Q1 QUARTERLY REPORT

Richards Packaging Income Fund

Quarter ended March 31, 2024

Report Contents

REPORT TO UNITHOLDERS

For The Quarter Ended March 31, 2024

Richards Packaging has been providing packaging solutions to small-to-medium sized North American businesses since 1912. Over this period Richards Packaging has developed into the leading packaging distributor in Canada, and the third largest in North America, with one of the most diverse product and service offerings available to product marketers and healthcare providers.

The first quarter financial performance was in line with the trend set in 2023. March revenue was very soft driven mainly by weak food and beverage packaging sales as the oversupply of inventory continued with both customers and suppliers. Inventory was reduced $4 million which was largely deployed to pay down debt.

First quarter total revenue was down 8.4% with a $8 million impact of oversupply in food, beverage & other packaging and the $1 million currency translation loss with the dollar flat at US/Cdn. 74¢, on $5 million lower Richards US offset by $1 million of growth in sales of pumps and sprayers. Adjusted EBITDA[1] was flat, but up at 14% of sales, due mainly to a positive shift in product mix. Net income decreased $1 million, or 2¢ per Unit, mainly due to the lower mark to market gain on exchangeable shares.

Richards faces a challenging future as the oversupply in the food & beverage market that depressed our sales continues.

The $6 million of free cash flow[2] generated in the first quarter together with the $8 million of cash on hand and $2 million generated from working capital was utilized to repay $7 million of debt and pay the special distribution of $4 million leaving $5 million of cash on the balance sheet. The leverage at 0.1x is down 0.1x from the level at December 31, 2023 reflected the $7 million paydown on the term debt.

The Fund paid monthly dividends of 11¢ per Unit, which represented an annualized yield of 3.8% on the March 31st closing price of $34.43 per Unit along with a special dividend of 36¢ funded by its opening cash balance. The payout ratio[3] for the first quarter on the regular dividend was 40%. The special dividend of 36¢ per Unit brings the payout ratio for 2023 to 51%.

We appreciate the support of our customers, suppliers, employees and investors and will continue to execute on our commitments with the highest degree of quality, care and integrity.

"Gerry Glynn"
Director and Trustee,
Richards Packaging Income Fund

May 2, 2024

MANAGEMENT DISCUSSION & ANALYSIS

May 2, 2024

This management's discussion and analysis ("MD&A") of Richards Packaging Income Fund for the first quarter should be read in conjunction with the attached condensed interim financial statements dated March 31, 2024, the 2023 Annual Report and the 2023 Annual Information Form dated March 7, 2024, respectively. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a consistent basis with the 2023 annual financial statements. Certain comparative figures have been reclassified to conform to the current year presentation. Specifically, the credit card fees of $747 in 2023 previously presented within financial expenses have been reclassified to cost of sales

DESCRIPTION OF THE BUSINESS

Richards Packaging serves a wide customer base that is comprised of over 17,000 regional food, beverage, cosmetic, healthcare and other enterprises. The primary source of revenue is from the distribution of over 8,000 different types of packaging components and healthcare supplies sourced from over 900 suppliers and its three dedicated manufacturing facilities. Sales from these manufacturing facilities represent approximately 3% of the total revenues of Richards Packaging (2023 3%).

FINANCIAL HIGHLIGHTS

This MD&A covers the three months ended March 31, 2024 (generally referred to in this MD&A as the "first quarter"). The following table sets out selected financial information:

($ thousands)	Qtr. 1	
	2024	2023
Income Statement Data:		
Revenue	**97,877**	106,833
Net income	**8,491**	9,797
Diluted per Unit	***$0.76***	*$0.74*
Financial Position Data:		
Assets	**308,817**	340,555
Long-term financial liabilities	**38,396**	85,705
Leverage [a)]	***0.1***	*0.8*
Cash Flow Statement Data:		
Distributions	**7,878**	8,108
Diluted per Unit	***69.0¢***	*71.1¢*
Payout ratio [3]	***85%***	*97%*
Debt Repayments	**7,000**	7,000

a) Term debt/Adjusted EBITDA[1]

- Revenue was down $9.0 mil., or 8.4%, as growth in pumps and sprayers of 3.3% was fully offset by losses in food & beverage customers of 25% along with the $1.4 mil. Loss from currency translation as the U.S./Cdn. rate was flat at $0.74 on a drop of $5.3 mil. Richards US sales,
- Adjusted EBITDA[1] decreased $0.3 mil., at 13.6% of sales, consistent with the 2023 year, on lower volumes and a positive shift in product mix,
- Income taxes were up $0.1 mil. on higher income subject to taxes driven by lower financial expenses,
- Net income decreased $1.3 mil., or 2¢ per Unit, on a $1.6 mil. lower mark-to-market gain reflecting a $0.22 reduction in unit price (2023 $3.66) as slightly lower adjusted EBITDA was offset by $0.7 mil. lower financial expenses,
- Assets decreased by $31.7 mil. and long-term financial liabilities by $47.3 mil. mainly due lower inventories and debt repayments,
- Working capital decreased $1.6 mil. mainly due to $2.7 mil. lower receivables as March revenues softened,

- Free cash flow[2] of $5.6 mil., opening cash on hand of $8.1 mil. and the reduction in working capital were utilized to pay down debt and pay the special dividend,
- Leverage ratio at 0.1x down 0.1x from December 31, 2023, mainly due to debt repayments,
- Distributable cash flow[2] up $1.1 mil. at $0.82 per Unit, yielded a 40% payout ratio[3] on the regular dividend, and
- Monthly distribution of 11¢ per Unit represented a 3.8% annualized return on the March 31st closing price of $34.43 per Unit. A special dividend of 36¢ ($4.1 mil.) related to 2023 was also paid in the quarter reflecting a 51% payout ratio for 2023. These distributions will represent taxable dividends to unitholders.

REVIEW OF OPERATIONS

Operations were approximately 35% in the United States ("Richards US") and 65% in Canada. Approximately 32% percent of sales were concentrated in Los Angeles, Sacramento, Memphis, Reno and Portland and 61% in Toronto, Montreal, Winnipeg and Vancouver.

- Revenue was down as the 7.1% contraction from food & beverage along with 1.3% organic contraction and the 1.3% translation loss in Richards US, with the U.S./Cdn. at 74.0, exceeded the 1.4% growth in pumps and sprayers.
- Cosmetics packaging increased $0.5 mil., excluding the impact of translation, as we continue to recover from the oversupply of pumps and sprayers.
- Healthcare decreased $0.2 mil. mainly due to lower volumes in vision and aesthetics lines offset by stronger capital sales.
- Food, beverage and other packaging decreased by $7.8 mil., excluding the impact of translation, reflecting customer overstocking in the US and Canada and a continuation of the trend reflected in the 21% fourth quarter reduction.
- GDP was up 1.6% in the US and is expected to be up 0.5% in Canada in the first quarter.

Revenue trend	**Qtr.1**	
($ thousands)	**2024**	**2023**
Prior year	106,833	109,981
Organic growth………….…...	(1,647)	1,987
Food & beverage lost…........	(2,809)	(1,709)
Food & beverage inventory…	(4,536)	(840)
Pumps & Sprayers…............	1,472	(3,276)
Foreign exchange…...............	(1,436)	690
Current year	**97,877**	**106,833**

Revenue disaggregation	**Qtr.1**	
(% change)	**2024**	**2023**
Cosmetics……………………	**3.3%**	-20.1%
Heathcare……………………	**-0.5%**	12.9%
Food, beverage & other…….	**-24.9%**	-15.5%
Exchange translation……….	**-1.3%**	0.6%
Weighted average growth…..	**-8.4%**	-2.9%

MANAGEMENT DISCUSSION & ANALYSIS

May 2, 2024

- Cost of products sold (before amortization) decreased by $9.2 mil., or 10.5%, with gross margins up on a more favourable product mix. The volatility in the price of resins and natural gas did not have a material impact on margins due to management's practice of passing through increases and decreases to customers.
- Administrative expenses (before amortization) increased by $0.2 mil. mainly due to inflation. The foreign currency gain resulted from the 1.8¢ exchange rate drop applied to our U.S. denominated working capital position within our Canadian operations.
- Amortization was mainly comprised of $1.9 mil. of lease depreciation and $0.5 mil. intangible assets amortization, a charge for customer relationships, and depreciation for capital assets of $0.5 mil.
- Financial expenses were lower by $0.7 mil. mainly due to lower borrowings.
- Adjusted EBITDA[1] decreased by $0.3 mil., or 1.9%. The impacts were felt in product mix as lower volumes were offset by a shift in mix from food and beverage to Healthcare and Cosmetic.
- Exchangeable shares mark-to-market gain reflects a unit price decrease of $0.22 to $34.43 per Unit. Exchangeable share regular distributions were flat at $0.1 mil. and a special distribution of $4.1 mil. was paid in the first quarter.
- Income tax expense increased $0.1 mil. on higher income subject to taxes.
- Net income decreased $1.3 mil., or 2¢ per Unit, as a result of the factors outlined above.

($ thousands)	Qtr. 1 2024	Qtr. 1 2023
Revenue	**97,877**	106,833
Cost of sales[a)]	**78,250**	87,464
Gross profit	**19,627**	19,369
	20.1%	*18.1%*
Administrative expenses	**6,029**	5,782
Foreign currency loss (gain)	**259**	(5)
Adjusted EBITDA[1]	**13,339**	13,592
	13.6%	*12.7%*
Lease payments	**(2,216)**	(2,156)
Amortization	**2,958**	2,892
Financial expenses	**598**	1,318
Exchangeable shares	**217**	(1,366)
Share of income - Vision	**81**	(19)
Income tax expense	**3,210**	3,126
Net Income	**8,491**	9,797

a) includes lease payments

Adjusted EBITDA[1] trend *($ thousands)*	Qtr. 1 2024	Qtr. 1 2023
Prior year	13,592	15,749
(% of revenue)	*12.7%*	*14.3%*
Organic growth	(336)	497
Product mix	775	(2,062)
Fixed cost	(732)	(504)
Foreign exchange	40	(88)
Current year	**13,339**	**13,592**
(% of revenue)	*13.6%*	*12.7%*

DISTRIBUTABLE CASH FLOW[2]

Distributable cash flow[2] was $1.1 mil. higher as the decreases in interest and maintenance capital were partially offset by lower Adjusted EBITDA.

Working capital decreased mainly due to $3.6 mil. lower inventory and the $2.7 mil. drop in receivables offset by $4.9 mil. lower payables .

Free cash flow[2] of $5.6 mil. and the working capital decrease was utilized to pay down debt. The $4.1 mil. special distribution on Units and exchangeable shares was funded from the $8.1 mil. cash on hand at December 31.

The $4.6 mil. cash balance represents $7.4 mil. cash on hand net of $2.8 mil. outstanding cheques.

Monthly regular distributions paid of 11¢ per Unit represent a payout ratio[3] of 40% and an annual yield of 3.8% on a $34.43 price per Unit at March 31, 2024. A special distribution of 36¢ was also paid in the first quarter related to 2023 performance bringing the total payout ratio to 51% for that year. These distributions are taxable to unitholders and exchangeable shareholders.

The distributable cash flow[2] definition excludes changes in working capital and expansionary capital expenditures, as they are necessary to drive organic growth and are expected to be funded by the remaining $54.0 mil. revolving facility or free cash flow[2].

($ thousands)	**Qtr. 1 2024**	**2023**
Cash provided by operating activities	**14,056**	20,829
Leases	**(2,216)**	(2,156)
Working capital[5]	**(1,561)**	(9,782)
Income tax payments	**3,060**	4,701
Adjusted EBITDA[1]	**13,339**	13,592
Interest[a)]	**389**	920
Current income tax	**3,315**	3,239
Maintenance capital	**433**	1,115
Distributable cash flow[2]	**9,202**	8,318
Diluted per Unit	***$0.81***	*$0.73*
Regular distributions	**3,768**	3,769
Diluted per Unit	***33.0¢***	*33.1¢*
Regular Payout ratio[3]	***41%***	*45%*
Free cash flow[2]	**5,434**	4,549
Special distribution	**4,110**	4,339
Diluted per Unit	***36.0¢***	*38.0¢*
Total Payout ratio[3]	***86%***	*97%*
Units outstanding *(average)*		
Diluted basis 000's	**11,418**	11,418

a) financial expenses less interest on leases and bank refinancing fees

LIQUIDITY AND FINANCING

Cash flows from operating activities

Cash flow from operating activities was down $6.8 mil. mainly due to changes in working capital down $8.2 mil. offset by lower income tax payments by $1.6 mil. During the first quarter, working capital decreased by $1.6 million on lower inventory of $3.6 mil., lower receivables of $2.7 mil. and prepaids of $0.2 mil. offset by lower payables of $4.9 mil.

Distributions paid were $7.9 mil. comprised of the $3.8 mil. regular dividend and the $4.1 mil. special dividend paid from free cash flow and the $8.1 mil. cash on hand at December 31st, with $1.3 million declared for March which was paid April 12th.

Current Income Taxes

The current income tax payments of $3.0 mil. were all on account of 2024 taxes.

Capital Expenditures

Maintenance capital expenditures were $0.4 mil. (2023 $1.1 mil.) mainly comprised of $0.1 mil. computer software and $0.2 mil. in evaluation capital and $0.1 mil. in mould refurbishments for replacement packaging.

Financing Activities and Instruments

Credit facilities include a $65.0 million revolving credit facility which was $11.0 mil. Drawn (2023 $53.0 mil.), with maturity to June 30, 2027. The revolving credit is available to fund acquisitions and working capital expansion and bears interest at the bankers' acceptance borrowing rate plus a margin of 1.25% to 2.00% and any unused portion bears a standby fee of 20% of the margin.

The credit facilities are subject to a number of covenants including the leverage ratio which was to maintain debt less than 2.75 times the trailing twelve months Adjusted EBITDA[1]. As at March 31, 2024, our leverage ratio was 0.1x (December 2023 0.2x).

OUTLOOK SENSITIVITIES

Management believes that the performance of Richards Packaging is on track to meet ongoing requirements for working capital, capital expenditures and to sustain monthly distributions to Unitholders at the current level through 2024.

The decrease in food and beverage is expected to continue into the second quarter. The current sensitivity for every 1¢ movement in exchange rates to revenue is $0.6 million and to Adjusted EBITDA[1] is $0.07 million.

At the current price of $33/Unit, there would be an immaterial mark-to-market gain or loss on exchangeable units. The sensitivity for every $1 movement in unit price is $0.46 million. Maintenance capital will continue to be funded by cash flow from operations at $0.4 million per quarter with the additional $1.0 million set aside for another IT system upgrade slated for later in the year. Inflation remains stubbornly high which continues to put pressure on central banks to raise interest rates. Distributable cash flow sensitivity to foreign currency fluctuations is $0.05 million for every U.S./Cdn. 1¢ movement. The second quarter surplus distributable cash is expected to be deployed to pay down term and revolving debt.

RISKS AND UNCERTAINTIES

Investment in Units involves risks inherent in the ordinary course of business including: changes in China tariff rates, the impact of pandemics including the coronavirus, logistics disruptions, sustainability of customer and supplier relationships, financial stability of customers, lack of written customer and supplier distribution agreements, competition from other packaging companies, the extent and duration of an economic downturn, inventory obsolescence, trade risks, resin price and exchange rate fluctuations, interest rate volatility, income taxes and reliance on key personnel. For a detailed description of these and other risks and uncertainties facing investors in the Fund please refer to the 2023 Annual Information Form dated March 7, 2024. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the first quarter of 2024.

CRITICAL ACCOUNTING ESTIMATES

Preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the amounts reported and disclosure for contingent amounts of assets and liabilities as at March 31, 2024 and revenue and expenses for the period then ended. There have not been any significant changes in critical accounting estimates during the first quarter of 2024, relative to December 31, 2023. For more information on critical accounting estimates, see the Management's Discussion and Analysis, the audited consolidated financial statements and the notes to the consolidated financial statements included in the Fund's 2023 Annual Report.

DISCLOSURE CONTROLS & INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Fund's internal controls over financial reporting during the first quarter that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

May 2, 2024

CAUTIONARY STATEMENT

Additional information relating to the Fund is available on Richards Packaging's website at www.richardspackaging.com, SEDAR at www.sedar.com or TSX at www.tmx.com.

1. *Management defines Adjusted EBITDA as net income before amortization, contingent consideration, exceptional items, financial expenses, unrealized gains/losses and distributions on exchangeable shares, share of income - Vision and income tax expense less lease payments. The reconciliation of Adjusted EBITDA to net income can be found on page 5. Our lenders use this measure as a starting point in the determination of earnings available for distribution to Unitholders and exchangeable shareholders. In addition, Adjusted EBITDA and Adjusted EBITDA as a percentage of sales are intended to provide additional information on the operating performance. This earnings measure should not be construed as an alternative to net income or as an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and therefore the method of calculating Adjusted EBITDA may not be comparable to similar measures presented by other companies.*

2. *Management defines distributable cash flow, in accordance with Richards Packaging's credit agreement, as Adjusted EBITDA less non-lease interest, cash income tax expense, maintenance capital expenditures plus dividends from equity investments. The reconciliation to cash flow from operations can be found on page 6. Free cash flow is distributable cash flow less distributions. The objective of presenting this measure is to calculate the amount which is available for distribution to Unitholders or exchangeable shareholders and to determine the amount available to fund increases in working capital or expansion capital. Investors are cautioned that distributable cash flow should not be construed as an alternative to cash flow from operating, investing and financing activities as a measure of liquidity and cash flows. Distributable cash flow does not have a standardized meaning prescribed by IFRS and therefore the method of calculating distributable cash flow may not be comparable to similar measures presented by other companies.*

3. *Management defines payout ratio as distributions declared over distributable cash flow[2]. The objective of presenting this measure is to calculate the percentage of distributions compared to the amount available for distribution under our credit agreement. Payout ratio does not have a standardized meaning prescribed by IFRS. The method of calculating payout ratio may not be comparable to similar measures presented by other companies.*

4. *The Report to Unitholders and this MD&A contains forward-looking information within the meaning of applicable securities laws. The forward-looking information reflects management's current beliefs and expectations regarding the future growth, results of operations, performance and business prospects and opportunities of the Fund and Richards Packaging. We use words such as "may", "expect", "believe", "estimate" and similar terminology to identify forward-looking information. It is based on assumptions, estimates and analysis made by us in light of our experience and our perception of trends, current conditions and expected developments, as well as other factors we believe to be reasonable and relevant in the circumstances. Forward-looking information involves significant known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. Readers should not place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. The risks and uncertainties include, among other things, changes in China tariff rates, changes in customer and supplier relationships, competition in the industry, inventory obsolescence, trade risks in respect of foreign suppliers, fluctuations in foreign exchange and interest rates, liability claims, reliance on key personnel, changes to applicable tax laws, as well as other risks and uncertainties, as more fully described in other reports and filings made by us with securities regulatory authorities and available at www.sedar.com. While management believes the expectations expressed and the assumptions underlying same are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. In evaluating forward-looking information, readers should carefully consider the foregoing factors and various other factors which could cause actual results or events to differ materially from those indicated in the forward-looking information.*

5. *Management defines working capital to be current assets (less cash and revolving debt) less current liabilities (less income tax payable, due to previous shareholders and exchangeable shares). The objective of utilizing this definition is to improve the understanding of activities within the cash flow statement. Working capital does not have a standardized meaning prescribed by IFRS. The method of calculating working capital may bot be comparable to similar measures presented by other companies.*

Notice to Unitholders
The attached consolidated financial statements have not been reviewed
by the Fund's external auditors

STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME

For the three months ended March 31 *[Consolidated]*

Cdn$ thousands, unless otherwise noted	Notes	2024	2023
Revenue	*3*	**97,877**	106,833
Cost of sales		**79,220**	88,163
Gross profit		**18,657**	18,670
Administrative expenses		**6,060**	5,814
Profit from operations		**12,597**	12,856
Financial expenses		**598**	1,318
Exchangeable shares	*5*		
Mark-to-market gain		**(102)**	(1,695)
Distributions		**319**	329
Share of loss (income) - Vision		**81**	(19)
Income tax expense (income)	*4*		
Current taxes		**3,315**	3,239
Deferred taxes		**(105)**	(113)
		3,210	3,126
Net income for the period		**8,491**	9,797
Basic income per Unit	*5*	***$0.78***	*$0.89*
Diluted income per Unit	*5*	***$0.76***	*$0.74*
Other comprehensive income (loss)			
(subsequently recyclable to Net income)			
Currency translation adjustment - Richards US		**1,991**	58
Comprehensive income for the period		**10,482**	9,855

See accompanying notes

"Susan Allen"
Chair – Audit Committee

"Enzio Di Gennaro"
CFO – Richards Packaging Inc

STATEMENT OF FINANCIAL POSITION

As at March 31 *[Consolidated]*

Cdn$ thousands	Notes	Mar. 31 2024	Mar. 31 2023	Dec. 31 2023	Dec. 31 2022
ASSETS					
Current Assets					
Cash		**4,612**	7,166	**8,116**	5,445
Accounts receivable		**51,826**	55,427	**54,184**	57,334
Inventory		**68,413**	89,676	**71,280**	97,770
Prepaid expenses and deposits		**8,821**	10,629	**9,008**	9,977
		133,672	162,898	**142,588**	170,526
Long-term Assets					
Leases		**30,657**	30,947	**31,650**	32,733
Plant and equipment		**4,569**	4,792	**4,638**	4,970
Investment - Vision		**538**	744	**619**	725
Intangible assets		**26,179**	28,025	**26,515**	27,754
Goodwill		**113,202**	113,149	**112,193**	113,183
		175,145	177,657	**175,615**	179,365
		308,817	340,555	**318,203**	349,891
LIABILITIES & EQUITY					
Current Liabilities					
Accounts payable and accruals		**63,429**	63,999	**67,741**	63,464
Income tax (receivable) payable		**(322)**	676	**(577)**	2,138
Distributions payable		**1,256**	1,256	**1,256**	1,256
Due to previous shareholders	*2*	**1,068**	1,067	**1,042**	1,068
Exchangeable shares	*5*	**15,768**	18,227	**15,870**	19,921
		81,199	85,225	**85,332**	87,847
Long-term Liabilities					
Revolving and term debt	*2*	**11,022**	57,850	**18,022**	64,817
Lease obligations		**27,374**	27,855	**28,466**	29,564
Deferred income taxes	*4*	**6,151**	6,049	**6,235**	6,163
		44,547	91,754	**52,723**	100,544
Equity					
Unitholders' capital	*5*	**—**	—	**—**	—
Retained earnings		**164,236**	145,053	**163,304**	143,035
Accumulated other comprehensive income		**18,835**	18,523	**16,844**	18,465
		183,071	163,576	**180,148**	161,500
		308,817	340,555	**318,203**	349,891

See accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31 *[Consolidated]*

Cdn$ thousands	**Unitholders' capital**	**Retained earnings**	**AOCI[a)]**	**Equity**
December 31, 2022	—	143,035	18,465	161,500
Comprehensive income		9,797	58	9,855
Distributions		(7,779)		(7,779)
March 31, 2023	—	145,053	18,523	163,576
December 31, 2023	—	**163,304**	**16,844**	**180,148**
Comprehensive income		**8,491**	**1,991**	**10,482**
Distributions		**(7,559)**		**(7,559)**
March 31, 2024	—	**164,236**	**18,835**	**183,071**

a) AOCI - Accumulated other comprehensive income reflects the foreign currency translation of the net investment in Richards US.

See accompanying notes

STATEMENT OF CASH FLOWS

For the three months ended March 31 *[Consolidated]*

Cdn$ thousands	Notes	2024	2023
OPERATING ACTIVITIES			
Profit from operations		**12,597**	12,856
Add items not involving cash			
Plant, equipment & lease depreciation		**2,434**	2,388
Intangible assets amortization		**524**	504
Income taxes payments		**(3,060)**	(4,701)
Changes in working capital	*6*	**1,561**	9,782
Cash provided by operating activities		**14,056**	20,829
INVESTING ACTIVITIES			
Additions to plant and equipment		**(364)**	(338)
Additions to computer software		**(69)**	(777)
Cash used in investing activities		**(433)**	(1,115)
FINANCING ACTIVITIES			
Repayment of revolving debt	*2*	**(7,000)**	(7,000)
Lease payments		**(2,216)**	(2,156)
Financial expenses paid (excluding leases)		**(176)**	(861)
Distributions paid to Exchangeable Shareholders	*5*	**(319)**	(329)
Distributions paid to Unitholders	*5*	**(7,559)**	(7,778)
Cash used in financing activities		**(17,270)**	(18,124)
Net cash flow		**(3,647)**	1,590
Cash, beginning of period		**8,116**	5,445
Foreign exchange effect		**143**	131
Cash, end of period		**4,612**	7,166

See accompanying notes

March 31, 2024 and 2023 [Cdn$ thousands unless otherwise noted)]

1. BASIS OF PRESENTATION

These condensed interim financial statements of the Fund have been prepared in accordance with International Financial Reporting Standard ["IFRS"] IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the 2023 audited annual financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2023 audited annual financial statements.

2. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to current year presentation. Specifically, the credit card fees of $747 previously presented within financial expenses have been reclassified to cost of sales on the statement of net income and comprehensive income, impacting profit from operations and financial expenses paid (excluding leases) within the statement of cash flows.

3. REVENUE & SEGMENTED INFORMATION

	2024	2023
Revenue by geography		
Canada	**63,621**	67,297
US	**34,256**	39,536
	97,877	106,833
Revenue by end user		
Cosmetics	**20,838**	20,190
Heathcare	**49,890**	50,191
Food, beverage & other	**27,149**	36,452
	97,877	106,833

March 31, 2024 and 2023 [Cdn$ thousands unless otherwise noted)]

4. INCOME TAXES

	2024	2023
Profit from operations	12,597	12,856
Financial expenses	(598)	(1,318)
Income subject to income taxes	**11,999**	11,538
Statutory tax rate	*26.3%*	*26.3%*
Income tax expense at statutory tax rate	**3,155**	3,035
Deferred income tax	**105**	113
Current period adjustments		
Foreign rate differential	**48**	66
Other items	**7**	25
Current income taxes	**3,315**	3,239

5. UNITS AND EXCHANGEABLE SHARES

Number outstanding	**Units basic**	**Weighted average**	**Exchangeable Shares**	**Units diluted**	**Weighted average**
December 31, 2022	10,955,007	10,955,007	463,006	11,418,013	11,418,013
March 31, 2023	10,955,007	10,955,007	463,006	11,418,013	11,418,013
December 31, 2023	**10,955,007**	**10,955,007**	**463,006**	**11,418,013**	**11,418,013**
March 31, 2024	**10,955,007**	**10,955,007**	**463,006**	**11,418,013**	**11,418,013**

Exchangeable shares mark-to-market gain reflects a unit price decrease during the three months ended March 31, 2024 of $0.22 [2023 - $3.66] to $34.43 per Unit.

On March 26, 2024, a special dividend of 36¢ per Unit and exchangeable share was paid to unitholders and shareholders of record on March 18, 2024.

March 31, 2024 and 2023 [Cdn$ thousands unless otherwise noted)]

6. ADDITIONAL CASH FLOW INFORMATION

The net change in non-cash working capital consists of the following:

	2024	2023
Accounts receivable	**2,671**	1,894
Inventory	**3,589**	8,059
Prepaid expenses and deposits	**224**	(714)
Accounts payable and accruals	**(4,890)**	543
	1,594	9,782

Total foreign exchange translation impact excluded from the above was $770 gain [2023 – $39 loss].