

Investor Presentation

February 9^h, 2021





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ALL AMOUNTS IN C\$ MILLIONS, UNLESS OTHERWISE NOTED



Today's Presenters



Gregg Ruhl
President & Chief Executive Officer



Peter D. Winkley
Chief Financial Officer



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Executive Summary



Section I





Company in a Nutshell

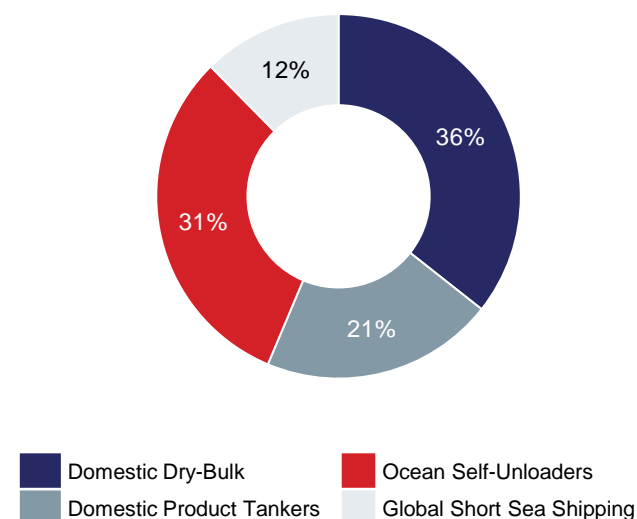
- Algoma Central Corporation (“Algoma” or the “Company”) is a leading provider of maritime transportation services within the Great Lakes – St. Lawrence Waterway as well as other specialized markets internationally
 - The Company serves as a critical link in the supply chains of its large industrial customers, who it supports through long-term contractual arrangements
 - A leader in the shipment of bulk commodities, such as grain, ore, steel, salt, cement and petroleum products
 - Algoma has a long operating history, with over 70 years of uninterrupted profitability, and has been listed on the TSX since 1959 (TSX: ALC)
 - For the LTM period ended 09/30/20, Algoma generated revenue of \$560million and Adj. Basic EPS of \$1.21



Algoma Central – Provider of Critical Maritime Infrastructure

- Incorporated in 1899 as the Algoma Central Railway Company, Algoma Central Corporation (“Algoma” or the “Company”) owns and operates the largest fleet of dry and liquid bulk carriers on the Great Lakes - St. Lawrence Waterway
 - Leader in the shipment of bulk commodities in the Great Lakes and specialized markets internationally
 - Provides maritime transportation services that are a core, necessary component of its customers’ supply chains
 - High barriers to entry protect Algoma’s market leadership position
 - Ownership interest and management of approximately 83 vessels
 - Large, modern and well-maintained fleet with a replacement value of \$2bn, of which \$1.3bn is related to the Company’s core domestic specialized fleet
 - Long operating track record with over 70 years of uninterrupted profitability
- LTM results⁽¹⁾: Revenue of \$560million and Adj. Basic EPS of \$1.21
- Listed on the TSX since 1959 (TSX: ALC)
- Headquartered in: St. Catharines, Ontario, Canada with ~1,500 employees

**CY2019 EBITDA Breakdown
by Business Unit**



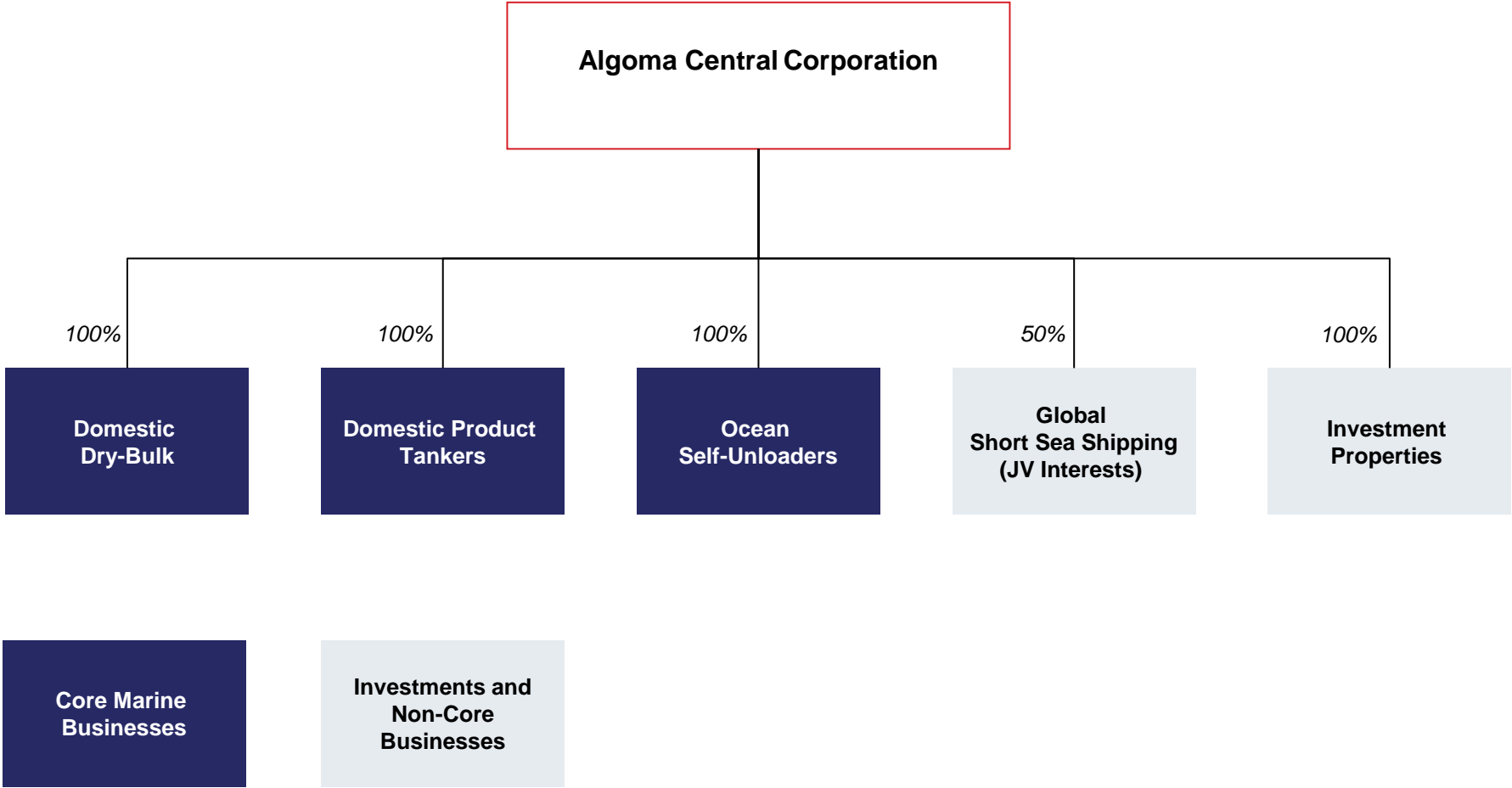
Business Unit Summary



Great Lakes, St. Lawrence Waterway, and Atlantic Canada		International Niche Markets / Trades	
Domestic Dry-Bulk	Domestic Product Tankers	Ocean Self-Unloaders	Global Short Sea Shipping
<ul style="list-style-type: none"> ■ Versatile fleet of dry-bulk vessels comprised of both self-unloading carriers and gearless bulkers 	<ul style="list-style-type: none"> ■ Safe and reliable transportation services for liquid petroleum products with a fleet of tanker vessels 	<ul style="list-style-type: none"> ■ Transport of dry-bulk commodities centered in North and South America with a unique fleet of ocean-going self-unloading vessels 	<ul style="list-style-type: none"> ■ Three 50% JVs with NovaMarine; includes specialized cement carriers, short sea mini bulkers, and deep sea bulkers



Simplified Business Segment Structure



Source: Company materials.

Company Overview



Section II



The Great Lakes – St. Lawrence Seaway is a Critical Regional Transportation Corridor

By the Numbers



\$6 trillion annual economic output



30% combined Canadian-U.S. economic activity



+50 million jobs



230 million metric tons of cargo delivered each year through the corridor



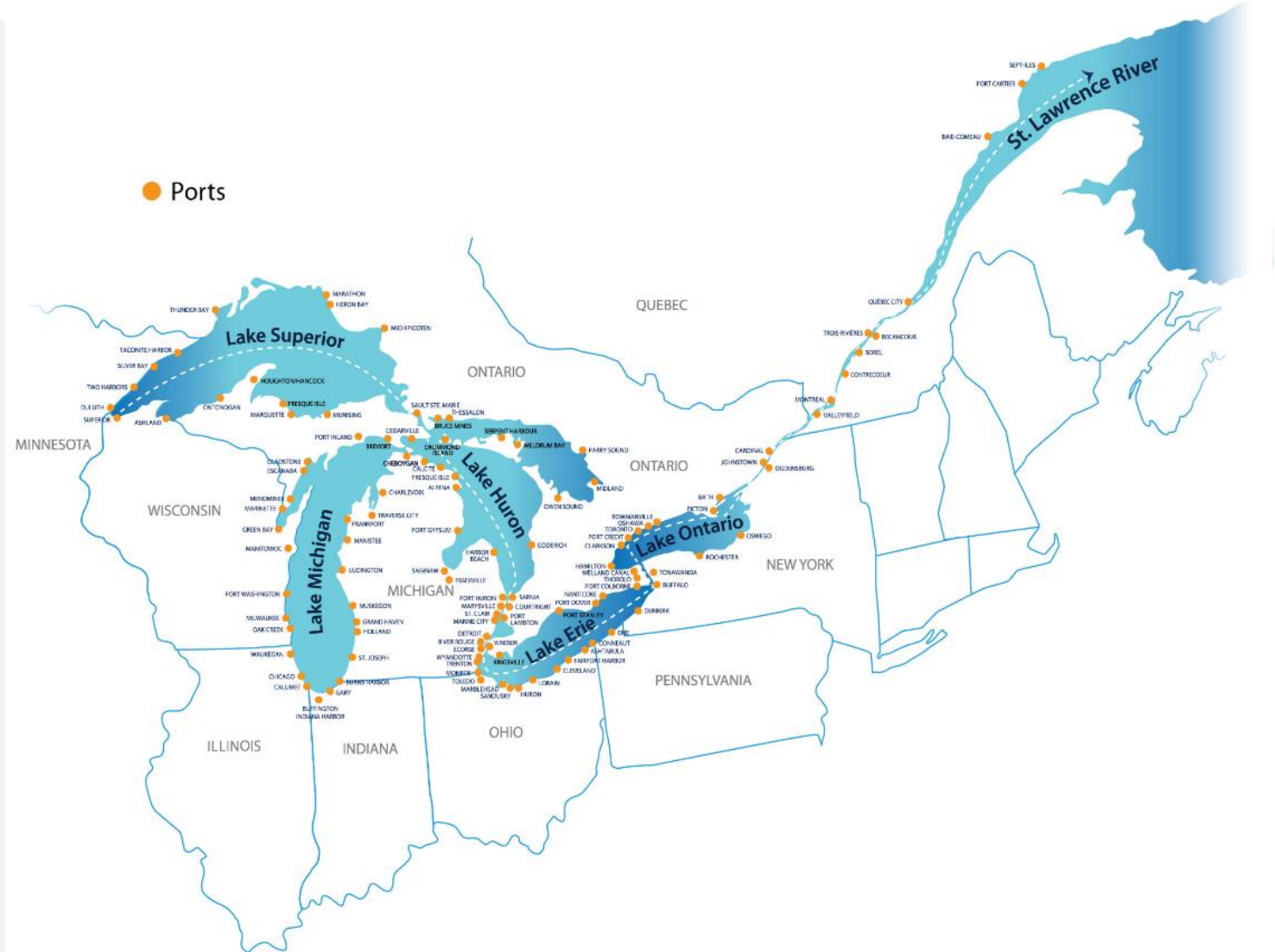
Connects more than 110 port cities and towns



95,000 square miles of navigable waters



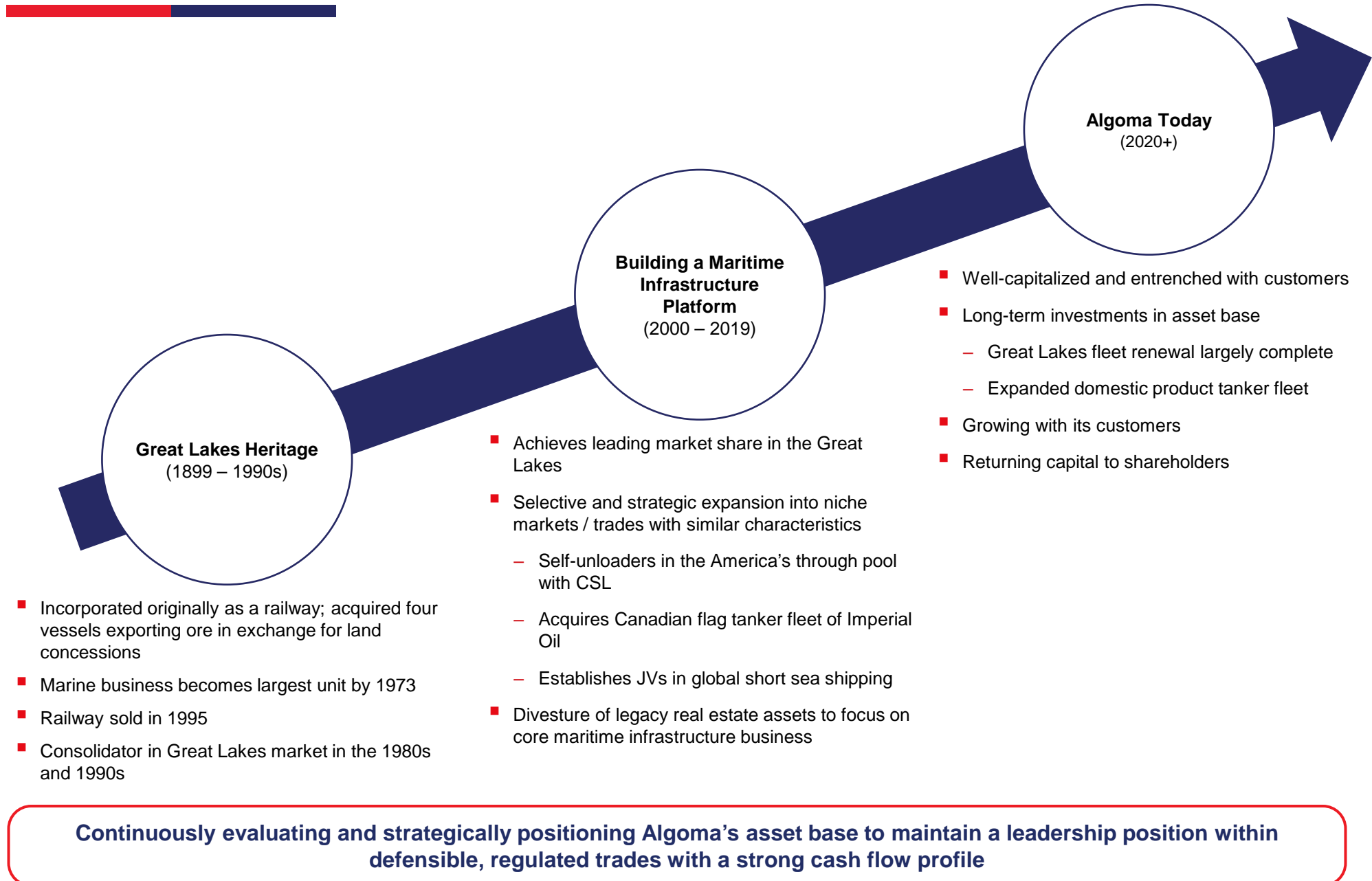
16 total U.S. and Canadian Seaway locks



The Great Lakes is one of the world's largest trade economies and is a vital deep draft waterborne transportation link for moving goods between North America's heartland and international markets



The Evolution of a Leading Regional Infrastructure Company





Not Just Another Shipping Company – Why Algoma is Different

		Typical International Shipping Company
Business Model	✓ Provider of service and assets necessary for customers' supply chains	✗ Asset provider (just steel) ✗ Commoditized
# of Market Participants	✓ Limited	✗ Highly fragmented
Assets	✓ Specialized to suit trading regions and commodities transported	✗ Standardized
Employment	✓ Long-term focus with strong earnings visibility ✓ COA business with network efficiencies providing customer retention advantage	✗ Typically spot or short-term oriented with earnings volatility
Barriers to Entry	✓ High; relationships, scale, regulations and specialized vessels	✗ Limited; mainly capital

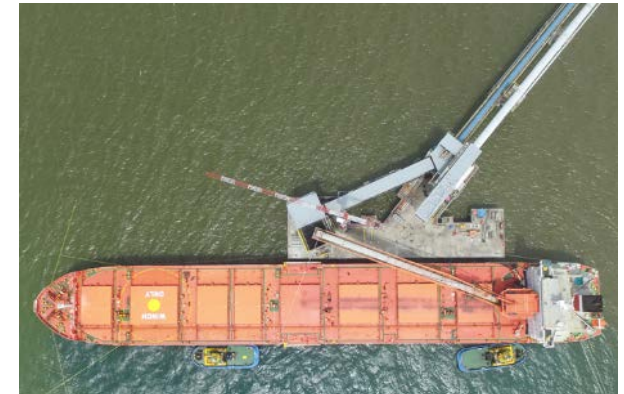
Unique and Unmatched Aspects of Algoma's Self-Unloader Fleet – Creating Barriers to Competition



1

Long-Term Solution Provider

- Longer-term contractual arrangements on the back of long-term relationships; “stickiness of trade”
- Significant scale (e.g. numerous ships) required to provide efficient and reliable service that customers need
- Contracts of Affreightment (COA's) with multiple customers within book of business create complimentary trading efficiencies



2

Necessary Link in Supply Chain

- Versatile fleet with various sizes of self-unloaders able to navigate the Great Lakes and other specific coastal and river markets
- Ability to access many import facilities that have shore-side receiving facilities only designed for self-unloaders (i.e. a regular dry-bulk ship cannot compete)

Algoma's unique industrial shipping capabilities position it as a best-in-class maritime infrastructure provider with compelling barriers to competition









Business Unit Overview

	Great Lakes, St. Lawrence Waterways, and Atlantic Canada		International Niche Markets / Trades	
	Domestic Dry-Bulk	Domestic Product Tankers	Ocean Self-Unloaders	Global Short Sea Shipping
Commodities Transported	<ul style="list-style-type: none"> Dry-bulk products including iron ore, grain, salt and stone aggregates 	<ul style="list-style-type: none"> Primarily semi-refined products between refineries, which are essential in keeping the facilities operational Also transport refined products such as gasoline, kerosene and jet fuel 	<ul style="list-style-type: none"> Coal, crushed aggregates for construction, gypsum for wallboard, iron ore and salt for winter road safety 	<ul style="list-style-type: none"> Diverse set of dry-bulk commodities in support of agricultural, cement, construction, energy and steel industries worldwide Specialized cement fleet carries powdered cement for use in construction/infrastructure projects
Contract Terms	<ul style="list-style-type: none"> Primarily long-term contracts of affreightment and several time charters Freight rate agreements include a mechanism to pass fuel cost changes through to customers and a CPI adjustment Contract terms generally vary between 3 and 7 years 	<ul style="list-style-type: none"> Long-term time charter based services agreements where rates are set for each ship on \$ per-day basis Base time charter rates are subject to a CPI adjustment 	<ul style="list-style-type: none"> Primarily contracts of affreightment Longer term, up to 10 years Fuel cost (bunkering) adjustment clauses 	<ul style="list-style-type: none"> Longer term time charters and COAs in specialized cement space with long-standing customer relationships in regional short sea markets In the short sea mini bulker space, shorter term COA's and charters (1-yr or less) in regional markets with long-term customers
Fleet Overview	<ul style="list-style-type: none"> 11 self-unloading bulk carriers and 8 gearless bulk carriers⁽¹⁾ 	<ul style="list-style-type: none"> 8 double-hull product tankers; charter additional capacity to meet demand 	<ul style="list-style-type: none"> 8 ocean self-unloaders commercially managed as part of the 18 vessel CSL International Pool 	<ul style="list-style-type: none"> Consists of three JV's with 50% interest in specialized global fleets <ul style="list-style-type: none"> 17 pneumatic cement carriers 18 mini-bulkers⁽²⁾ 4 deep-sea bulkers "Asset-light" optionality, which is not available domestically
% EBITDA (CY 2019)	36%	21%	31%	12%
Key Customers				

⁽¹⁾ One bulk carrier is owned by a third party.

⁽²⁾ Manage additional ships for other owners.

Specialized Asset Base – A Necessary Link in Supply Chains of Customers

	Lakes Self-Unloader	Lakes Gearless Bulker	Domestic Product Tanker	Ocean Self-Unloader	Specialized Cement Carrier	Short & Deep Sea Mini-Bulker
						
Key Features	<ul style="list-style-type: none"> Size: 23-37,000 dwt Discharge cargo using on-board equipment; does not require port infrastructure Can discharge directly to stockpiles or storage facilities Cargo in holds emptied onto conveyor belt and out on a mounted boom 	<ul style="list-style-type: none"> Size: 31-39,000 dwt Maximum size that can effectively navigate the Great Lakes region (max LOA of 740 ft) 	<ul style="list-style-type: none"> Size: 11-18,500 dwt IMO II ice-class product tankers Smaller size vessels, well-suited to needs of regional trade Specialized crews that meet qualifications required Inter-refinery movement of partially refined products 	<ul style="list-style-type: none"> Size: 45-76,000 dwt Larger, specialized vessels offering exceptional versatility and efficiency Can operate and discharge cargo in any accessible waterway Reduces infrastructure and labour requirements Competitive solution that results in customer stickiness 	<ul style="list-style-type: none"> Size: 4-15,000 dwt⁽¹⁾ Utilize a specialized pneumatic pump system to load and discharge cement powder in an efficient and environmentally responsible manner Largest and youngest fleet of pneumatic cement carriers in the world Generally smaller and well suited to regional or hub-and-spoke trades 	<ul style="list-style-type: none"> Size: 6-15,000 dwt Generally equipped with cranes and grabs for unloading and designed to maximize cargo capacity in ports with draft and other port/dock restrictions 2 of 6 contracted new build vessels have been delivered (remainder through end of 2021), which will provide significant speed, capacity and fuel efficiency advantages versus competing assets
Principal Trades	<ul style="list-style-type: none"> Road salt, aggregates and other construction materials Iron ore and coal for steelmaking Grain for domestic milling 	<ul style="list-style-type: none"> Grains from Lakehead to elevators on the lower St. Lawrence for transshipment to global markets Iron ore from U.S. mid-west to the Gulf of St. Lawrence ports for export 	<ul style="list-style-type: none"> Cargoes include a variety of refined petroleum products and can also include crude oil The vessels are capable of and occasionally carry non-petroleum based chemicals 	<ul style="list-style-type: none"> Commodities moved include aggregates, stone, gypsum, and thermal coal Construction products into US, Caribbean markets, and Canada Coal into same markets ex-US 	<ul style="list-style-type: none"> Great Lakes, St. Lawrence River and East Coast South East Asia; Mediterranean; Caribbean and Baltic Other Global markets 	<ul style="list-style-type: none"> Vessels trade principally in Europe and on East Coast of North and South America Also support agricultural, energy, construction and steel industries worldwide

⁽¹⁾ One cement carrier with a capacity of 27,000 dwt.

Long-Term, Sustained Investments in the Asset Base

1 Domestic Dry-Bulk Renewal – \$435 million since 2009

- Fleet renewal largely complete with eight new Equinox class vessels delivered over the last decade
- Significantly reduced the average fleet age by approximately 30 years
- Improved safety, ergonomic and crew comfort innovations to drive employee engagement and other efficiencies
- Environmental benefits with better fuel efficiency resulting in 40% less greenhouse gases per tonne-kilometre of cargo carried
- Numerous technological improvements to increase vessel speed, capacity and overall efficiency
- A 650' Equinox Class self-unloader was delivered on September 29th, 2020 and in service in November 2020
- In addition, a 740' gearless bulker is currently under construction and is expected to be delivered in Q2 of 2021



2 Domestic Product Tanker Fleet Expansion – \$39 million in last 2 years

- Acquired two vessels in December 2018 and April 2019 to meet increased demand
- Increased revenue days of fleet by over 30%
- Significantly reduced the average fleet age



3 Increased Ocean Self-Unloader Pool Ownership – US\$224 million (2015 to 2019)

- Acquired the interest of Oldendorff in the CSL Pool in 2019, increasing participation stake to 40%
- Increased the ocean going self-unloader fleet over the last five years from two to eight vessels operating in the Pool





Operational Excellence Supported by Leading Safety Track Record

Algoma Central is committed to injury prevention and continuously innovates operational improvements to drive a safe, efficient and sustainable working environment

Algoma Central's Safety Management Culture

Defined worker safety practices and programs with the goal of ensuring all employees return home safely

Safety Management

- Certified to various global industry healthy and safety standards
- Safety Management practices include:
 - Hazard identification
 - Review of leading incident indicators
 - Senior management incident review
 - Off-the-job safety protocols
- Successful navigation of COVID-19 through established industry partnerships

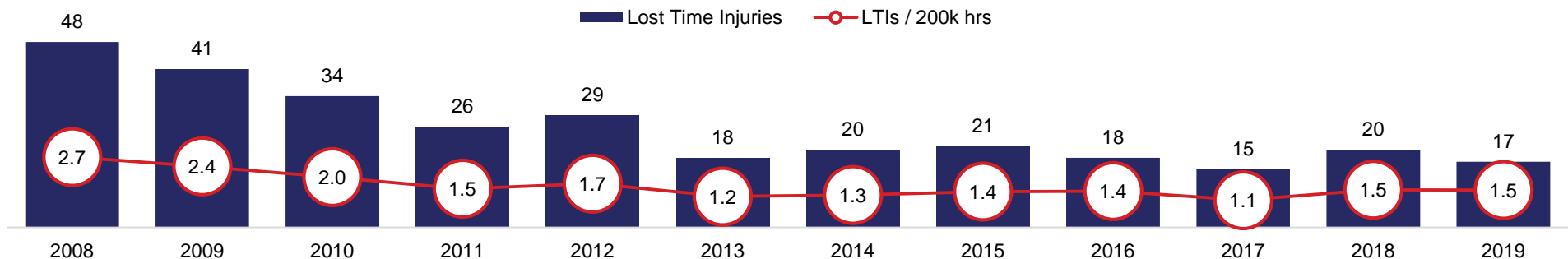
Safety Training & Drills

- Part of Algoma's daily operations for prevention, mitigation and incident response
- Closely monitors all regulatory requirements to ensure safety and training meets and exceeds industry standards
- Supplemental programs include:
 - Marine Medic certifications
 - Professional development of piloting officers through ship handling training

Safety In Partnerships

- Algoma strives to align health and safety efforts with its business partners
- Dedication to a safe working environment extends beyond its employees and includes:
 - Customers
 - Contractors
 - Suppliers
 - Labour unions
 - Regulators
- Navigating through COVID-19 is a testament to the Company's successful partnerships

Safety Indicators





Company Attributes

Section III





Key Company Attributes



— 1 —

A Leader in the
Great Lakes Market



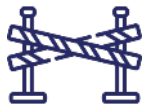
— 2 —

Core Component of North
American Transportation
Infrastructure



— 3 —

Compelling
Cash Flow Profile



— 4 —

Highly Defensible
Business



— 5 —

Diversified Revenue,
Large Customers and
Stable End Markets



— 6 —

Experienced Workforce with
Deep Industry Knowledge and
Expertise

A Leader in the Great Lakes Market

Proven track record and reputation as a leading Great Lakes provider that continuously delivers a high quality, reliable service to its customers

1 Hard-to-Replicate Brand, Asset Base and Business Model

- Largest operator in the Great Lakes - St. Lawrence Waterway
- Strong reputation and best-in-class commercial experience
- A compelling contracted business model predicated on management's market intelligence and long-term customer relationships
- Large, modern and well-maintained fleet with a replacement value of up to \$2bn, of which \$1.3bn is related to the Company's unique, core domestic specialized fleet



2 Sticky, Long-Term Relationships with Blue-Chip Customers

- Trusted and critical supply chain partner to numerous blue-chip companies
 - Scale and track record provides ability to serve largest and most demanding customers
 - Relationship history with top customers span multi-decades
- Revenues driven primarily through multi-year contracts, allowing for a strong base of contracted cash flows
- Mutually beneficial partnerships reinforce defensible market position

3 Safety and Operational Excellence

- Service delivery is underpinned by a rigorous approach to safety, security and environmental protection
- Compliance and risk management are key differentiators in the industry and are critical for operators to do business with blue-chip customers

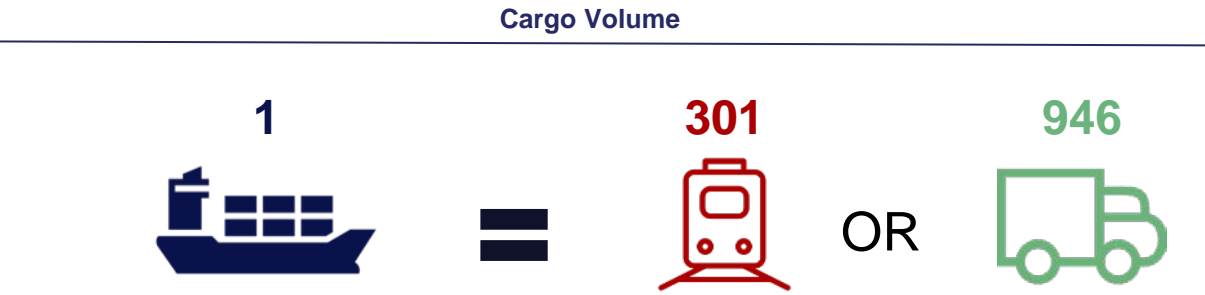
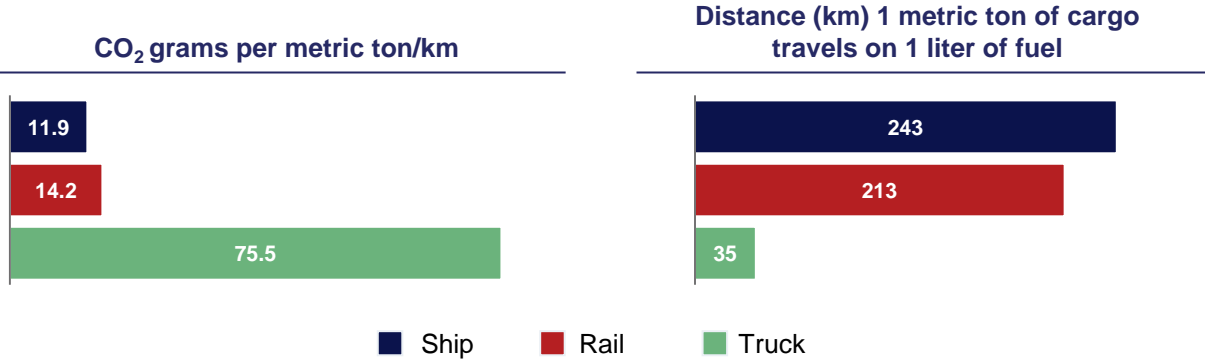
Core Component Of Regional Infrastructure – No Efficient Alternatives Exist



Transportation Criteria⁽¹⁾

Decision Points	Physical Constraints		Economic Considerations			Other Factors	
	Infra Availability	Load Capacity	Price	Haul Distance	Transport Speed	Safety	Fuel Emissions
Shipping	Mid	High	Low	High	Low	High	Low
Rail	Low	Mid	Mid	High	Mid	Mid	Low
Truck	Low	Low	High	Low	High	Mid	High
Pipeline	Low	High	Low	High	Mid	Low	N/A

Undesirable Desirable



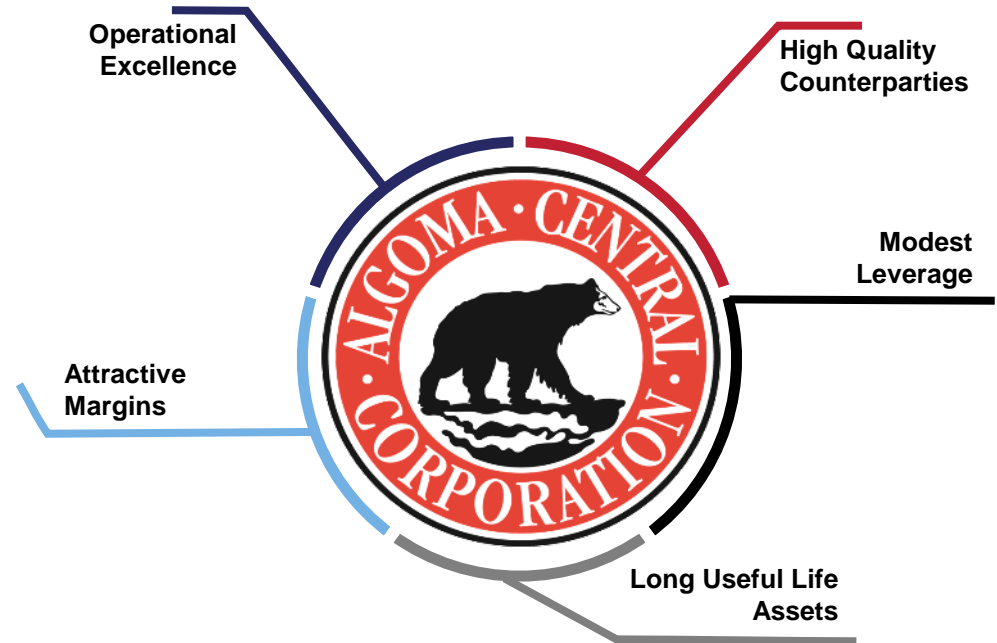
- Benefits of Maritime Shipping**
- Increases safety, reliability and economies of scale
 - Reduces fuel use minimizes environmental impact
 - Reduces traffic congestion
 - Reduces highway infrastructure costs
 - Improves workplace safety
 - Reduces noise and pollution

Shipping is the preferred mode for transporting key commodities across the Great Lakes and St. Lawrence Seaway, primarily because it is a safe, environmentally-friendly and economical mode of transport



Compelling Cash Flow Profile

- Proven track record of generating stable operating cash flow for over two decades
- Compelling business model delivers an attractive cash flow profile
 - Critical infrastructure partner
 - Significant barriers to entry
 - Long-term customer relationships
 - Favorable contract terms including: minimum volume commitments, price escalation clauses typically tied to inflation rates and fuel cost adjustments that are passed through directly to the customer





Multiple Defensive Attributes Protect Algoma's Market Leadership Position

Significant Scale and Operating Expertise

- ✓ Only a limited number of independent operators have the safety record, geographic footprint, fleet size and logistics expertise of Algoma in transporting grains, iron ore, stone, cement, and refined products
- ✓ Transportation of key commodities requires expertise, routine inspections and code compliance
- ✓ Scale required to provide customers with highly responsive and reliable network, particularly for COA business
- ✓ Replacement value of up to \$2bn, of which \$1.3bn is related to the Company's unique, core domestic fleet

Regulatory Restrictions

- ✓ Significant regulation of the domestic waterways transportation industry in both Canada and the US, namely by the Coasting Trade Act and the Jones Act
- ✓ The Coasting Trade Act protects Canadian ship owners from unfair competition from countries that have lower wages or lower standards of safety, by forcing such foreign ship owners to obtain a coasting trade license before being allowed to use foreign vessels in Canadian waters
- ✓ Additional barriers including emissions and marine pilotage regulations

Entrenched Customer Base

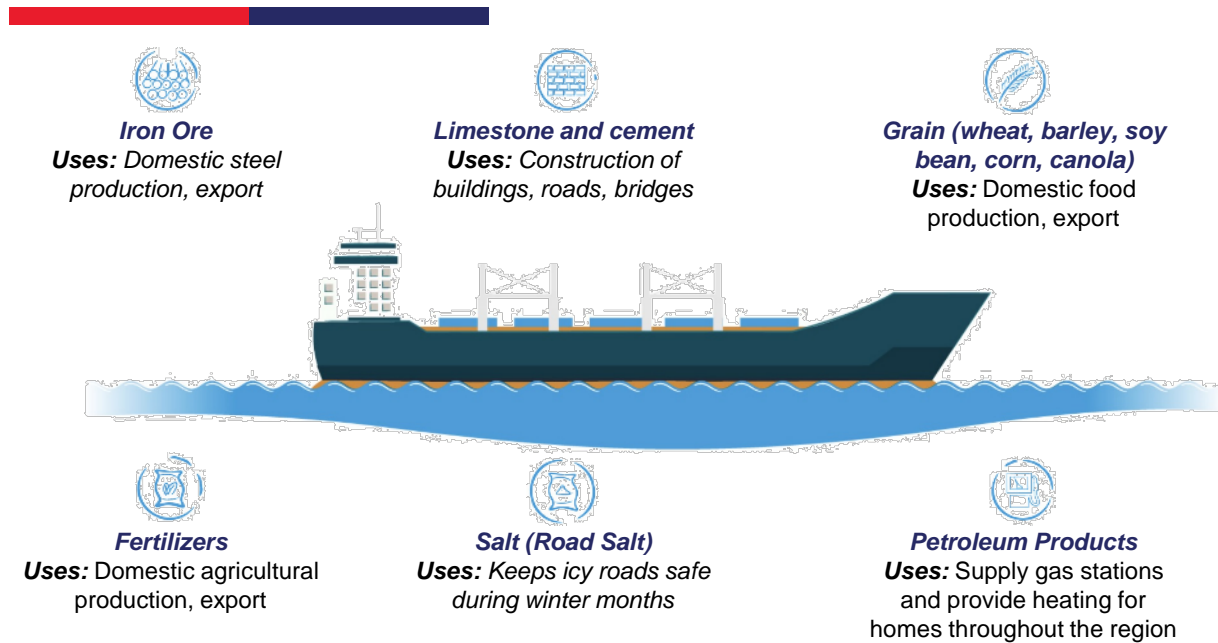
- ✓ Algoma enjoys stable and longstanding relationships with a large and diversified set of high quality customers, many of which have utilized the Company's services for decades and demand long-term experience and safety records
- ✓ Earned a trusted reputation among its customers due to its commitment to and track record of consistent service, safety and environmental stewardship
- ✓ Core to the supply chain of regional refineries, providing many intermediate/"semi-refined" products necessary for refineries to maintain operations
- ✓ Customers with investment in shore-side cargo handling designed for self-unloaders

Specialized Fleet Requirements

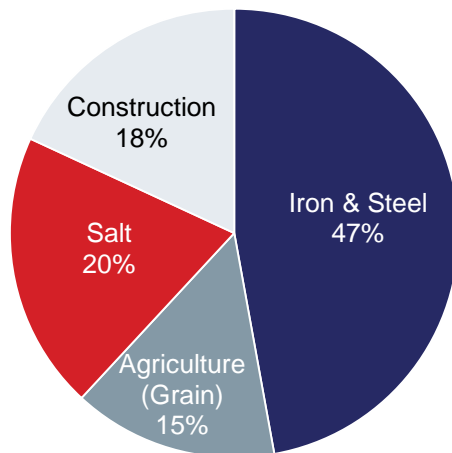
- ✓ Locks of the Welland Canal and the St. Lawrence Seaway constrain the size ships that can transit the Waterway
 - ~10% of oceangoing ships capable of transiting the locks in the system
- ✓ Vessels in the Great Lakes – St. Lawrence Seaway must be operational in an array of different weather and wave conditions, as the river system is highly seasonal and freezes over the winter
- ✓ Large customers require shore-side unloading flexibility and efficiency that Algoma's fleet of self-unloaders provides
- ✓ Pilots required to navigate the Great Lakes waterways; Algoma's officers ability to serve as pilots is a competitive advantage



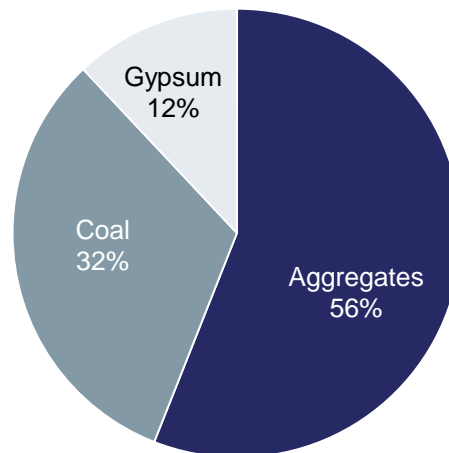
Diversified Revenue, Large Customers and Stable End Markets



2019 Domestic Dry Bulk Revenue Breakdown
(36% of CY 2019 EBITDA)



2019 Ocean Self-Unloader Revenue Breakdown
(31% of CY 2019 EBITDA)



Commentary

- ✓ The customer, geographic and operational diversity of the Company mitigates negative economic impact to the sectors in which it operates
 - The Company operates in industrial trades located in leading, developed countries across the globe
 - Does not trade in countries with high geopolitical risk
- ✓ Trusted provider of shipping services for the key players in the steel, mineral, refined products, and iron ore industries
 - Significant partner to the U.S. construction and infrastructure end-markets
- ✓ 30-40 customers make up 90% of the Great Lakes market; not a lot of movement of customers

Select Key Customers

Large, well-entrenched customer base – many of whom are investment grade-rated



Senior Management Team with Strong Commercial Knowledge and Valuable Customer Relationships



Algoma's Executive Team



Gregg Ruhl
President and
Chief Executive Officer

*Joined Algoma: 2015
Industry Experience: 32 years*



Peter D. Winkley
Chief Financial Officer

*Joined Algoma: 2010
Industry Experience: 10 years*



J. Wesley Newton
Senior Vice-President, Corp.
Dev. and General Counsel

*Joined Algoma: 2011
Industry Experience: 9 years*



Brad Tiffin
Senior Vice-President,
Operations and Technical

*Joined Algoma: 1991
Industry Experience: 32 years*



Christopher A. L. Lazarz
Vice-President, Corporate
Finance

*Joined Algoma: 2011
Industry Experience: 9 years*



Jeffrey M. DeRosario
Vice-President,
Commercial

*Joined Algoma: 2013
Industry Experience: 7 years*



Steve Wright
Vice-President,
Engineering

*Joined Algoma: 1983
Industry Experience: 35 years*



Mario Battista
Vice-President, Finance
and Process Innovation

*Joined Algoma: 2003
Industry Experience: 23 years*

Algoma Benefits From a Highly Skilled, Engaged and Trained Workforce

- ✓ Employs 1,500+ people across the globe
- ✓ Employer of choice
- ✓ Industry leading employee retention
- ✓ Heavily invested in training and continuous improvement initiatives
- ✓ Approximately 60% of its employee base has an average tenure of more than 5+ years



Legal and Regulatory Considerations



*Coasting
Trade Act*

- Per the Act, foreign or non-duty paid vessels are prohibited from engaging in any form of coasting trade activities in Canadian waters, or between Canadian ports unless they obtain a so-called coasting trade license prior to starting the operations
 - In order to obtain a coasting trade license, there must be no Canadian flag vessel capacity available pursuant to a public application process involving known Canadian ship-owners and union stakeholders
- The Act protects Canadian ship owners from unfair competition from countries that have lower wages or lower standards of safety, by forcing such foreign ship owners (and Canadian ship owners of non-Canadian flagged vessels ("foreign vessels")) to obtain a coasting trade license before being allowed to use foreign vessels in Canadian waters
 - The Act also requires Canadian operators and crews (no work-permitting process available for foreign crew to work on a Canadian ship), although does not require vessels to be constructed in Canada



*Emissions
Regulation*

- Emission Control Areas (ECA's or Sulfur Emission Control Areas) are sea areas in which stricter controls were established to minimize airborne emissions from ships as defined by Annex VI of the 1997 MARPOL Protocol
 - The established areas are: Baltic Sea area, North Sea area, North American area and United States Caribbean Sea area
 - Vessels are required to limit SOx to 0.1% (v.s. 0.5% required by the IMO in international waters)
 - In order to meet these emissions regulations, vessel operators are required to use a low sulfur fuel or install a scrubber to remove sulfur from exhaust emissions






*Great Lakes
Marine Pilotage*






- All vessels are required to hire a pilot from the applicable pilotage authority, or if they are Canadian or US flag operators, are permitted to have a certified self-pilot employed by the company onboard
- There is a limited pool of highly skilled, knowledgeable and qualified pilots to hire from
 - Algoma has developed a strong pool of internal self-pilots which provide it with a competitive advantage in the marketplace

Competitive Dynamics – Consolidated Markets with Rational Competitive Dynamics

Commentary

- Algoma owns and operates the largest fleet of dry and liquid bulk carriers on the Great Lakes - St. Lawrence Waterway
- Increasingly difficult for smaller and undercapitalized operators to compete due to aging fleets, inability to serve large customers and difficulty in meeting stringent operating requirements
- Because of the extreme industry vetting requirements, no new operator of meaningful scale has entered the market in several decades
 - High initial capital costs, long construction lead time and inability to obtain complimentary long-term contracts are all major deterrents for new operators
 - Fleet renewal options are being developed but no incremental capacity is expected
 - Access to qualified crew (particularly senior officers with piloting certificates) is a key success factor

Domestic Dry-Bulk Landscape			
Vessel Type			 LOWER LAKES TOWING LTD.
Full Size Self-Unloaders	6	10	0
River Class Self-Unloaders	3+1 ⁽¹⁾	0	6
Coastal Self-Unloaders	2	2	0
Gearless Bulkers	8+1 ⁽²⁾	5	2

Domestic Product Tankers Landscape					
Vessel Type		 Petro – NAV	 Woodward	 McASPALT	 MCKEIL <small>BRIDGE MARINE SOLUTIONS</small>
Product Tankers	8	9	5	0	2
ATBs	0	0	0	2	0

(1) Croatian River-Class Algoma Intrepid Fall 2020, replacing the Algoma Enterprise.

(2) Bulker #8 – Captain Henry Jackman, could be incremental or replacement depending on market conditions.

Thank You

