Interim Financial Report for the Period Ended September 30, 2023

LOGISTEC

Q3 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	**244.9**
September	191.9	236.2	284.2	**307.2**
December	179.8	230.1	253.0	
Year-to-date	604.7	743.7	897.6	**711.0**

Adjusted EBITDA [1]

(in millions of Canadian dollars)	2020	2021	2022	**2023**
March	7.5	6.2	7.8	**10.0**
June	20.0	27.6	34.2	**37.6**
September	41.7	49.7	59.9	**58.9**
December	31.6	37.7	41.5	
Year-to-date	100.8	121.2	143.4	**106.5**

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	**3.3**
September	20.4	26.8	31.6	**17.5**
December	13.0	14.1	14.9	
Year-to-date	32.6	45.4	53.5	**11.7**

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	**0.25**
September	1.56	2.04	2.43	**1.36**
December	0.99	1.09	1.15	
Year-to-date	2.49	3.46	4.12	**0.90**

[1] Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 17.
[2] For earnings (loss) per share per class of share, please refer to the selected quarterly financial information on page 7.

TO OUR SHAREHOLDERS

Highlights from the third quarter of 2023:

- Consolidated revenue totalled $307.2 million, up $23.0 million or 8.1%;
- Adjusted EBITDA [(1)] closed at $58.9 million;
- Total diluted earnings per share of $1.36, down $1.07;
- Successful integration of Fednav's terminal division ("FMT") into LOGISTEC;
- ALTRA | SANEXEN perfluoroalkyl and polyfluoroalkyl substances ("PFAS") water technologies recognized as CLEAN50;
- Acquisition of the remaining 32.7% interest in FER-PAL Construction Ltd. ("FER-PAL"), a key strategic player in the deployment of our ALTRA water main renewal technology.

Highlights from the nine-month period ended September 30, 2023:

- Consolidated revenue totalled $711.0 million, up $66.4 million or 10.3%;
- Adjusted EBITDA [(1)] closed at $106.5 million, up $4.6 million;
- Total diluted earnings per share of $0.90, down $2.07;
- Environmental services' backlog stood at $84.3 million for the remaining of the year.

RESULTS OF THE PERIOD

LOGISTEC delivered good operational results during the third quarter of 2023. Consolidated revenue was $307.2 million for the period, an increase of $23.0 million or 8.1% over the same period in 2022. However, the Company's profits were negatively impacted by rising interest rates, the additional costs related to the strategic review, higher depreciation and amortization expense resulting from the business combination, and lower share of profit of equity accounted investments.

MARINE SERVICES

Revenue from the marine services segment reached $182.7 million in the third quarter of 2023, up $22 .1 million or 13.7% from the prior year, reflecting the full benefits of the successful integration of LOGISTEC's latest acquisition, FMT. This increase was partly offset by lower general cargo volumes derived from the wind energy sector in the U.S. East Coast region.

Bulk activities, both in Canada and the USA once again delivered strong volumes and revenue. Port logistics activities performed well, gaining shares in new markets with their last mile initiatives.

We are seeing different trends from our equity accounted investments. On the one hand, although this was expected, our container activities are handling lower volumes in 2023 and are not seeing the substantial storage revenue as last year. On the other hand, our other joint ventures are doing well, including our marine transportation services to the northern communities, which are having a very busy year in terms of cargo carried to the Arctic.

This quarter, our marine services team further strengthened their efforts to organically grow our business, provide innovative services across our extensive network, and attract new customers – resulting in an even more diversified revenue base.

ENVIRONMENTAL SERVICES

Revenue from the environmental services segment in the third quarter of 2023 was $124.5 million, a 0.7% increase compared with the same period in 2022, which is consistent with last year's results.

Progress on all major industry-leading projects during the quarter was strong, and the remaining projects across Canada are on track to be largely completed by the end of the year. Revenue from site remediation and contaminated soils and materials management services are strong, driven by more regulated materials and waste to be managed on behalf of our industrial clients, and to some extent steady contaminated soils volumes handled. We completed the final soil disposal for the Reseau Express Metropolitan ("REM") project in Montréal, the largest public transit project undertaken in Québec in the last 50 years, a project for which we have handled more than 500,000 metric tonnes since its inception.

[(1)] *Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 17.*

Our sludge and biosolids dredging and dewatering operations achieved its best performance since the acquisition of American Process Group in 2021, boosted by good commercial momentum in all geographies, particularly in the USA.

The environmental team continued to expand its PFAS market penetration across North America. The first full-scale continuous PFAS treatment system with Waste Connections will start this November. The first-of-its kind "clean water-as-a-service" agreement also includes additional sites which are under active negotiation. Other PFAS treatment projects with major waste management companies are in the request for proposal stage.

The ALTRA | SANEXEN team received the 2024 Clean50 Award, in the Clean Technology category on September 28. This prestigious award recognizes leaders from across Canada who have done the most to advance climate action and develop smart climate solutions.

OUTLOOK

Our third quarter results highlight the long-term runway for LOGISTEC, driven by our unique combination of an extensive network of marine terminals, innovative environmental solutions, and our people's ingenuity. As we look ahead, these competitive advantages will be an essential element of our continued good performance - against a backdrop of strong secular demand drivers.

Our marine services team will continue to add to its range of solutions to address key challenges and respond to customers' needs. In order to support fluid and resilient supply chains, they will capitalize on a growing network of port terminals in North America, a depth of expertise in cargo handling, strong long-term partnerships, and innovative solutions.

The environmental team is focused on delivering improved operational performance, against a robust set of opportunities and increased backlog. The PFAS market represents a significant long-term opportunity for our environmental services segment, which is driven by its leading position in the marketplace, its deep expertise and unique "clean water-as-a-service" solution.

Our good operational performance for the first nine months of the year, combined with our expectation for the remainder of the year, the resilience of our business model, and the effectiveness of our growth strategies, are leading us to be confident for the 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 10, 2023

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.sedarplus.ca) 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 and nine-month periods ended September 30, 2023, and September 24, 2022. All financial information contained in this MD&A and the attached condensed consolidated interim financial statements ("Q3 2023 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 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

With current levels of funding from the important secular trends – including investments in infrastructure, sustainability and resilience, and long-term supply chain and energy transitions – combined with our continued market share gains and expanding core markets, we trust our ability to capitalize and deliver good results for the years to come. More importantly, our teams are fully engaged.

Our marine services team will continue to take advantage of the ongoing demand in its core markets and work on various growth initiatives within our strategic plan. The environmental services team's performance reflects strong execution in the field and increased focus to deliver on a growing pipeline of opportunities. We see the need for ALTRA's proprietary PFAS remediation to grow over time, driven by the number of highly contaminated sites and industry focus on lifecycle costs and sustainability initiatives.

We are pleased that our adjusted EBITDA [(1)] increased by $4.6 million for the first nine months of 2023 compared to the same period in 2022, reflecting the full benefits of our latest acquisition in FMT. We expect satisfactory results for the remainder of 2023.

Moving forward, with the support of experienced partners like Blue Wolf Capital Partners LLC ("Blue Wolf") and Stonepeak Partners LP ("Stonepeak"), we will continue to foster innovation and prepare for a sustainable, profitable future. This is a positive outcome for LOGISTEC and all our stakeholders, including our dedicated employees.

ARRANGEMENT AGREEMENT

On October 16, 2023, the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") to be acquired by 1443373 B.C. Unlimited Liability Company (the "Purchaser"), an entity owned by certain funds managed by Blue Wolf with preferred equity financing provided by investment funds managed and/or advised by affiliates of Stonepeak. Under the terms of the Arrangement Agreement, the Purchaser will acquire all of the issued and outstanding shares of the Company for $67.00 in cash per share, subject to customary closing conditions.

The conditions set forth in the Arrangement Agreement include (i) the approval by at least 66⅔% of the votes cast on the transaction by holders of Class A Common Shares and Class B Subordinate Voting Shares voting together as a single class at a special meeting of shareholders called to consider the transaction; (ii) the receipt of regulatory approvals and clearances in Canada and the United States; and (iii) Court approval. Concurrently with the execution of the Arrangement Agreement, the Purchaser has entered into a voting support agreement with Sumanic Investments Inc., holding Class A Common Shares and Class B Subordinate Voting Shares representing approximately 77% of the voting rights attached to the issued and outstanding shares of the Company, and voting support agreements with each of the directors and executive officers who own shares of the Company, pursuant to which they have agreed to vote all shares held by them in favour of the transaction, subject to customary exceptions. The transaction is not subject to any financing condition.

[(1)] *Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 17.*

The Arrangement Agreement is the culmination of an extensive and robust review of strategic alternatives available to maximize shareholder value that was conducted by a Special Committee of independent directors of the Company at the request of its principal shareholder, Sumanic Investments Inc. The Company's board of directors, following the receipt and review of the unanimous recommendation of the Special Committee, has unanimously determined that the transaction is in the best interests of the Company and is fair to its shareholders, and unanimously recommends that the Company's shareholders approve the transaction.

The Arrangement Agreement contains non-solicitation covenants on the part of the Company, subject to the customary "fiduciary out" provisions. A termination fee of $32.0 million would be payable by the Company to the Purchaser in certain circumstances, including in the context of a superior proposal supported by the Company. The Company would also be entitled to a reverse termination fee of $59.0 million if the transaction is not completed in certain circumstances.

Following completion of the transaction, the Company will become a privately held company and will apply to cease to be a reporting issuer under Canadian securities laws and the Class A Common Shares and Class B Subordinate Voting Shares will no longer be publicly traded on the Toronto Stock Exchange.

BUSINESS COMBINATIONS

2023 BUSINESS COMBINATIONS

FMT

On March 31, 2023, the Company acquired 100% ownership of the Canadian and U.S. marine terminal business of Fednav, including Federal Marine Terminals, Inc. and its logistics division, Fednav Direct (collectively, the "Acquisition" or "FMT") for a purchase price of US$104.6 million ($141.6 million).

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.

Please refer to Note 4 of the notes to Q3 2023 financial statements for further details.

SELECTED QUARTERLY INFORMATION

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

	Q1 $	Q2 $	Q3 $	Q4 $	**Year-to-date $**
2023					
Revenue	**158,881**	**244,966**	**307,150**		**710,997**
Adjusted EBITDA [1]	**9,968**	**37,649**	**58,879**		**106,496**
Profit (loss) attributable to owners of the Company	**(9,052)**	**3,224**	**17,508**		**11,680**
Basic earnings (loss) per Class A Common Share [2]	**(0.68)**	**0.24**	**1.31**		**0.87**
Basic earnings (loss) per Class B Subordinate Voting Share [3]	**(0.75)**	**0.27**	**1.44**		**0.96**
Total basic earnings (loss) per share	**(0.71)**	**0.25**	**1.37**		**0.91**
Diluted earnings (loss) per Class A share	**(0.68)**	**0.24**	**1.30**		**0.86**
Diluted earnings (loss) per Class B share	**(0.75)**	**0.27**	**1.43**		**0.95**
Total diluted earnings (loss) per share	**(0.71)**	**0.25**	**1.36**		**0.90**

	Q1 $	Q2 $	Q3 $	Q4 $	Year $
2022					
Revenue	141,442	218,972	284,209	252,942	897,565
Adjusted EBITDA [1]	7,801	34,222	59,879	41,477	143,379
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
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 measures section on page 17.
(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 30, 2023	September 24, 2022	**September 30, 2023**	September 24, 2022
	$	$	**$**	$
Revenue	**307,150**	284,209	**710,997**	644,623
Employee benefits expense	**(141,623)**	(129,554)	**(333,958)**	(310,504)
Equipment and supplies expense	**(80,932)**	(76,201)	**(190,684)**	(177,200)
Operating expense	**(19,739)**	(16,626)	**(57,386)**	(43,981)
Other expenses	**(15,910)**	(10,460)	**(40,561)**	(26,440)
Depreciation and amortization expense	**(20,634)**	(14,056)	**(52,120)**	(40,890)
Share of profit of equity accounted investments	**4,960**	6,342	**6,488**	12,411
Other losses	**(741)**	(9)	**(4,271)**	(1,549)
Operating profit	**32,531**	43,645	**38,505**	56,470
Finance expense	**(10,311)**	(4,178)	**(23,237)**	(10,380)
Finance income	**292**	126	**828**	394
Profit before income taxes	**22,512**	39,593	**16,096**	46,484
Income taxes	**(4,937)**	(7,827)	**(4,187)**	(7,466)
Profit for the period	**17,575**	31,766	**11,909**	39,018
Profit attributable to:				
Owners of the Company	**17,508**	31,636	**11,680**	38,642
Non-controlling interest	**67**	130	**229**	376
Profit for the period	**17,575**	31,766	**11,909**	39,018
Basic earnings per Class A share	**1.31**	2.35	**0.87**	2.87
Basic earnings per Class B share	**1.44**	2.58	**0.96**	3.15
Diluted earnings per Class A share	**1.30**	2.34	**0.86**	2.85
Diluted earnings per Class B share	**1.43**	2.56	**0.95**	3.13

THIRD QUARTER

Consolidated revenue totalled $307.2 million for the third quarter of 2023, up $23.0 million or 8.1% from $284.2 million for the same period in 2022. Consolidated revenue was positively affected by a $3.0 million foreign exchange effect due to a stronger U.S. dollar against the Canadian dollar in the third quarter of 2023. Please refer to the segmented results section for the revenue variance explanation of each segment.

In the third quarter of 2023, employee benefits expense increased by $12.0 million or 9.3% to $141.6 million from the $129.6 million recorded for the same quarter in 2022. This increase was mainly revenue driven, as the overall ratio of employee benefits expense to consolidated revenue was stable at 46.1% in the third quarter of 2023 compared with 45.6% for the same period in 2022.

Equipment and supplies expense amounted to $80.9 million in the third quarter of 2023, an increase of $4.7 million compared with the same period last year. This increase was mainly revenue driven, as the overall ratio of equipment and supplies expense to consolidated revenue was stable at 26.3% in the third quarter of 2023 compared with 26.8% for the same period in 2022.

Operating expense amounted to $19.7 million for the third quarter of 2023, up $3.1 million from the comparative period. This increase relates to higher short-term storage and wharfage charges, which are in line with the increase of revenue from cargo handling services in the U.S. Gulf Coast region.

Other expenses amounted to $15.9 million for the third quarter of 2023, up $5.4 million from $10.5 million in the comparative period. This increase was mainly due to fees incurred of $4.0 million in conjunction with the strategic review process and the resulting Arrangement Agreement announced on October 16, 2023.

Depreciation and amortization expense amounted to $20.6 million in the third quarter of 2023, up $6.5 million from $14.1 million last year. The increase resulted from the business combination of FMT and property, plant and equipment investments made in 2022 and 2023.

Share of profit of equity accounted investments reached $5.0 million, a decrease of $1.4 million over the same period last year. This decrease stemmed mainly from our equity accounted investment in TERMONT Terminal Inc., whose equity accounted investment specializes in handling containers, and whose volumes decreased due to lower container activity, while also reflecting the return to normal short-term storage services.

Finance expense reached $10.3 million, up $6.1 million from 2022. This increase stemmed 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 $17.5 million in the third quarter of 2023, a decrease compared with the $31.6 million profit recorded in the corresponding period last year. This translated into total diluted earnings per share of $1.36, of which $1.30 per share was attributable to Class A shares and $1.43 per share to Class B shares.

FIRST NINE MONTHS

For the nine-month period ended September 30, 2023, consolidated revenue totalled $711.0 million, compared with $644.6 million for the same period in 2022, an increase of $66.4 million. Consolidated revenue was positively affected by a $15.5 million foreign exchange effect due to a stronger U.S. dollar against the Canadian dollar in the first nine months of 2023. Please refer to the segmented results section for the revenue variance explanation of each segment.

For the first nine months of 2023, the employee benefits expense reached $334.0 million, an increase of $23.5 million or 7.6% over the $310.5 million recorded for the same period last year. The ratio of employee benefits expense to revenue was 47.0% in the first nine months of 2023, down from 48.2% 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.

For the first nine months of 2023, equipment and supplies expense amounted to $190.7 million, an increase of $13.5 million or 7.6% over the first nine months of 2022. This increase was mainly revenue driven, as the overall ratio of equipment and supplies expense to consolidated revenue remained stable at 26.8% in 2023, compared with 27.5% in 2022.

Operating expense amounted to $57.4 million for the first nine months of 2023, up $13.4 million from the comparative period. This increase relates to higher short-term storage and wharfage charges, which are in line with the increase of revenue from cargo handling services in the U.S. Gulf Coast region.

Other expenses totalled $40.6 million, an increase of $14.1 million or 53.4% compared with the first nine months of 2022. This increase was mainly due to professional fees of $11.3 million incurred with respect to the business combination and fees incurred in conjunction with the strategic review process and the resulting Arrangement Agreement announced on October 16, 2023, as explained above.

Depreciation and amortization expense reached $52.1 million in 2023, up $11.2 million from $40.9 million last year. The increase resulted from the business combination of FMT and property, plant and equipment investments made in 2022 and 2023, as explained above.

Share of profit of equity accounted investments reached $6.5 million, a decrease of $5.9 million over the same period last year. This decrease stemmed mainly from the performance of our equity accounted investment in TERMONT Terminal Inc., as explained above.

[(1)] The net indebtedness is reconciled in Note 5 of the notes to Q3 2023 financial statements.

Other losses increased by $2.8 million, from a $1.5 million loss last year to a loss of $4.3 million for the first nine months of 2023. This variance was mainly related to realized and unrealized exchange gains and losses on translating net working capital denominated in U.S. dollars.

Finance expense reached $23.2 million for the first nine months of 2023, up $12.9 million compared with the equivalent period of 2022. This increase stemmed 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.

For the first nine months of 2023, the Company reported a profit for the period of $11.9 million, of which $0.2 million attributable to a non-controlling interest, resulting in an $11.7 million profit attributable to owners of the Company. This translated into a total diluted earnings per share of $0.90, of which $0.86 per share was attributable to Class A shares and $0.95 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 2022 levels.

SEGMENTED RESULTS

(in thousands of Canadian dollars)		**For the three months ended September 30, 2023**			For the three months ended September 24, 2022	
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**182,681**	**124,469**	**307,150**	160,617	123,592	284,209
Industry segmented adjusted EBITDA (2)	**34,986**	**23,893**	**58,879**	35,111	24,768	59,879
Profit before income taxes	**7,660**	**14,852**	**22,512**	19,553	20,040	39,593

		For the nine months ended September 30, 2023			For the nine months ended September 24, 2022	
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**479,683**	**231,314**	**710,997**	411,196	233,427	644,623
Industry segmented adjusted EBITDA (2)	**81,893**	**24,603**	**106,496**	79,031	22,871	101,902
Profit before income taxes	**14,788**	**1,308**	**16,096**	38,291	8,193	46,484

MARINE SERVICES

THIRD QUARTER

Revenue from the marine services segment reached $182.7 million in 2023, up $22.1 million or 13.7% compared with $160.6 million in 2022. The growth was mainly attributable to the business combination of FMT which contributed $34.4 million in the third quarter of 2023, partly offset by lower general cargo volumes derived from the wind energy sector in the U.S. East Coast region.

Industry segment adjusted EBITDA (1) reached $35.0 million in the third quarter of 2023, in line with the comparative period. This was mainly attributable to lower revenue from the wind energy sector which usually contributes to higher margins, partly offset by the business combination of FMT as explained above.

(1) The net indebtedness is reconciled in Note 5 of the notes to Q3 2023 financial statements.

(2) Industry segmented adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 17.

Profit before income taxes from the marine services segment amounted to $7.7 million in the third quarter of 2023, down $11.9 million from the $19.6 million reported for the same quarter of 2022. These results reflected $4.1 million of additional finance expense, a lower share of profit of equity accounted investments of $1.6 million and an increase of $1.5 million in non-operational items, partly offset by higher revenue. Non-operational items include fees for the strategic review process and the resulting Arrangement Agreement announced on October 16, 2023.

FIRST NINE MONTHS

Revenue in the marine services segment totalled $479.7 million for the first nine months of 2023, up by $68.5 million from $411.2 million for the same period last year. The increase stemmed mainly from the business combination of FMT which contributed $69.4 million, and the U.S. Gulf Coast region where the energy industry continued to fuel the growth of our operations, partly offset by lower general cargo volumes as explained above.

Industry segment adjusted EBITDA [(1)] reached $81.9 million for the first nine months of 2023, up $2.9 million from $79.0 million for the same period last year. The increase resulted mainly from higher revenue from the business combination of FMT, partly offset by lower revenue from the wind energy sector which usually contributes to higher margins, as explained above.

For the first nine months of 2023, profit before income taxes from the marine services segment amounted to $14.8 million, down $23.5 million from $38.3 million in the same period of 2022. These results reflected an $8.3 million of additional finance expense, an increase of $7.1 million in non-operational items, including professional fees as explained above, and a lower share of profit of equity accounted investments of $5.9 million, partly offset by higher revenue.

ENVIRONMENTAL SERVICES

THIRD QUARTER

Revenue from the environmental services segment was $124.5 million, up $0.9 million or 0.7%, in the third quarter of 2023. This increase was mainly attributable to higher revenue from site remediation and contaminated soils and materials management services, partly offset by lower revenue from services relating to the renewal of underground water mains due to a lower level of municipal spendings in Canada.

Industry segment adjusted EBITDA [(1)] reached $23.9 million in the third quarter of 2023, down slightly from $24.8 million in the comparative period.

The environmental services segment reported a 14.9 million profit before income taxes in the third quarter of 2023, $5.2 million less than the $20.0 million profit reported for the same quarter of 2022. These results reflected delayed project contract revenue, $2.1 million of additional finance expense, an increase of $1.5 million in non-operational items, including professional fees as explained above, as well as Enterprise Resource Planning ("ERP") system costs of $0.6 million.

FIRST NINE MONTHS

The environmental services segment generated revenue totalling $231.3 million, a decrease of $2.1 million over revenue of $233.4 million for the same nine-month period in 2022. The decrease for the first nine months of 2023 was mainly attributable to delayed contract revenue from services relating to the renewal of underground water mains due to a lower level of municipal spendings in Canada, partly offset by higher revenue from site remediation and contaminated soils and materials management services.

Industry segment adjusted EBITDA [(1)] reached $24.6 million for the first nine months of 2023, up $1.7 million from $22.9 million for the same period last year. The increase resulted mainly from the revenue mix, as explained above.

For the first nine months of 2023, the environmental services segment reported a $1.3 million profit before income taxes, compared with the $8.2 million profit in the same period of 2022. These results reflected delayed contract revenue, $4.6 million of additional finance expense, an increase of $3.1 million in non-operating items, including professional fees as explained above, as well as ERP costs of $1.7 million.

[(1)] Industry segmented adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 17.

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. 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. Based on the insurance contract, the warehouse was insured for an amount of approximately US$21.9 million ($30.0 million) and the related equipment for US$8.6 million ($11.6 million). 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 to rebuild the assets destroyed, as well as other costs incurred as a direct result of the fire.

As at September 30, 2023, the Company has 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 in 2023. Based on the preliminary information received, the Company has recorded the obligation for rebuilding 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 ($30.0 million) in trade and other payables and trade and other receivables, respectively.

In 2021, the Company recognized an impairment charge of US$5.3 million ($6.5 million) for the conveyor and certain terminal equipment assets that were impacted by the fire and received an advance from the insurance carriers of US$5.0 million ($6.1 million).

The movements in the insurance receivable were as follows:

	As at September 30, 2023 $
Balance, beginning of year	**–**
Insurance recovery	**29,966**
Insurance received	**(18,409)**
Foreign exchange	**(138)**
Balance, end of period	**11,419**

The movements in the obligations payable for rebuilding the warehouse were as follows:

	As at September 30, 2023 $
Balance, beginning of year	–
Obligation for rebuilding of the warehouse	**29,966**
Rebuilding costs	**(3,035)**
Foreign exchange	**(293)**
Balance, end of period	**26,638**

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 September 30, 2023. Excluding the foreign exchange effect, there is no impact on the profit for the period.

This reflects management's best estimates based on the information available as at the date of the Q3 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
August 1, 2023	September 22, 2023	October 6, 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 third quarter of 2023. Please also refer to Note 5 of the notes to Q3 2023 financial statements for an update on financial risk management information.

CAPITAL RESOURCES

Total assets amounted to $1,189.0 million as at September 30, 2023, up $205.3 million over the closing balance of $983.7 million as at December 31, 2022. This increase was mainly due to the additional goodwill, property, plant and equipment, intangible assets and right-of-use assets following the business combination of FMT.

Cash and cash equivalents totalled $23.7 million at the end of the third quarter of 2023, down $12.3 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:	
Issuance of long-term debt, net of repayment and transaction costs	164.1
Cash generated from operations	88.6
Changes in non-cash working capital items	10.7
Dividends received from equity accounted investments	5.3
	268.7
Uses:	
Business combinations, net of cash acquired	135.2
Acquisition of property, plant and equipment, net of proceeds from disposal	45.7
Repayment of due to a non-controlling interest	45.4
Interest paid	22.8
Repayment of lease liabilities	14.2
Income taxes paid	7.5
Dividends paid on Class A and Class B shares	4.7
Dividends paid to a non-controlling interest	4.1
Settlement of provisions	1.8
	281.4

WORKING CAPITAL

As at September 30, 2023, current assets totalled $324.7 million and current liabilities totalled $217.8 million, computing to working capital of $106.8 million and a current ratio of 1.49:1, compared with working capital of $113.8 million and a 1.65:1 ratio as at December 31, 2022. The decrease was mainly due to the $26.7 million obligation for rebuilding the warehouse at the port of Brunswick, partly offset by the final payment for the acquisition of the remaining 32.7% interest held by the non-controlling interest of FER-PAL. issued during the third quarter of 2023 and the seasonal nature of our operations.

LONG-TERM DEBT

On March 8, 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. The amended credit facility amounts to $450.0 million ($300.0 million in 2022). As at September 30, 2023, the Company has drawn $358.6 million ($186.7 million as at December 31, 2022).

Total net indebtedness [(1)] amounted to $377.3 million as at September 30, 2023, up $178.3 million from $199.0 million as at December 31, 2022. The increase stemmed mainly from the additional debt incurred to finance the business combination of FMT and of the remaining 32.7% interest held by the non-controlling interest shareholders of FER-PAL.

On June 1, 2023, an interest rate swap contract in the amount of $15.0 million designated as a cash flow hedge to swap the floating rate of its debts to a fixed rate expired.

[(1)] *The net indebtedness is reconciled in Note 5 of the notes to Q3 2023 financial statements.*

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 in that subsidiary for a cash consideration of $19.1 million. On June 9, 2023, the Company and the non-controlling interest shareholders mutually agreed that the Company proceed with the purchase of the remaining 32.7%, payable on July 28, 2023, for an amount of $45.4 million.

For the nine-month period ended September 30, 2023, the net remeasurement of the written put option was $5.6 million ($5.0 million in 2022), which corresponded to the portion of a dividend of $3.7 million ($8.7 million in 2022) declared and paid to the non-controlling shareholders of the subsidiary, plus the remeasurement of the liability of $1.9 million (less the remeasurement of $3.7 million in 2022) based on the agreement concluded in June 2023.

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Equity attributable to owners of the Company amounted to $361.0 million as at September 30, 2023. Adding total net indebtedness [(1)] yields a capitalization of $738.3 million, which computes to a net indebtedness/capitalization ratio [(1)] of 51.1%. This means that the Company has financial leverage available should the need arise.

As at November 10, 2023, 7,349,583 Class A shares and 5,467,030 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 2023 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 2022 audited consolidated financial statements, the Company holds various investments in joint ventures. The Company has one significant joint venture, TERMONT Terminal Inc., whose equity accounted investment 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 September 30, 2023 $	As at December 31, 2022 $
Statements of financial position		
Total assets	**98,551**	96,934
Total liabilities	**47,301**	45,111

	For the three months ended		**For the nine months ended**	
	September 30, 2023 $	September 24, 2022 $	**September 30, 2023 $**	September 24, 2022 $
Statements of earnings				
Revenue	**1,062**	1,606	**3,072**	4,493
Share of profit of an equity accounted investment	**1,569**	7,233	**3,740**	16,367
Profit for the period	**2,065**	8,162	**5,212**	18,927

(1) The net indebtedness is reconciled in Note 5 of the notes to Q3 2023 financial statements

OTHER ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Financial position as at *(in millions of Canadian dollars)*	**SEPT 30, 2023 $**	DEC 31, 2022 $	**Var. $**	**Var. %**	Explanation of variation
Contract assets	**32.7**	14.9	**17.8**	**119.0**	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 2023.
Current income tax assets	**19.4**	11.2	**8.2**	**72.4**	The increase is due to the lower income tax expense, given the loss generated by certain entities the group for the period.
Inventories	**29.6**	20.0	**9.6**	**47.8**	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 coming quarters by our environmental services segment in addition to the inventory for the Rayrock project.
Prepaid expenses	**18.4**	8.8	**9.6**	**110.5**	This variation is primarily explained by the timing of payments of our insurance premiums.
Property, plant and equipment	**308.8**	234.6	**74.2**	**31.6**	The increase stemmed mainly from the capital expenditures of $49.1 million and the fixed assets acquired as part of the business combination of $58.4 million, offset by the depreciation expense of $29.4 million.
Goodwill	**260.6**	187.4	**73.2**	**39.0**	The increase stemmed from the acquisition of FMT, as discussed in the business combinations section of this MD&A.
Intangible assets	**48.1**	36.8	**11.3**	**30.8**	The increase stemmed from the acquisition of FMT, as discussed in the business combinations section of this MD&A.
Trade and other payables	**154.0**	128.0	**26.0**	**20.3**	The increase stemmed mainly from the $26.6 million obligation for rebuilding the warehouse at the Port of Brunswick and the seasonal nature of our operations, partly offset by the final payment for the acquisition of the remaining 32.7% interest held by the non controlling interest of FER-PAL carried out in the third quarter of 2023.
Contract liabilities	**13.1**	11.1	**2.0**	**17.9**	Contract liabilities represent advance consideration received from customers, recognized when contract work is performed in our environmental services segment. Higher seasonal activity in both our business segments led to higher contract liabilities at the end of the third quarter of 2023.

Financial position as at *(in millions of Canadian dollars)*	**SEPT 30, 2023 $**	DEC 31, 2022 $	**Var. $**	**Var. %**	Explanation of variation
Current income tax liabilities	**13.6**	5.1	**8.5**	**165.9**	The increase was mainly due to the higher income tax expense and the timing of the tax instalments made.
Current portion of lease liabilities	**23.1**	18.7	**4.4**	**23.9**	The increase stemmed mainly from the addition of $13.5 million, the lease agreements acquired as part of the business combinations of $12.9 million and the interest of $5.5 million, partly offset by the repayment of lease liabilities in the amount of $19.7 million.
Non-current lease liabilities	**163.5**	157.5	**6.0**	**3.8**	
Current portion of long-term debt	**12.0**	10.9	**1.1**	**9.8**	Refer to the liquidity and capital resources section of this MD&A.
Long-term debt	**388.5**	224.1	**164.4**	**73.4**	
Deferred income tax liabilities	**35.0**	24.6	**10.4**	**42.4**	The increase stemmed mainly from taxable temporary differences upon the recognition of property, plant and equipment and intangible assets acquired following the business combination of FMT.
Non-current liabilities	**6.2**	25.6	**(19.4)**	**(75.6)**	The decrease resulted mainly from the final payment for the acquisition of the remaining 32.7% interest held by the noncontrolling interest of FER-PAL carried out in the third quarter of 2023.

n.m.: not meaningful

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

NON-IFRS MEASURES

In this MD&A, the Company uses measures that are not in accordance with IFRS. Adjusted earnings before interest expense, income taxes, depreciation and amortization expense ("adjusted EBITDA") and industry segmented adjusted earnings before interest expense, income taxes, depreciation and amortization expense (''industry segmented adjusted EBITDA'') are not defined by IFRS and cannot be formally presented in financial statements. The definitions of adjusted EBITDA and industry segmented adjusted EBITDA exclude the configuration and customization costs related to the implementation of an ERP, and since the second quarter of 2023, the Company excluded professional fees incurred in a business combination and analyzing other business development opportunities ("transaction costs"). Please refer to the arrangement agreement section of this MD&A and Note 4 of the notes to the Q3 2023 financial statements for further information on the nature of the transaction costs incurred in the first nine months of 2023. The definitions of adjusted EBITDA and industry segmented adjusted EBITDA used by the Company may differ from those used by other companies. The Company excludes the configuration and customization costs related to the implementation of an ERP system and transaction costs because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. Even though adjusted EBITDA and industry segmented adjusted EBITDA are non-IFRS measures, they are 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 definitions of adjusted EBITDA and industry segmented adjusted EBITDA have been applied retroactively and comparative figures have been amended accordingly to comply to the current year definition.

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					
Profit (loss) for the period	**(8,937)**	**3,271**	**17,575**		**11,909**
PLUS:					
Depreciation and amortization expense	**14,454**	**17,032**	**20,634**		**52,120**
Net finance expense	**4,427**	**7,963**	**10,019**		**22,409**
Income taxes	**(3,207)**	**2,457**	**4,937**		**4,187**
Configuration and customization costs in a cloud computing arrangement	**1,136**	**1,897**	**1,494**		**4,527**
Transaction costs	**2,095**	**5,029**	**4,220**		**11,344**
Adjusted EBITDA	**9,968**	**37,649**	**58,879**		**106,496**
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
Transaction costs	–	–	1,154	131	1,285
Adjusted EBITDA	7,801	34,222	59,879	41,477	143,379
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
Transaction costs	–	358	–	–	358
Adjusted EBITDA	6,247	27,592	49,687	37,653	121,179
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
Transaction costs	–	32	37	62	131
Adjusted EBITDA	7,473	19,962	41,757	31,597	100,789

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

(in thousands of Canadian dollars)

	For the three months ended September 30, 2023			For the three months ended September 24, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Profit for the period	**7,303**	**10,272**	**17,575**	16,794	14,972	31,766
PLUS:						
Depreciation and amortization expense	**16,761**	**3,873**	**20,634**	10,407	3,649	14,056
Net finance expense	**6,885**	**3,134**	**10,019**	2,973	1,079	4,052
Income taxes	**357**	**4,580**	**4,937**	2,759	5,068	7,827
Configuration and customization costs in a cloud computing arrangement	**941**	**553**	**1,494**	1,024	–	1,024
Transaction costs	**2,739**	**1,481**	**4,220**	1,154	–	1,154
Industry segmented adjusted EBITDA	**34,986**	**23,893**	**58,879**	35,111	24,768	59,879

	For the nine months ended September 30, 2023			For the nine months ended September 24, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Profit (loss) for the period	**12,826**	**(917)**	**11,909**	32,834	6,184	39,018
PLUS:						
Depreciation and amortization expense	**40,838**	**11,282**	**52,120**	29,026	11,864	40,890
Net finance expense	**15,183**	**7,226**	**22,409**	7,172	2,814	9,986
Income taxes	**1,962**	**2,225**	**4,187**	5,457	2,009	7,466
Configuration and customization costs in a cloud computing arrangement	**2,853**	**1,674**	**4,527**	3,388	–	3,388
Transaction costs	**8,231**	**3,113**	**11,344**	1,154	–	1,154
Industry segmented adjusted EBITDA	**81,893**	**24,603**	**106,496**	79,031	22,871	101,902

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, 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 Q3 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 Q3 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. The management's evaluation of the Company's DC&P and ICFR excluded controls, policies and procedures regarding FMT, acquired on March 31, 2023. The Company has a period of one year from the acquisition date to conduct this analysis and to implement internal controls deemed necessary.

Additional information about this acquisition is presented in the following table:

(in thousands of Canadian dollars)

	As at September 30, 2023 $
Statements of financial position	
Current assets	**25,441**
Non-current assets	**156,050**
Current liabilities	**(16,794)**
Non-current liabilities	**(23,155)**

	For the three months ended September 30, 2023 $	**For the nine months ended September 30, 2023 $**
Statements of earnings		
Revenue	**34,366**	**69,443**
Profit before income taxes	**1,197**	**4,717**

There has been no change in the Company's ICFR that occurred in the third 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

November 10, 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 September 30, 2023 $	September 24, 2022 $	For the nine months ended September 30, 2023 $	September 24, 2022 $
Revenue	7	**307,150**	284,209	**710,997**	644,623
Employee benefits expense		**(141,623)**	(129,554)	**(333,958)**	(310,504)
Equipment and supplies expense		**(80,932)**	(76,201)	**(190,684)**	(177,200)
Operating expense		**(19,739)**	(16,626)	**(57,386)**	(43,981)
Other expenses		**(15,910)**	(10,460)	**(40,561)**	(26,440)
Depreciation and amortization expense		**(20,634)**	(14,056)	**(52,120)**	(40,890)
Share of profit of equity accounted investments		**4,960**	6,342	**6,488**	12,411
Other losses		**(741)**	(9)	**(4,271)**	(1,549)
Operating profit		**32,531**	43,645	**38,505**	56,470
Finance expense		**(10,311)**	(4,178)	**(23,237)**	(10,380)
Finance income		**292**	126	**828**	394
Profit before income taxes		**22,512**	39,593	**16,096**	46,484
Income taxes		**(4,937)**	(7,827)	**(4,187)**	(7,466)
Profit for the period		**17,575**	31,766	**11,909**	39,018
Profit attributable to:					
Owners of the Company		**17,508**	31,636	**11,680**	38,642
Non-controlling interest		**67**	130	**229**	376
Profit for the period		**17,575**	31,766	**11,909**	39,018
Basic earnings per Class A Common Share (1)		**1.31**	2.35	**0.87**	2.87
Basic earnings per Class B Subordinate Voting Share (2)		**1.44**	2.58	**0.96**	3.15
Diluted earnings per Class A share		**1.30**	2.34	**0.86**	2.85
Diluted earnings per Class B share		**1.43**	2.56	**0.95**	3.13
Weighted average number of Class A Shares outstanding, basic and diluted		**7,353,396**	7,361,022	**7,358,480**	7,369,911
Weighted average number of Class B Shares outstanding, basic		**5,463,217**	5,461,358	**5,458,133**	5,554,728
Weighted average number of Class B Shares outstanding, diluted		**5,644,123**	5,580,269	**5,639,039**	5,647,748

(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		For the nine months ended	
	September 30, 2023 $	September 24, 2022 $	**September 30, 2023 $**	September 24, 2022 $
Profit for the period	**17,575**	31,766	**11,909**	39,018
Other comprehensive (loss) income				
Items that are or may be reclassified to the consolidated statements of earnings				
Currency translation differences arising on translation of foreign operations	**6,974**	9,258	**(442)**	12,911
Unrealized gain (loss) on translating debt designated as hedging item of the net investment in foreign operations	**(3,915)**	(3,172)	**217**	(4,396)
Income taxes relating to unrealized gain on translating debt designated as hedging item of the net investment in foreign operations	**518**	420	**(29)**	582
(Losses) gains on derivatives designated as cash flow hedges	**(346)**	201	**(570)**	1,814
Income taxes relating to derivatives designated as cash flow hedges	**(4)**	(53)	**61**	(481)
Total items that are or may be reclassified to the consolidated statements of earnings	**3,227**	6,654	**(763)**	10,430
Items that will not be reclassified to the consolidated statements of earnings				
Remeasurement gains (losses) on benefit obligation	**2,189**	(1,443)	**1,475**	7,796
Return on retirement plan assets	**(627)**	(18)	**(276)**	(2,902)
Income taxes on remeasurement of benefit obligation and return on retirement plan assets	**(414)**	387	**(318)**	(1,297)
Total items that will not be reclassified to the consolidated statements of earnings	**1,148**	(1,074)	**881**	3,597
Share of other comprehensive income (loss) of equity accounted investments, net of income taxes				
Items that are or may be reclassified to the consolidated statements of earnings	**(6)**	–	**14**	–
Total share of other comprehensive income (loss) of equity accounted investments, net of income taxes	**(6)**	–	**14**	–
Other comprehensive income for the period, net of income taxes	**4,369**	5,580	**132**	14,027
Total comprehensive income for the period	**21,944**	37,346	**12,041**	53,045
Total comprehensive income attributable to:				
Owners of the Company	**21,835**	37,142	**11,815**	52,569
Non-controlling interest	**109**	204	**226**	476
Total comprehensive income for the period	**21,944**	37,346	**12,041**	53,045

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 30, 2023 $**	As at December 31, 2022 $
Assets			
Current assets			
Cash and cash equivalents		**23,735**	36,043
Trade and other receivables		**200,916**	198,247
Contract assets		**32,652**	14,912
Current income tax assets		**19,389**	11,245
Inventories		**29,552**	20,000
Prepaid expenses and other		**18,429**	8,756
		324,673	289,203
Equity accounted investments		**47,317**	46,140
Property, plant and equipment		**308,781**	234,602
Right-of-use assets		**175,426**	167,274
Goodwill		**260,593**	187,430
Intangible assets		**48,141**	36,807
Non-current assets		**1,760**	2,030
Post-employment benefit assets		**1,738**	1,264
Non-current financial assets		**6,759**	6,114
Deferred income tax assets		**13,843**	12,808
Total assets		**1,189,031**	983,672
Liabilities			
Current liabilities			
Short-term bank loans		**467**	–
Trade and other payables		**154,037**	128,019
Contract liabilities		**13,093**	11,107
Current income tax liabilities		**13,550**	5,095
Dividends payable		**1,574**	1,574
Current portion of lease liabilities		**23,124**	18,662
Current portion of long-term debt		**12,001**	10,925
		217,846	175,382
Lease liabilities		**163,464**	157,500
Long-term debt	8	**388,543**	224,110
Deferred income tax liabilities		**35,030**	24,604
Post-employment benefit obligations		**13,595**	13,690
Contract liabilities		**1,500**	1,733
Non-current liabilities		**6,226**	25,562
Total liabilities		**826,204**	622,581
Equity			
Share capital	6	**49,443**	49,443
Retained earnings		**293,008**	290,773
Accumulated other comprehensive income	9	**18,546**	19,271
Equity attributable to owners of the Company		**360,997**	359,487
Non-controlling interest		**1,830**	1,604
Total equity		**362,827**	361,091
Total liabilities and equity		**1,189,031**	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)

	Notes	Attributable to owners of the Company					
		Share capital issued $	Retained earnings $	Accumulated other comprehensive income (Note 9) $	Total $	Non-controlling interest $	Total equity $
Balance as at January 1, 2023		**49,443**	**290,773**	**19,271**	**359,487**	**1,604**	**361,091**
Profit for the period		**–**	**11,680**	**–**	**11,680**	**229**	**11,909**
Other comprehensive income (loss)							
Currency translation differences arising on translation of foreign operations		**–**	**(21)**	**(418)**	**(439)**	**(3)**	**(442)**
Unrealized gain on translating debt designated as hedging item of the net investment in foreign operations, net of income taxes		**–**	**–**	**188**	**188**	**–**	**188**
Remeasurement gains on benefit obligation and return on retirement plan assets, net of income taxes		**–**	**881**	**–**	**881**	**–**	**881**
Share of other comprehensive income of equity accounted investments, net of income taxes		**–**	**–**	**14**	**14**	**–**	**14**
Cash flow hedges, net of income taxes		**–**	**–**	**(509)**	**(509)**	**–**	**(509)**
Total comprehensive income (loss) for the period		**–**	**12,540**	**(725)**	**11,815**	**226**	**12,041**
Net remeasurement of written put option liability	9	**–**	**(5,567)**	**–**	**(5,567)**	**–**	**(5,567)**
Class B shares to be issued under the Executive Stock Option Plan	6	**–**	**364**	**–**	**364**	**–**	**364**
Other dividend		**–**	**(380)**	**–**	**(380)**	**–**	**(380)**
Dividends on Class A shares	6	**–**	**(2,600)**	**–**	**(2,600)**	**–**	**(2,600)**
Dividends on Class B shares	6	**–**	**(2,122)**	**–**	**(2,122)**	**–**	**(2,122)**
Balance as at September 30, 2023		**49,443**	**293,008**	**18,546**	**360,997**	**1,830**	**362,827**

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 9) $	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	9	–	(5,025)	–	(5,025)	–	(5,025)
Issuance of Class B shares		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		–	(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 CASH FLOWS

(in thousands of Canadian dollars)

	Notes	For the nine months ended September 30, 2023 $	September 24, 2022 $
Operating activities			
Income for the period		**11,909**	39,018
Items not affecting cash and cash equivalents		**76,670**	48,847
Cash generated from operations		**88,579**	87,865
Dividends received from equity accounted investments		**5,325**	11,175
Contributions to defined benefit retirement plans		**(710)**	(542)
Settlement of provisions		**(1,848)**	(450)
Changes in non-cash working capital items		**10,734**	(55,262)
Income taxes paid		**(7,501)**	(15,654)
		94,579	27,132
Financing activities			
Net change in short-term bank loans		**467**	(8,565)
Issuance of long-term debt, net of transaction costs		**255,992**	126,121
Repayment of long-term debt		**(91,890)**	(63,112)
Repayment of lease liabilities		**(14,188)**	(11,939)
Repayment of due to a non-controlling interest	9	**(45,363)**	(19,086)
Interest paid		**(22,828)**	(10,086)
Issuance of Class B shares		**–**	221
Repurchase of Class B shares	6	**–**	(10,013)
Dividends paid on Class A shares		**(2,600)**	(2,173)
Dividends paid on Class B shares		**(2,122)**	(1,813)
		77,468	(445)
Investing activities			
Dividends paid to a non-controlling interest	9	**(4,067)**	(8,826)
Acquisition of property, plant and equipment		**(47,300)**	(36,238)
Proceeds from disposal of property, plant and equipment		**1,597**	1,005
Business combinations, net of cash acquired	4	**(135,245)**	(3,264)
Acquisition of intangible assets		**(81)**	(211)
Interest received		**648**	150
Cash receipts from other non-current financial assets		**127**	1,058
Net acquisition of other non-current assets		**(179)**	(224)
		(184,500)	(46,550)
Net change in cash and cash equivalents		**(12,453)**	(19,863)
Cash and cash equivalents, beginning of year		**36,043**	37,530
Effect of exchange rate on balances held in foreign currencies of foreign operations		**145**	3,855
Cash and cash equivalents, end of period		**23,735**	21,522
Additional information			
Acquisition of property, plant and equipment included in trade and other payables		**3,231**	5,018
Issuance of Class B shares under the Employee Stock Purchase Plan for non-interest-bearing loans		**–**	462
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 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 financial statements ("Q3 2023 financial statements") of the Company have been prepared by and are the responsibility of management. The Q3 2023 financial statements were approved by the Company's Board of Directors on November 10, 2023.

2. BASIS OF PREPARATION

The condensed consolidated interim 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 Q3 2023 financial statements includes significant assumptions made by management, which have been set out in Note 3 of the notes to the 2022 audited consolidated financial statements.

The Q3 2023 financial statements do not include all of the information required for annual financial statements and should therefore be read in conjunction with the 2022 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. BUSINESS COMBINATIONS

2023 BUSINESS COMBINATIONS

FMT

On March 31, 2023, the Company acquired 100% ownership of the Canadian and U.S. marine terminal business of Fednav, including Federal Marine Terminals, Inc. and its logistics division, Fednav Direct (collectively, the "Acquisition" or "FMT") for a purchase price of US$104,602 ($141,626).

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.

The purchase price has been allocated on a preliminary basis and will be finalized as soon as the Company has obtained all the information it considers necessary. The Company was in the process of evaluating the fair values of property, plant and equipment, intangible assets and deferred income tax liabilities.

At the acquisition date, the preliminary fair values of the underlying identifiable assets acquired and liabilities assumed were as follows:

	$
Cash	6,381
Current assets, excluding cash	12,926
Property, plant & equipment	58,311
Right-of-use assets	12,948
Goodwill	73,329
Intangible assets	17,052
Current liabilities	(14,737)
Lease liabilities	(12,492)
Deferred income tax liabilities	(12,092)
Purchase price consideration	141,626

The fair value of receivables acquired of $12,580, which includes a negligible amount deemed uncollectible as at the acquisition date, is included in current assets. The acquisition transaction costs included under other expenses, amounted to $2,932.

Impact of the business combination on the results of the Company

The Company's results for the six-month period ended September 30, 2023 include $69,443 in revenue and a profit before income taxes of $4,717 generated by the business combination. If the business combination had been completed on January 1, 2023, in the Company's best estimate, revenue and loss before income taxes for the nine-month period would have been $90,913 and $3,771, respectively.

In determining these estimated amounts, the Company assumes that the fair value adjustments that arose on the acquisition date would have been the same, had the acquisition occurred on January 1, 2023.

Goodwill

Goodwill mainly arose in the acquisition as a result of synergies attributable to the expected future growth potential from the expanded locations and intangible assets not qualifying for separate recognition.

(in thousands of Canadian dollars)

5. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

The Company monitors the ratio of net indebtedness/capitalization on a quarterly basis. As at September 30, 2023, the ratio was calculated as follows:

	As at September 30, 2023 $	As at December 31, 2022 $
Short-term bank loans	**467**	–
Long-term debt, including the current portion	**400,544**	235,035
Less:		
Cash and cash equivalents	**23,735**	36,043
Total net indebtedness	**377,276**	198,992
Equity attributable to owners of the Company	**360,997**	359,487
Capitalization	**738,273**	558,479
Ratio of net indebtedness/capitalization	**51.1%**	35.6%

As at September 30, 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 2,700 customers. For the nine months ended September 30, 2023, the 20 largest customers accounted for 36.0% (40.6% in 2022) of consolidated revenue.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at September 30, 2023, and December 31, 2022, 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 30, 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 $3,251 lower than its carrying value as at September 30, 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 September 30, 2023, no financial instruments were recorded at fair value or transferred between levels 1, 2 and 3.

(in thousands of Canadian dollars)

6. SHARE CAPITAL

Issued and outstanding [1]	As at September 30, 2023 $	As at December 31, 2022, $
7,349,583 Class A shares (7,361,022 as at December 31, 2022)	**4,856**	4,864
5,467,030 Class B shares (5,455,591 as at December 31, 2022)	**44,587**	44,579
	49,443	49,443

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

Since the beginning of the year, there were 11,439 Class A shares converted into Class B shares (16,000 in 2022).

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 interim financial statements of earnings for the three-month and nine-month periods ended September 30, 2023, were respectively $94 ($245 in 2022) and $364 ($486 in 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 September 30, 2023	**180,906**	**36.36**
Exercisable at September 30, 2023	88,772	33.69

NORMAL COURSE ISSUER BID (“NCIB”)

Pursuant to the NCIB launched on October 28, 2021 and terminated on October 27, 2022, 258,395 Class B shares were repurchased during the period ended September 24, 2022 and cancelled for a cash consideration of $10,066. Of this amount, the excess over the stated capital of the repurchased shares of $7,974 was charged to retained earnings.

DIVIDENDS

Details of dividends declared per share are as follows:

	For the nine months ended September 30, 2023 $	September 24, 2022 $
Class A shares	**0.35**	0.31
Class B shares	**0.39**	0.35

(in thousands of Canadian dollars)

7. REVENUE

	For the three months ended		For the nine months ended	
	September 30, 2023 $	September 24, 2022 $	**September 30, 2023 $**	September 24, 2022 $
Revenue from cargo handling services	**182,677**	160,453	**479,011**	410,265
Revenue from services relating to the renewal of underground water mains	**67,533**	73,032	**102,513**	126,766
Revenue from site remediation and contaminated soils and materials management services	**48,179**	42,138	**105,531**	85,301
Revenue from the sale of goods	**8,761**	8,586	**23,942**	22,291
	307,150	284,209	**710,997**	644,623

The Company issues performance and payment bonds related to long-term contracts, which guarantee execution of the contract and payment to suppliers. Long-term contract projects where governmental/municipal agencies are the clients account for the majority of bonds issued. Total bonds issued and outstanding as of September 30, 2023 amounted to $426,780 ($263,182 as at December 31, 2022).

8. INDEBTEDNESS

On March 8, 2023, the Company 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. The amended credit facility amounts to $450,000 ($300,000 in 2022). As at September 30, 2023, the Company has drawn $358,632 ($186,709 as at December 31, 2022).

On June 1, 2023, an interest rate swap contract in the amount of $15,000 designated as a cash flow hedge to swap the floating rate of its debts to a fixed rate expired.

(in thousands of Canadian dollars)

9. STATEMENTS OF CHANGES IN EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at September 30, 2023 $	As at September 24, 2022 $
Gain on financial instruments designated as cash flow hedges	**914**	1,086
Currency translation differences arising on translation of foreign operations	**20,029**	20,870
Unrealized gain on translating debt designated as hedging item of the net investment in foreign operations	**(2,411)**	(2,575)
Share of other comprehensive income of equity accounted investments	**14**	–
	18,546	19,381

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 Construction Ltd.'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. On June 9, 2023, the Company and the non-controlling interest shareholders mutually agreed that the Company proceed with the purchase of the remaining 32.7%, payable on July 28, 2023, for an amount of $45,363.

As at September 30, 2023, the written put option liability amounted to nil. As at December 31, 2022, the written put option liability amounted to $43,483, of which $23,619 was included in trade and other payables while the remaining balance of $19,864 was included in non-current liabilities in the consolidated statements of financial position.

For the nine-month period ended September 30, 2023, the net remeasurement of the written put option was $5,567 ($5,025 in 2022), which corresponded to the portion of a dividend of $3,687 ($8,699 in 2022) declared and paid to the non-controlling shareholders of the subsidiary, plus the remeasurement of the liability of $1,880 (less the remeasurement of $3,674 in 2022) based on the agreement concluded in June 2023.

(in thousands of Canadian dollars)

10. 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:

	For the three months ended September 30, 2023			For the three months ended September 24, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**182,681**	**124,469**	**307,150**	160,617	123,592	284,209
Profit before income taxes	**7,660**	**14,852**	**22,512**	19,553	20,040	39,593

	For the nine months ended September 30, 2023			For the nine months ended September 24, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Revenue	**479,683**	**231,314**	**710,997**	411,196	233,427	644,623
Profit before income taxes	**14,788**	**1,308**	**16,096**	38,291	8,193	46,484

	As at September 30, 2023			As at December 31, 2022		
	Marine services	**Environmental services**	**Total**	Marine services	Environmental services	Total
	$	**$**	**$**	$	$	$
Total assets	**817,899**	**371,132**	**1,189,031**	636,174	347,498	983,672
Total liabilities	**618,832**	**207,372**	**826,204**	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 September 30, 2023			For the three months ended September 24, 2022		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Revenue	**164,170**	**142,980**	**307,150**	151,014	133,195	284,209

	For the nine months ended September 30, 2023			For the nine months ended September 24, 2022		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Revenue	**337,316**	**373,681**	**710,997**	321,106	323,517	644,623

	As at September 30, 2023			As at December 31, 2022		
	Canada	**USA**	**Total**	Canada	USA	Total
	$	**$**	**$**	$	$	$
Non-current assets (1)	**395,056**	**446,962**	**842,018**	319,034	355,249	674,283

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

(in thousands of Canadian dollars)

11. 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. 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. Based on the insurance contract, the warehouse was insured for an amount of approximately US$21,900 ($29,996) and the related equipment for US$8,600 ($11,627). 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 to rebuild the assets destroyed, as well as other costs incurred as a direct result of the fire.

As at September 30, 2023, the Company has 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 in 2023. Based on the preliminary information received, the Company has recorded the obligation for rebuilding 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 ($29,996) in trade and other payables and trade and other receivables, respectively.

In 2021, the Company recognized an impairment charge of US$5,250 ($6,454) for the conveyor and certain terminal equipment asset that were impacted by the fire and received an advance from the insurance carriers of US$5,000 ($6,147).

The movements in the insurance receivable were as follows:

	As at September 30, 2023 $
Balance, beginning of year	–
Insurance recovery	**29,966**
Insurance received	**(18,409)**
Foreign exchange	**(138)**
Balance, end of period	**11,419**

The movements in the obligations payable for rebuilding the warehouse were as follows:

	As at September 30, 2023 $
Balance, beginning of year	–
Obligation for rebuilding of the warehouse	**29,966**
Rebuilding costs	**(3,035)**
Foreign exchange	**(293)**
Balance, end of period	**26,638**

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 September 30, 2023. Excluding the foreign exchange effect, there is no impact on the profit for the period.

This reflects management's best estimates based on the information available as at the date of the Q3 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.

12. SUBSEQUENT EVENTS

ARRANGEMENT AGREEMENT

On October 16, 2023, the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") to be acquired by 1443373 B.C. Unlimited Liability Company (the "Purchaser"), an entity owned by certain funds managed by Blue Wolf Capital Partners LLC with preferred equity financing provided by investment funds managed and/or advised by affiliates of Stonepeak Partners LP. Under the terms of the Arrangement Agreement, the Purchaser will acquire all of the issued and outstanding shares of the Company for $67.00 in cash per share, subject to customary closing conditions.

The conditions set forth in the Arrangement Agreement include (i) the approval by at least 66⅔% of the votes cast on the transaction by holders of Class A Common Shares and Class B Subordinate Voting Shares voting together as a single class at a special meeting of shareholders called to consider the transaction; (ii) the receipt of regulatory approvals and clearances in Canada and the United States; and (iii) Court approval. Concurrently with the execution of the Arrangement Agreement, the Purchaser has entered into a voting support agreement with Sumanic Investments Inc., holding Class A Common Shares and Class B Subordinate Voting Shares representing approximately 77% of the voting rights attached to the issued and outstanding shares of the Company, and voting support agreements with each of the directors and executive officers who own shares of the Company, pursuant to which they have agreed to vote all shares held by them in favour of the transaction, subject to customary exceptions. The transaction is not subject to any financing condition.

The Arrangement Agreement is the culmination of an extensive and robust review of strategic alternatives available to maximize shareholder value that was conducted by a Special Committee of independent directors of the Company at the request of its principal shareholder, Sumanic Investments Inc. The Company's board of directors, following the receipt and review of the unanimous recommendation of the Special Committee, has unanimously determined that the transaction is in the best interests of the Company and is fair to its shareholders, and unanimously recommends that the Company's shareholders approve the transaction.

The Arrangement Agreement contains non-solicitation covenants on the part of the Company, subject to the customary "fiduciary out" provisions. A termination fee of $32,000 would be payable by the Company to the Purchaser in certain circumstances, including in the context of a superior proposal supported by the Company. The Company would also be entitled to a reverse termination fee of $59,000 if the transaction is not completed in certain circumstances.

Following completion of the transaction, the Company will become a privately held company and will apply to cease to be a reporting issuer under Canadian securities laws and the Class A Common Shares and Class B Subordinate Voting Shares will no longer be publicly traded on the Toronto Stock Exchange.

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