236,171

	Nine months ended September 24, 2022			Nine months ended September 25, 2021		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Revenue	**321,106**	**323,517**	**644,623**	310,437	203,177	513,614

	As at September 24, 2022			As at December 31, 2021		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Non-current assets [(1)]	**321,930**	**345,469**	**667,399**	346,673	268,205	614,878

[(1)] Non-current assets exclude post-employment benefit asset, non-current financial assets and deferred income tax assets.

10. FIRE INCIDENT AT THE PORT OF BRUNSWICK (GA)

On May 2, 2021, a fire destroyed a leased warehouse, a portion of a conveyor and certain terminal equipment assets at our bulk facilities in Brunswick (GA).

The Company has insurance in place covering, among other things, property and equipment damage and general liability up to specified amounts, subject to limited deductibles. The Company has notified its insurers of the incident and the anticipated proceeds from the insurance coverage is expected to be sufficient to cover the cost of the assets destroyed, as well as other costs incurred as a direct result of the fire.

During the year ended December 31, 2021, the Company received confirmation of an advance from the property insurance carriers on its initial claim in the amount of US$5,000 ($6,147) related to the incident. The Company also recognized an impairment loss of US$5,250 ($6,454) for the destroyed assets that were impacted by the fire. Both the insurance recovery and the impairment loss related to the assets destroyed were recognized under other gains (losses) in the consolidated statements of earnings for the year ended December 31, 2021.

Pursuant to the lease agreement with Georgia Ports Authority, the Company is required to rebuild the warehouse that was destroyed by the fire, unless agreed to otherwise. As at the date of these condensed consolidated interim financial statements, discussions are ongoing with the Georgia Ports Authority and other parties to determine if the warehouse will be rebuilt and if so, the size and the type of warehouse to be constructed. In accordance with the lease agreement, this warehouse was insured for US$21,900 ($29,718). As at the date of these condensed consolidated interim financial statements, the Company has not begun reconstruction of the warehouse and is able to operate with reduced capacity at this facility. The Company will record the impact of final discussions related to the warehouse, including any required obligations for rebuilding the warehouse and a corresponding insurance recovery, in the period when all information will be available.

This reflects management's best estimates based on the information available as at the date of these condensed consolidated interim financial statements and are subject to change as new developments occur in the future in connection with the Company's reconstruction of the warehouse and finalization of the insurance claim.

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