ALGOMA CENTRAL CORPORATION REPORTS OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

St. Catharines, Ontario August 6, 2020 - Algoma Central Corporation (“Algoma” or “the Company”) (TSX: ALC), a leading provider of marine transportation services, today announced its results for the three and six months ended June 30, 2020.

All amounts reported below are in thousands of Canadian dollars, except for per share data and unless otherwise noted.

Second quarter ended June 30, 2020 highlights include:

- Operating earnings were $28,999, an increase of 3% or $916 compared to the same period in 2019. Increases in operating earnings resulting from growth in the size of our Ocean Self-Unloader and Tanker fleets were partially offset by lower dry-bulk volumes caused by the impact of COVID-19 on customers in both our ocean and domestic business units.
- Revenues were $151,270 compared to $159,169 for the 2019 quarter. Revenues in all business units were affected by lower fuel cost recovery charges and lower levels of customer demand.
- Operating earnings for Domestic Dry-Bulk were $19,429, up 5% compared to $18,570 in 2019, as higher freight rates and cost mitigation actions offset the impact of reduced volumes in certain customer sectors.
- Operating earnings for Product Tankers were $8,124, up 14% compared to $7,131 in 2019, primarily as a result of increased revenue days from the addition of the Algoterra, which joined our fleet part way through the second quarter last year.
- Operating earnings in Ocean Self-Unloaders were $3,749, down 13% compared to $4,316 for 2019. Decreases in Pool volumes, particularly in the construction sector, and the impact of scheduled dry-dockings drove this decrease, despite the increase in the fleet size.
- Net earnings were $17,742 compared to $22,113 for 2019, as higher interest and tax costs, combined with reduced earnings from joint ventures, more than offset the improvement in operating earnings.

Basic earnings per share for the three months ended June 30, 2020 were $0.47 compared to $0.58 for the same period in 2019. For the six months ended June 30, 2020 the basic loss per share was $0.16 compared to a loss of $0.02 for the same period in the prior year.

EBITDA, which includes our share of joint venture EBITDA, for the three months ended June 30, 2020 was $53,951 an increase of 2% or $1,260, compared to the same period in 2019. EBITDA is determined as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2020**	2019	**2020**	2019
Net earnings (loss)	**$ 17,742**	$ 22,114	**$ (5,884)**	$ (687)
Depreciation and amortization	**22,696**	21,268	**45,539**	40,122
Interest and taxes	**12,294**	10,483	**8,754**	5,118
Foreign exchange loss (gain)	**1,219**	(1,174)	**(64)**	1,221
EBITDA	**$ 53,951**	$ 52,691	**$ 48,345**	$ 45,774

"First and foremost, these solid results demonstrate the resilience of our people," said Gregg Ruhl, President and Chief Executive Officer of Algoma. "Because of their passion for their work, for Algoma and for the customers and industries we serve, our operations never missed a beat even as the impacts of COVID-19 hit just as we were fitting out many of our vessels for the 2020 season." Mr. Ruhl continued, "Our results also demonstrate the resilience of our business model. We were able to right-size our operating fleet quickly in the face of reduced demand, keeping our most efficient and modern tonnage fully and profitably trading by idling older, less profitable vessels. Our pricing also largely remained firm in the face of a sudden supply/demand imbalance, as our book of business is made up primarily of longer term arrangements with our customers."

Outlook

Our dry-bulk businesses are tied closely to the inventory cycles of our key customers. Domestically, our spring business is largely driven by inventory replenishment following a winter in which no raw materials can be delivered to manufacturing facilities. Demand in the summer typically moderates and we expect that impact will be more significant for our 2020 third quarter than is ordinarily the case, as a result of the impact of COVID-19 on our customers' production planning. Our international self-unloaders typically experience modestly higher demand in the summer, driven by the timing of construction and infrastructure projects. We expect this will also be less evident in 2020, as a majority of materials in these sectors is moved into US markets. Concern about a second wave and rising infections adds uncertainty to predictions about all of our markets. While there are some signs of cautious optimism as the economy re-opens, we expect the recovery will have a lagging impact in our markets, perhaps not being felt significantly until later in 2020 or in 2021.

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2020**	2019	**2020**	2019
Revenue	**$ 151,270**	$ 159,169	**$ 236,367**	$ 231,022
Operating expenses	**(96,339)**	(107,739)	**(181,672)**	(182,350)
Selling, general and administrative	**(7,290)**	(6,711)	**(15,673)**	(15,581)
Depreciation and amortization	**(18,642)**	(16,636)	**(37,456)**	(31,600)
Operating earnings	**28,999**	28,083	**1,566**	1,491
Interest expense	**(5,185)**	(4,859)	**(10,176)**	(8,584)
Interest income	**40**	336	**226**	759
Foreign currency (loss) gain	**(68)**	1,534	**174**	(604)
	23,786	25,094	**(8,210)**	(6,938)
Income tax (expense) recovery	**(6,139)**	(4,203)	**3,494**	6,230
Net earnings (loss) from investments in joint ventures	**95**	1,223	**(1,168)**	21
Net Earnings (Loss)	**$ 17,742**	$ 22,114	**$ (5,884)**	$ (687)
Basic earnings (loss) per share	**$ 0.47**	$ 0.58	**$ (0.16)**	$ (0.02)
Diluted earnings (loss) per share	**$ 0.45**	$ 0.55	**$ (0.16)**	$ (0.02)

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2020**	2019	**2020**	2019
Domestic Dry-Bulk				
Revenue	**$ 78,957**	$ 86,974	**$ 100,052**	$ 104,827
Operating earnings (loss)	**19,429**	18,570	**(6,980)**	(7,038)
Product Tankers				
Revenue	**36,021**	39,943	**60,446**	67,015
Operating earnings	**8,124**	7,131	**6,577**	8,779
Ocean Self-Unloaders				
Revenue	**33,518**	29,130	**69,895**	52,569
Operating earnings	**3,749**	4,316	**7,398**	5,745
Corporate and Other				
Revenue	**2,774**	3,122	**5,974**	6,611
Operating loss	**(2,303)**	(1,934)	**(5,429)**	(5,995)

The MD&A for the three and six months ended June 30, 2020 includes further details. Full results for the three and six months ended June 30, 2020 can be found on the Company's website at www.algonet.com/investor-relations and on SEDAR at www.sedar.com.

Normal Course Issuer Bid

On March 19, 2020, the Company renewed its normal course issuer bid with the intention to purchase, through the facilities of the TSX, up to 1,890,457 of its Common Shares ("Shares") representing approximately 5% of the 37,809,143 Shares which were issued and outstanding as at the close of business on March 4, 2020 (the "NCIB"). In order to preserve capital, no common shares were purchased under the NCIB during the second quarter.

Cash Dividends

The Company's Board of Directors have authorized payment of a quarterly dividend to shareholders of $0.13 per common share. The dividend will be paid on September 1, 2020 to shareholders of record on August 18, 2020.

Use of Non-GAAP Measures

There are measures included in this press release that do not have a standardized meaning under generally accepted accounting principles (GAAP). The Company includes these measures because it believes certain investors use these measures as a means of assessing financial performance. EBITDA is a non-GAAP measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Please refer to the Management's Discussions and Analysis for the three and six months ended June 30, 2020 for further information regarding non-GAAP measures.

About Algoma Central

Algoma owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Waterway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers, cement carriers, and product tankers. Algoma also owns ocean self-unloading dry-bulk vessels operating in international markets and a 50% interest in NovaAlgoma, which owns and operates a diversified portfolio of dry-bulk fleets serving customers internationally.

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