Interim Financial Report for the Period Ended March 25, 2023

Q1 2023

Revenue

(in millions of Canadian dollars)	2020	2021	2022	**2023**
March	109.4	104.9	141.4	**158.9**
June	123.6	172.5	219.0	
September	191.9	236.2	284.2	
December	179.8	230.1	253.0	
Year-to-date	604.7	743.7	897.6	**158.9**

Adjusted EBITDA *[(1)]*

(in millions of Canadian dollars)	2020	2021	2022	**2023**
March	7.5	6.2	7.8	**7.9**
June	19.9	27.3	34.2	
September	41.7	49.7	58.7	
December	31.6	37.6	41.4	
Year-to-date	100.7	120.8	142.1	**7.9**

Profit (loss) attributable to owners of the Company

(in millions of Canadian dollars)	2020	2021	2022	**2023**
March	(5.4)	(5.7)	(6.0)	**(9.1)**
June	4.6	10.2	13.0	
September	20.4	26.8	31.6	
December	13.0	14.1	14.9	
Year-to-date	32.6	45.4	53.5	**(9.1)**

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

(in Canadian dollars)	2020	2021	2022	**2023**
March	(0.42)	(0.44)	(0.46)	**(0.71)**
June	0.35	0.78	1.00	
September	1.56	2.04	2.43	
December	0.99	1.09	1.15	
Year-to-date	2.49	3.46	4.12	**(0.71)**

[(1)] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 13.
[(2)] For earnings (loss) per share per class of share, please refer to the selected quarterly information on page 5.

TO OUR SHAREHOLDERS

Highlights from the first quarter of 2023:

- Consolidated revenue reached $158.9 million, up $17.5 million or 12.3%;
- Adjusted EBITDA [1] reached $7.9 million, up $0.1 million;
- Total basic loss per share closed at $0.71;
- Finalization of acquisition of Fednav's Federal Marine Terminals, Inc. and Fednav Direct, its logistics division, (collectively, "FMT");
- Start of major environmental remediation project of the former Rayrock mine in Northern Canada.

During the first quarter of 2023, consolidated revenue totalled $158.9 million, an increase of $17.5 million or 12.3% over the same period in 2022. Revenue from the marine services segment reached $121.5 million in 2023, up $9.8 million or 8.7% compared with $111.7 million for the comparative period of 2022. Revenue from the environmental services segment was $37.4 million, up $7.7 million or 25.8% in the first quarter of 2023.

Adjusted EBITDA [1] for the quarter reached $7.9 million, an increase of $0.1 million compared with $7.8 million recorded in the comparative period. Adjusted EBITDA [1] was impacted by professional fees incurred in relation with the acquisition of FMT.

Loss attributable to owners of the Company for the first quarter amounted to $9.1 million, higher than last year's loss of $6.0 million. The loss attributable to owners of the Company translated into a total basic and diluted loss per share of $0.71, of which $0.68 was attributable to Class A Common Shares and $0.75 to Class B Subordinate Voting Shares.

OUTLOOK

The outlook for 2023 is positive with good momentum for both our marine and environmental segments. We will be focusing on a smooth integration of our FMT acquisition, while offering new options to customers and connecting them to broader markets. Although we are seeing a slowdown in containers during the first quarter, we do expect volumes to return to more stable levels, albeit with substantially reduced storage revenue. The strength of our activities in the U.S. Gulf is expected to continue, and should make up for some expected shortfalls in other general cargo and bulk terminals. In our environmental services segment, we expect to execute on a strong book of business in 2023, in both site remediation and ALTRA Water Technologies. Furthermore, we have obtained outstanding results from our pilots using our ALTRA PFAS solution and expect to launch several multiyear contracts in 2023. All of these factors combined give us a high level of confidence for the year ahead.

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

May 3, 2023

[1] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 13.

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's 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 2022 annual report and include (but are not limited to) 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 periods ended March 25, 2023, and March 26, 2022. All financial information contained in this MD&A and the attached condensed consolidated interim financial statements ("Q1 2023 financial statements") has been prepared in accordance with International Financial Reporting Standards ("IFRS") using the same accounting policies as outlined in Note 2 of the notes to 2022 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 60 ports and 90 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

LOGISTEC reported revenue growth for the quarter, a continuation of the momentum gained in 2022. We also announced the strategic acquisition of Fednav's Federal Marine Terminals, Inc. and Fednav Direct, its logistics division, (collectively "FMT"), which will expand our network of ports and terminals. This will allow us to gain a significant foothold in key markets, bringing our total to 90 terminals and 60 ports across North America.

During the quarter, we invested resources to finalize this historical acquisition, a strategic move for our marine services segment. With the 11 additional terminals, we are well prepared to deliver operational excellence to marine shippers across North America.

Our environmental services segment is capitalizing on key imperatives and market trends, and has a solid order book of over $192.9 million for the upcoming season. Our team of experts deployed our ground-breaking ALTRA PFAS solution, a full-scale remediation technology, partnering with Waste Connections to remove polyfluoroalkyl substances ("PFAS") from landfill leachates. This important project has the potential to drive future growth.

Thanks to the diversification of our activities and the breadth of our network, we are able to adjust to market fluctuations. Both segments are well positioned and give us a high level of confidence for the year ahead.

SELECTED QUARTERLY INFORMATION

(in thousands of dollars, except earnings and dividends per share)

	Q1 $	Q2 $	Q3 $	Q4 $	**Year-to-date** **$**
2023					
Revenue	**158,881**				**158,881**
Adjusted EBITDA [(1)]	**7,873**				**7,873**
Loss attributable to owners of the Company	**(9,052)**				**(9,052)**
Basic loss per Class A Common Share [(2)]	**(0.68)**				**(0.68)**
Basic loss per Class B Subordinate Voting Share [(3)]	**(0.75)**				**(0.75)**
Total basic loss per share	**(0.71)**				**(0.71)**
Diluted loss per Class A share	**(0.68)**				**(0.68)**
Diluted loss per Class B share	**(0.75)**				**(0.75)**
Total diluted loss per share	**(0.71)**				**(0.71)**
2022					
Revenue	141,442	218,972	284,209	252,942	897,565
Adjusted EBITDA [(1)]	7,801	34,222	58,725	41,346	142,094
Profit (loss) attributable to owners of the Company	(6,018)	13,024	31,636	14,901	53,543
Basic earnings (loss) per Class A share	(0.44)	0.96	2.35	1.11	3.98
Basic earnings (loss) per Class B share	(0.49)	1.06	2.58	1.23	4.38
Total basic earnings (loss) per share	(0.46)	1.00	2.45	1.16	4.15
Diluted earnings (loss) per Class A share	(0.44)	0.95	2.34	1.10	3.95
Diluted earnings (loss) per Class B share	(0.49)	1.06	2.56	1.21	4.34
Total diluted earnings (loss) per share	(0.46)	1.00	2.43	1.15	4.12

[(1)] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measure section on page 13.
[(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 dollars, except per share amounts)

	For the three months ended March 25, 2023	March 26, 2022
	$	$
Revenue	**158,881**	141,442
Employee benefits expense	**(78,723)**	(74,272)
Equipment and supplies expense	**(44,113)**	(40,522)
Operating expense	**(17,155)**	(12,092)
Other expenses	**(11,990)**	(7,255)
Depreciation and amortization expense	**(14,454)**	(12,797)
Share of profit of equity accounted investments	**585**	947
Other losses	**(748)**	(930)
Operating loss	**(7,717)**	(5,479)
Finance expense	**(4,679)**	(2,941)
Finance income	**252**	112
Loss before income taxes	**(12,144)**	(8,308)
Income taxes	**3,207**	2,410
Loss for the period	**(8,937)**	(5,898)
(Loss) profit attributable to:		
Owners of the Company	**(9,052)**	(6,018)
Non-controlling interest	**115**	120
Loss for the period	**(8,937)**	(5,898)
Basic and diluted loss per Class A share	**(0.68)**	(0.44)
Basic and diluted loss per Class B share	**(0.75)**	(0.49)

FIRST QUARTER

Consolidated revenue totalled $158.9 million for the first quarter of 2023, up $17.5 million or 12.3% from $141.4 million for the same period in 2022. The strengthening of the U.S. dollar against the Canadian dollar positively affected consolidated revenue by $6.5 million this quarter. Please refer to the segmented results section for the revenue variance explanation of each segment.

In the first quarter of 2023, employee benefits expense increased by $4.4 million or 6.0% to $78.7 million from the $74.3 million recorded for the same quarter in 2022. The ratio of employee benefits expense to revenue was 49.6% in the first quarter of 2023, down from 52.5% for the same period in 2022. Although the employee benefits expense related to our field operations is variable in nature, the lower ratio was mainly attributable to support and administrative employees' benefits expense that is generally fixed in nature.

Equipment and supplies expense amounted to $44.1 million in the first quarter of 2023, an increase of $3.6 million compared with the same period last year. This increase was mainly revenue driven as the overall ratio of operating expense to consolidated revenue was stable at 27.8% in the first quarter of 2023 compared with 28.7% for the same period in 2022.

Operating expense totalled $17.2 million for the first quarter of 2023, an increase of $5.1 million or 41.9% from the comparative period. This increase relates to higher short-term storage and wharfage charges, which are charged back to customers and were in line with the increase of revenue from cargo handling services in the U.S. Gulf Coast region.

Other expenses amounted to $12.0 million for the first quarter of 2023, up $4.7 million from $7.3 million in the comparative period. This increase was mainly due to professional fees incurred with respect to the business combinations of the Canadian and U.S. marine terminal business of Fednav to be completed during the second quarter of 2023 and costs incurred to analyze other business development opportunities.

Finance expense reached $4.7 million, up $1.7 million from 2022. This increase stemmed mainly from rising interest rates in the market, since a portion of the long-term debt bears interest at floating rates.

Income taxes stood at $3.2 million for the first quarter of 2023. When the loss before income taxes is adjusted to exclude the effect of the share of profit of equity accounted investments, the period effective tax rate computes to 25.2% compared with 26.0% in the comparative period of 2022. This variation is within normal business parameters and are comparable to 2022 level.

Overall, the Company reported a loss attributable to owners of the Company of $9.1 million in the first quarter of 2023, an increase compared with the $6.0 million loss recorded in the corresponding period last year. This translated into a basic and diluted loss per share of $0.71, of which $0.68 per share was attributable to Class A shares and $0.75 per share 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 2022 levels.

SEGMENTED RESULTS

(in thousands of Canadian dollars)	**For the three months ended March 25, 2023**			For the three months ended March 26, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**121,521**	**37,360**	**158,881**	111,753	29,689	141,442
Profit (loss) before income taxes	**328**	**(12,472)**	**(12,144)**	5,679	(13,987)	(8,308)

MARINE SERVICES

FIRST QUARTER

Revenue from the marine services segment reached $121.5 million in 2023, up $9.8 million or 8.7% when compared with $111.7 million in 2022. The increase was mainly attributable to the U.S. Gulf Coast region, as the energy industry continued to fuel the growth of our operations.

Profit before income taxes from the marine services segment amounted to $0.3 million in the first quarter of 2023, down $5.4 million from the $5.7 million profit reported for the same quarter of 2022. This decrease was mainly attributable to professional fees incurred in business combinations and analyzing other business development opportunities, and rising interest rates in the market, partly offset by higher revenue.

ENVIRONMENTAL SERVICES

FIRST QUARTER

Revenue from the environmental services segment was $37.4 million, up $7.7 million or 25.8% in the first quarter of 2023. This growth was mainly attributable to the revenue from site remediation and contaminated soils and materials management services, following the recent announcements of site remediation contracts that started in 2023.

Loss before income taxes from the environmental services segment amounted to $12.5 million in the first quarter of 2023, $1.5 million less than the $14.0 million loss reported for the same quarter of 2022. Due to the seasonality of operations, a loss was expected, however this lower loss was mainly attributable to higher revenue as explained above.

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). Pursuant to the lease agreement with Georgia Ports Authority ("GPA"), the Company is required to rebuild the warehouse that was destroyed by the fire, unless agreed to otherwise. In accordance with the lease agreement and the property insurance contract, this warehouse was insured for US$21.9 million ($30.1 million) and the related equipment for US$8.6 million ($11.7 million). The Company is currently operating with reduced capacity at this facility.

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 are 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.

As at the date of the Q1 2023 financial statements , the Company obtained approvals required from the GPA and other parties to reconstruct. A feasibility study was obtained and the size and the type of warehouse to be constructed were determined, but the final design which is subject to approval from the GPA and state authorities has not been completed. In addition, the groundwork preparation began during the first quarter of 2023. Based on the preliminary information received, the Company has recorded the obligations for rebuilding of the warehouse and a corresponding insurance recovery in its condensed consolidated interim statements of financial position, both at the estimated amount of US$21.9 million ($30.1 million), which were recorded in trade and other payables and trade and other receivables, respectively. Both the insurance recovery and the costs to rebuild the warehouse were recognized under other losses in the condensed consolidated interim statements of earnings for the period ended March 25, 2023.

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.

This reflects management's best estimates based on the information available as at the date of the Q1 2023 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.

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 modest increases over the years.

The following table describes the 2023 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 7, 2022	January 3, 2023	January 17, 2023	0.11782	0.12959	1.6
March 22, 2023	March 30, 2023	April 13, 2023	0.11782	0.12959	1.6
May 3, 2023	June 22, 2023	July 7, 2023	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 2022 audited consolidated financial statements and were applied consistently in the first quarter of 2023. Please also refer to Note 4 of the notes to Q1 2023 financial statements for an update on financial risk management information.

CAPITAL RESOURCES

Total assets amounted to $979.6 million as at March 25, 2023, compared with the closing balance of $983.7 million as at December 31, 2022. The variation is within normal business parameters and comparable to 2022 levels.

Cash and cash equivalents totalled $28.6 million at the end of the first quarter of 2023, down $7.4 million from $36.0 million as at December 31, 2022. The main items behind this decrease were as follows:

(in thousands of Canadian dollars)

Sources:	
Change in non-cash working capital items	36,378
Cash generated from operations	7,536
	43,914
Uses:	
Repayment of long-term debt	(23,170)
Acquisition of property, plant and equipment, net of proceeds from disposal	(14,215)
Interest paid	(4,715)
Repayment of lease liabilities	(4,542)
Income taxes paid	(3,634)
Dividends paid on Class A and Class B shares	(1,574)
	(51,850)

WORKING CAPITAL

As at March 25, 2023, current assets totalled $269.6 million and current liabilities totalled $199.2 million, computing into working capital of $70.4 million for a current ratio of 1.35:1. This compares with working capital of $113.8 million and a 1.65:1 ratio as at December 31, 2022. The decrease in working capital was due to the seasonal nature of our operations.

LONG-TERM DEBT

Total net indebtedness [(1)] amounted to $185.8 million as at March 25, 2023, down $13.2 million when compared with $199.0 million as at December 31, 2022. The decrease stemmed mainly from lower level of cash and cash equivalents, as explained above.

LIABILITY DUE TO NON-CONTROLLING INTERESTS

For the three-month period ended March 25, 2023, the net remeasurement of the written put option liability was $1.4 million ($0.9 million in 2022), which corresponded to the portion of a dividend of nil ($8.7 million in 2022) paid to the non-controlling shareholders of the subsidiary, less the remeasurement of the liability of $1.4 million ($7.8 million in 2022).

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Equity attributable to owners of the Company amounted to $349.6 million as at March 25, 2023. Adding total net indebtedness yields a capitalization of $535.3 million, which computes to a net indebtedness/capitalization ratio of 34.7%. This means that the Company has financial leverage available should the need arise. The net indebtedness / capitalization [(1)] is reconciled in Note 4 of the notes to Q1 2023 financial statements.

As at May 3, 2023, 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 5 of the notes to Q1 2023 financial statements for further details regarding the Company's share capital.

[(1)] The net indebtedness and the net indebtedness/capitalization ratio are reconciled in Note 4 of the notes to Q1 2023 financial statements.

EQUITY IN JOINT VENTURES

As disclosed in Note 16 of the notes to the 2022 audited consolidated financial statements, the Company holds various investments in joint ventures. The Company has one significant joint venture, TERMONT Terminal Inc., whose subsidiary specializes in handling containers, which is aligned with the Company's core business.

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 March 25, 2023 $	As at December 31, 2022 $
Statements of financial position		
Total assets	**99,444**	96,934
Total liabilities	**46,645**	45,111
	For the three months ended	
	March 25, 2023 $	March 26, 2022 $
Statement of earnings		
Revenue	**985**	1,196
Share of profit of an equity accounted investment	**847**	2,247
Profit for the period	**1,336**	2,888

OTHER ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Financial position as at *(in millions of dollars)*	**MAR 25, 2023 $**	DEC 31, 2022 $	**Var. $**	**Var. %**	Explanation of variation
Trade and other receivables	**174.1**	198.2	**(24.1)**	**(12.2)**	The decrease reflects the lower level of our seasonal operations in the first quarter of 2023 compared with the fourth quarter of 2022, partly offset by the recognition of a $30.1 million insurance claims receivable for the reconstruction of the Port of Brunswick warehouse.
Current income tax assets	**19.4**	11.2	**8.2**	**72.5**	The increase was due to the income tax recovery related to the loss for the period.
Inventories	**23.6**	20.0	**3.6**	**18.0**	The increase was due to a higher level of inventory of ALTRA Proven Solutions products held in 2023 that will be delivered to customers in the following quarters by our environmental services segment.
Trade and other payables	**148.8**	128.0	**20.8**	**16.3**	The increase was due to the recognition of a $30.1 million obligation to rebuild the Port of Brunswick warehouse, partly offset by the lower level of activity in all business segments in the first quarter of 2023 compared with the fourth quarter of 2022.
Current portion of lease liabilities	**21.8**	18.7	**3.1**	**16.8**	The increase stemmed mainly from the addition of $6.8 million and the remeasurement of lease liabilities denominated in foreign currency in the amount of $2.2 million, partly offset by the repayment of lease liabilities in the amount of $4.5 million.
Non-current lease liabilities	**158.9**	157.5	**1.4**	**(0.9)**	

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

EVENT AFTER THE REPORTING PERIOD

On March 2, 2023, the Company announced that it had entered into a definitive agreement to acquire the Canadian and U.S. marine terminal business of Fednav, including Federal Marine Terminals, Inc. and its logistics division, Fednav Direct (collectively, the "Acquisition"). The transaction closed on March 31, 2023, for a cash consideration of US$105.0 million ($143.0 million), net of cash acquired, subject to customary adjustments.

The marine terminal business comprises 11 terminals that provides stevedoring, handling and warehousing services for bulk, containerized, project cargo, and general cargo. The logistics division offers value-added on-carriage services, inventory management, and 24/7 inland cargo transportation in Canada and the United States.

The Acquisition provides a combined network that offers strategic gateways for existing and future customers, allowing LOGISTEC to gain an important foothold in the Great Lakes region and access prime locations in the U.S. Gulf and East Coast regions.

During the first quarter of 2023, the Company exercised the accordion option of $150.0 million or the U.S. dollar equivalent included in its existing revolving credit facility, leading to an amendment to the existing credit agreement in effect since March 30, 2022.

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. 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
	$	$	$	$	$
2023					
Loss for the period	**(8,937)**				**(8,937)**
PLUS:					
Depreciation and amortization expense	**14,454**				**14,454**
Net finance expense	**4,427**				**4,427**
Income taxes	**(3,207)**				**(3,207)**
Configuration and customization costs in a cloud computing arrangement	**1,136**				**1,136**
Adjusted EBITDA	**7,873**				**7,873**
2022					
Profit (loss) for the period	(5,898)	13,150	31,766	14,984	54,002
PLUS:					
Depreciation and amortization expense	12,797	14,037	14,056	15,306	56,196
Net finance expense	2,829	3,105	4,052	4,830	14,816
Income taxes	(2,410)	2,049	7,827	3,338	10,804
Configuration and customization costs in a cloud computing arrangement	483	1,881	1,024	2,888	6,276
Adjusted EBITDA	7,801	34,222	58,725	41,346	142,094
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

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 is comprised 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 Q1 2023 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 Q1 2023 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.

There has been no change in the Company's ICFR that occurred in the first quarter of 2023 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

(signed) Carl Delisle
Carl Delisle, CPA auditor
Chief Financial Officer and Treasurer

May 3, 2023

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 March 25, 2023 $	March 26, 2022 $
Revenue	6	**158,881**	141,442
Employee benefits expense		**(78,723)**	(74,272)
Equipment and supplies expense		**(44,113)**	(40,522)
Operating expense		**(17,155)**	(12,092)
Other expenses		**(11,990)**	(7,255)
Depreciation and amortization expense		**(14,454)**	(12,797)
Share of profit of equity accounted investments		**585**	947
Other losses		**(748)**	(930)
Operating loss		**(7,717)**	(5,479)
Finance expense		**(4,679)**	(2,941)
Finance income		**252**	112
Loss before income taxes		**(12,144)**	(8,308)
Income taxes		**3,207**	2,410
Loss for the period		**(8,937)**	(5,898)
(Loss) profit attributable to:			
Owners of the Company		**(9,052)**	(6,018)
Non-controlling interest		**115**	120
Loss for the period		**(8,937)**	(5,898)
Basic and diluted loss per Class A Common Share [1]		**(0.68)**	(0.44)
Basic and diluted loss per Class B Subordinate Voting Share [2]		**(0.75)**	(0.49)
Weighted average number of Class A Shares outstanding, basic and diluted		**7,361,022**	7,377,022
Weighted average number of Class B Shares outstanding, basic and diluted		**5,455,591**	5,680,669

(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 OFCOMPREHENSIVE INCOME

(in thousands of Canadian dollars)

	For the three months ended	
	March 25, 2023 $	March 26, 2022 $
Loss for the period	**(8,937)**	(5,898)
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	**3,137**	(2,489)
Unrealized (loss) gain on translating debt designated as hedging item of the net investment in foreign operations	**(1,139)**	845
Income taxes relating to unrealized gain on translating debt designated as hedging item of the net investment in foreign operations	**–**	(112)
(Losses) gains on derivatives designated as cash flow hedges	**(62)**	476
Income taxes relating to derivatives designated as cash flow hedges	**100**	(306)
Total items that are or may be reclassified to the consolidated statements of earnings	**2,036**	(1,586)
Items that will not be reclassified to the consolidated statements of earnings		
Remeasurement (losses) gains on benefit obligation	**(714)**	4,597
Return on retirement plan assets	**551**	(1,453)
Income taxes on remeasurement of benefit obligation and return on retirement plan assets	**43**	(834)
Total items that will not be reclassified to the consolidated statements of earnings	**(120)**	2,310
Share of other comprehensive income of equity accounted investments, net of income taxes		
Items that are or may be reclassified to the consolidated statements of earnings	**32**	–
Other comprehensive income for the period, net of income taxes	**1,948**	724
Total comprehensive loss for the period	**(6,989)**	(5,174)
Total comprehensive (loss) income attributable to:		
Owners of the Company	**(7,129)**	(5,277)
Non-controlling interest	**140**	103
Total comprehensive loss for the period	**(6,989)**	(5,174)

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 March 25, 2023 $**	As at December 31, 2022 $
Assets			
Current assets			
Cash and cash equivalents		**28,558**	36,043
Trade and other receivables		**174,069**	198,247
Contract assets		**14,019**	14,912
Current income tax assets		**19,402**	11,245
Inventories		**23,601**	20,000
Prepaid expenses and other		**9,997**	8,756
		269,646	289,203
Equity accounted investments		**46,758**	46,140
Property, plant and equipment		**244,431**	234,602
Right-of-use assets		**171,231**	167,274
Goodwill		**188,624**	187,430
Intangible assets		**35,922**	36,807
Non-current assets		**1,755**	2,030
Post-employment benefit assets		**1,398**	1,264
Non-current financial assets		**6,161**	6,114
Deferred income tax assets		**13,700**	12,808
Total assets		**979,626**	983,672
Liabilities			
Current liabilities			
Trade and other payables		**148,831**	128,019
Contract liabilities		**10,442**	11,107
Current income tax liabilities		**6,324**	5,095
Dividends payable		**1,574**	1,574
Current portion of lease liabilities		**21,801**	18,662
Current portion of long-term debt		**10,200**	10,925
		199,172	175,382
Lease liabilities		**158,936**	157,500
Long-term debt		**204,111**	224,110
Deferred income tax liabilities		**25,059**	24,604
Post-employment benefit obligations		**14,026**	13,690
Contract liabilities		**1,633**	1,733
Non-current liabilities		**25,381**	25,562
Total liabilities		**628,318**	622,581
Equity			
Share capital	5	**49,443**	49,443
Retained earnings		**278,807**	290,773
Accumulated other comprehensive income	7	**21,314**	19,271
Equity attributable to owners of the Company		**349,564**	359,487
Non-controlling interest		**1,744**	1,604
Total equity		**351,308**	361,091
Total liabilities and equity		**979,626**	983,672

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					
	Notes	Share capital issued $	Retained earnings $	Accumulated other comprehensive income (Note 7) $	Total $	Non-controlling interest $	Total equity $
Balance as at January 1, 2023		**49,443**	**290,773**	**19,271**	**359,487**	**1,604**	**361,091**
(Loss) profit for the period		–	(9,052)	–	(9,052)	115	(8,937)
Other comprehensive income (loss)							
Currency translation differences arising on translation of foreign operations		–	–	3,112	3,112	25	3,137
Unrealized loss on translating debt designated as hedging item of the net investment in foreign operations, net of income taxes		–	–	(1,139)	(1,139)	–	(1,139)
Remeasurement losses on benefit obligation and return on retirement plan assets, net of income taxes		–	(120)	–	(120)	–	(120)
Share of other comprehensive income of equity accounted investments, net of income taxes		–	–	32	32	–	32
Cash flow hedges, net of income taxes		–	–	38	38	–	38
Total comprehensive income for the period		–	(9,172)	2,043	(7,129)	140	(6,989)
Net remeasurement of written put option liability	7	–	(1,359)	–	(1,359)	–	(1,359)
Class B shares to be issued under the Executive Stock Option Plan	5	–	139	–	139	–	139
Dividends on Class A shares	5	–	(867)	–	(867)	–	(867)
Dividends on Class B shares	5	–	(707)	–	(707)	–	(707)
Balance as at March 25, 2023		**49,443**	**278,807**	**21,314**	**349,564**	**1,744**	**351,308**

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 $	Retained earnings $	Accumulated other comprehensive income (Note 7) $	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**
(Loss) profit for the period		–	(6,018)	–	(6,018)	120	(5,898)
Other comprehensive (loss) income							
Currency translation differences arising on translation of foreign operations		–	–	(2,472)	(2,472)	(17)	(2,489)
Unrealized gain on translating debt designated as hedging item of the net investment in foreign operations, net of income taxes		–	–	733	733	–	733
Remeasurement gains on benefit obligation and return on retirement plan assets, net of income taxes		–	2,310	–	2,310	–	2,310
Cash flow hedges, net of income taxes		–	–	170	170	–	170
Total comprehensive (loss) income for the period		–	(3,708)	(1,569)	(5,277)	103	(5,174)
Net remeasurement of written put option liability	7	–	(943)	–	(943)	–	(943)
Repurchase of Class B shares	5	(46)	(205)	–	(251)	–	(251)
Class B shares to be issued under the Executive Stock Option Plan	5	–	130	–	130	–	130
Dividends on Class A shares	5	–	(725)	–	(725)	–	(725)
Dividends on Class B shares	5	–	(613)	–	(613)	–	(613)
Balance as at March 26, 2022		**50,843**	**248,557**	**7,482**	**306,882**	**1,151**	**308,033**

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 three months ended March 25, 2023 $	March 26, 2022 $
Operating activities			
Loss for the period		**(8,937)**	(5,898)
Items not affecting cash and cash equivalents		**16,473**	13,017
Cash generated from operations		**7,536**	7,119
Dividends received from equity accounted investments		**–**	2,875
Contributions to defined benefit retirement plans		**(235)**	(210)
Settlement of provisions		**(44)**	(124)
Changes in non-cash working capital items		**36,378**	16,047
Income taxes paid		**(3,634)**	(7,292)
		40,001	18,415
Financing activities			
Net change in short-term bank loans		**–**	(5,723)
Issuance of long-term debt, net of transaction costs		**–**	15,383
Repayment of long-term debt		**(23,170)**	(16,086)
Repayment of lease liabilities		**(4,542)**	(3,736)
Interest paid		**(4,715)**	(2,920)
Repurchase of Class B shares	5	**–**	(251)
Dividends paid on Class A shares		**(867)**	(724)
Dividends paid on Class B shares		**(707)**	(614)
		(34,001)	(14,671)
Investing activities			
Dividends paid to a non-controlling interest	5	**–**	(8,699)
Acquisition of property, plant and equipment		**(14,656)**	(8,423)
Proceeds from disposal of property, plant and equipment		**441**	47
Acquisition of intangible assets		**(25)**	–
Interest received		**166**	9
Acquisition of other non-current assets		**(26)**	(198)
Proceeds from disposal of other non-current assets		**14**	27
Cash receipts from other non-current financial assets		**63**	292
		(14,023)	(16,945)
Net change in cash and cash equivalents		**(8,023)**	(13,201)
Cash and cash equivalents, beginning of year		**36,043**	37,530
Effect of exchange rate on balances held in foreign currencies of foreign operations		**538**	(344)
Cash and cash equivalents, end of period		**28,558**	23,985
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**2,695**	4,553

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 60 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 Q1 2023 financial statements ("Q1 2023 financial statements") of the Company have been prepared by and are the responsibility of management. The Q1 2023 financial statements were approved by the Company's Board of Directors on May 3, 2023.

2. BASIS OF PREPARATION

These Q1 2023 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 2022 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 Q1 2023 financial statements includes significant assumptions made by management, which have been set out in Note 3 of the notes to 2022 audited consolidated financial statements.

The Q1 2023 financial statements do not include all of the information required for annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements included in the Company's 2022 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. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

The Company monitors the ratio of net indebtedness/capitalization on a quarterly basis. As at March 25, 2023 the ratio was calculated as follows:

	As at March 25, 2023 $	As at December 31, 2022 $
Long-term debt, including the current portion	**214,311**	235,035
Less:		
Cash and cash equivalents	**28,558**	36,043
Total net indebtedness	**185,753**	198,992
Equity attributable to owners of the Company	**349,564**	359,487
Capitalization	**535,317**	558,479
Ratio of net indebtedness/capitalization	**34.7%**	35.6%

As at March 25, 2023, 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 the 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 2,500 customers. For the three months ended March 25, 2023, the 20 largest customers accounted for 44.7% (34.4% in 2022) of consolidated revenue.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at March 25, 2023, and December 31, 2022, the estimated fair values of cash and cash equivalents, trade and other receivables, 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 March 25, 2023, and December 31, 2022, 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 $3,264 lower than its carrying value as at March 25, 2023 ($3,730 lower as at December 31, 2022), 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 March 25, 2023, no financial instruments were recorded at fair value or transferred between levels 1, 2 and 3.

(in thousands of Canadian dollars

SENSITIVITY ANALYSIS

On March 25, 2023, 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 $4,240 in retained earnings for the period ended March 25, 2023, 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.

5. SHARE CAPITAL

Issued and outstanding [(1)]	**As at March 25, 2023 $**	As at December 31, 2022, $
7,361,022 Class A shares (7,361,022 as at December 31, 2022)	**4,864**	4,864
5,455,591 Class B shares (5,455,591 as at December 31, 2022)	**44,579**	44,579
	49,443	49,443

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

EXECUTIVE STOCK OPTION PLAN

The Company accounts for the Executive Stock Option Plan as an equity-settled plan. The expense recorded in the Q1 2023 financial statements of earnings for the period ended March 25, 2023 was $139 ($130 for the period ended March 26, 2022).

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, 2022	**118,911**	**34.62**
Granted during the year	72,801	40.11
Forfeited during the year	(5,403)	42.43
Outstanding at December 31, 2022	**186,309**	**36.54**
Forfeited during the period	(5,403)	42.43
Outstanding at March 25, 2023	**180,906**	**36.36**
Exercisable at March 25, 2023	43,550	30.91

NORMAL COURSE ISSUER BID ("NCIB")

Pursuant to the NCIB launched on October 28, 2021, and terminated on October 27, 2022, 5,700 Class B shares were repurchased for the period ended March 26, 2022 and cancelled for a cash consideration of $251. Of this amount, the excess over the stated capital of the repurchased shares of $205 was charged to retained earnings.

(in thousands of Canadian dollars

DIVIDENDS

Details of dividends declared per share are as follows:

	For the three months ended March 25, 2023 $	March 26, 2022 $
Class A shares	**0,118**	0.098
Class B shares	**0,130**	0.108

6. REVENUE

	For the three months ended March 25, 2023 $	March 26, 2022 $
Revenue from cargo handling services	**120,915**	111,065
Revenue from services relating to the renewal of underground water mains	**4,215**	7,644
Revenue from site remediation and contaminated soils and materials management services	**29,324**	16,813
Revenue from the sale of goods	**4,427**	5,920
	158,881	141,442

7. STATEMENTS OF CHANGE IN EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at March 25, 2023 $	As at March 26, 2022 $
Gain (loss) on financial instruments designated as cash flow hedges	**1,461**	(76)
Currency translation differences arising on translation of foreign operations	**23,559**	5,607
Unrealized (loss) gain on translating debt designated as hedging item of the net investment in foreign operations	**(3,738)**	1,951
Share of other comprehensive income of equity accounted investments	**32**	–
	21,314	7,482

(in thousands of Canadian dollars

LIABILITY DUE TO NON-CONTROLLING INTERESTS

Following the business combination of a subsidiary on July 6, 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 cash consideration calculated using a predetermined purchase price formula based on FER-PAL'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 for an amount of $19,086, which resulted in an additional 16.3% investment in that subsidiary at that date.

As at March 25, 2023, the written put option liability amounted to $44,842 ($43,483 as at December 31, 2022), of which $25,107 ($23,619 as at December 31, 2022) was included in trade and other payables while the remaining balance of $19,735 ($19,864 as at December 31, 2022) was included in non-current liabilities in the condensed consolidated interim statements of financial position.

For the three-month period ended March 25, 2023, the net remeasurement of the written put option was $1,359 ($943 in 2022), which corresponded to the portion of a dividend of nil ($8,699 in 2022) paid to the non-controlling shareholders of the subsidiary, less the remeasurement of the liability of $1,359 ($7,756 in 2022).

8. 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 Q1 2023 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:

	For the three months ended March 25, 2023			For the three months ended March 26, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**121,521**	**37,360**	**158,881**	111,753	29,689	141,442
(Loss) profit before income taxes	**328**	**(12,472)**	**(12,144)**	5,679	(13,987)	(8,308)

	As at March 25, 2023			As at December 31, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Total assets	**656,719**	**322,907**	**979,626**	636,174	347,498	983,672
Total liabilities	**458,709**	**169,609**	**628,318**	436,400	186,181	622,581

(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:

	For the three months ended March 25, 2023			For the three months ended March 26, 2022		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Revenue	**63,350**	**95,531**	**158,881**	58,961	82,481	141,442

	As at March 25, 2023			As at December 31, 2022		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Non-current assets (1)	**327,446**	**361,275**	**688,721**	319,034	355,249	674,283

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

9. 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). Pursuant to the lease agreement with Georgia Ports Authority (“GPA”), the Company is required to rebuild the warehouse that was destroyed by the fire, unless agreed to otherwise. In accordance with the lease agreement and the property insurance contract, this warehouse was insured for US$21,900 ($30,141) and the related equipment for US$8,600 ($11,773). The Company is currently operating with reduced capacity at this facility.

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 are 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.

As at the date of the Q1 2023 financial statements, the Company obtained approvals required from the GPA and other parties to reconstruct. A feasibility study was obtained and the size and the type of warehouse to be constructed were determined, but the final design which is subject to approval from the GPA and state authorities has not been completed. In addition, the groundwork preparation began during the first quarter of 2023. Based on the preliminary information received, the Company has recorded the obligations for rebuilding of the warehouse and a corresponding insurance recovery in its condensed consolidated interim statements of financial position, both at the estimated amount of US$21,900 ($30,141), which were recorded in trade and other payables and trade and other receivables, respectively. Both the insurance recovery and the costs to rebuild the warehouse were recognized under other losses in the condensed consolidated interim statements of earnings for the period ended March 25, 2023.

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$5,000 ($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.

This reflects management’s best estimates based on the information available as at the date of the Q1 2023 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.

10. SUBSEQUENT EVENTS

On March 2, 2023, the Company announced that it had entered into a definitive agreement to acquire the Canadian and U.S. marine terminal business of Fednav, including Federal Marine Terminals, Inc. and its logistics division, Fednav Direct (collectively, the "Acquisition"). The transaction closed on March 31, 2023, for a cash consideration of US$105,000 ($143,010), net of cash acquired, subject to customary adjustments.

The marine terminal business comprises 11 terminals that provides stevedoring, handling and warehousing services for bulk, containerized, project cargo, and general cargo. The logistics division offers value-added on-carriage services, inventory management, and 24/7 inland cargo transportation in Canada and the United States.

The Acquisition provides a combined network that offers strategic gateways for existing and future customers, allowing LOGISTEC to gain an important foothold in the Great Lakes region and access prime locations in the U.S. Gulf and East Coast regions.

In accordance with IFRS 3 *Business Combinations* ("IFRS 3"), if the date of acquisition of a business combination is after the end of the reporting period but before the financial statements are issued, the Corporation shall disclose the information required under IFRS 3, unless the initial accounting for the business combination is incomplete at the time the financial statements are issued. Due to the very limited time between the closing of the Acquisition and the issuance of these financial statements, certain required information on business combinations under IFRS 3, mainly the preliminary purchase price allocation, have not been provided, as this information is not yet available. The Company is in the process of assessing the fair values of the assets acquired and the liabilities assumed.

Total acquisition costs are estimated at $2,500, of which $2,050 were incurred during the three-month period ended March 25, 2023.

On March 8, 2023, the Company has exercised the accordion option of $150,000 or the U.S. dollar equivalent included in its existing revolving credit facility, leading to an amendment to the existing credit agreement in effect since March 30, 2022.

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