

ALGOMA CENTRAL CORPORATION REPORTS OPERATING RESULTS FOR THE 2021 FIRST QUARTER

St. Catharines, Ontario May 5, 2021 - Algoma Central Corporation ("Algoma" or "the Company") (TSX: ALC), a leading provider of marine transportation services, today announced its results for the quarter ended March 31, 2021. (All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.)

First quarter 2021 business highlights include:

- A net loss for the quarter of \$22,416, which is a reduction of 5% compared to a loss of \$23,626 reported for the prior year.
- Global Short Sea Shipping segment earnings of \$1,444 compared to a loss of \$2,187 in 2020. Freight rates and volumes continued to rebound significantly in the mini bulker sector, driving a major improvement in the results for the segment.
- Domestic Dry-Bulk segment revenues increased 16% to \$24,552 compared to \$21,095 in the prior year as the business unit was able to take advantage of the extended navigation season and generally milder winter conditions. Despite the increased revenues, operating earnings for the segment were down 12% as winter maintenance and dry-docking costs increased this year compared to 2020, when maintenance activities were reduced and some costs were deferred to later in the year in response to uncertainty associated with the outbreak of COVID-19.
- Segment earnings for Product Tankers improved to \$224 compared to a loss in the prior year quarter of \$1,546 due to lower dry-dock spending; however, revenues were lower by 25% as the impact of lower wholesale demand for gasoline products resulted in reduced fleet utilization compared to 2020.
- The Ocean Self-Unloader segment completed its sole 2021 dry-docking at quarter-end, returning the vessel to on-hire status in April. The dry-docking was completed earlier in the year than originally planned in anticipation of continuing improvement in volumes for the Pool over the course of the year. Earnings for the segment were up modestly.
- Payment of the previously authorized \$2.65 Special Dividend on January 12, 2021 was followed by a 31% increase in the regularly dividend to 17¢ per common share beginning with the March 1st dividend.

EBITDA, which includes our share of joint venture EBITDA, for the quarter ended March 31, 2021 was \$6,651 a decrease of 13% compared to the prior year. EBITDA deteriorated slightly compared to 2020 primarily because increased winter maintenance spending in Domestic Dry-Bulk offset modestly improved results in other businesses. EBITDA is determined as follows:

For the periods ended March 31	2021	2020
Net loss	\$ (22,416)	\$ (23,626)
Depreciation and amortization	21,270	22,843
Interest and taxes	(4,787)	(3,540)
Foreign exchange gain	(210)	(1,283)
Gain on disposal of assets	(508)	(273)
EBITDA	\$ (6,651)	\$ (5,879)

"We have posted a solid first quarter for 2021," said Gregg Ruhl, President and CEO of Algoma Central Corporation, "despite continued uncertainty about the pace of economic recovery from the pandemic. It is especially heartening to see the solid recovery shown in our Global Short Sea segment, as it was hit hard in 2020 by the economic fallout of COVID-19. A special recognition goes out to our technical teams for their success completing significant maintenance and improvement works this winter that will yield immediate efficiencies and long-term sustainability for our fleet. We look forward to the arrival of our newest and most efficient Equinox class bulker, the Captain Henry Jackman, which left China last week and will begin trading in July." Mr. Ruhl concluded.

Outlook

We expect continued modest normalization in our Great Lakes and Oceans dry-bulk business. While we do not expect to repeat the strong grain volumes we saw in Domestic Dry-Bulk in 2020 in the current year, we are expecting higher salt volumes and improvement in the iron ore and aggregate businesses. Our Ocean Self-Unloader fleet has completed its only scheduled dry-docking for 2021 and should therefore be on-hire to the Pool for the balance of the year and benefit from any improvement in Pool revenues. We do remain cautious, however, regarding the outlook for the Product Tanker business. A drop in utilization resulting from a general reduction in gasoline product volumes is expected to continue for the balance of the year. The extension of lock-downs in the key Ontario market this Spring is

likely to result in a delay before the fleet can return to normal levels of utilization. Meanwhile, continuation of the current rate environment in international markets would be very positive for the Global Short Sea Shipping segment and we expect to be able to take advantage of improved conditions in the purchase and sale markets.

The cost environment will be more difficult in 2021 as the Company makes significant investments in training and developing its next generation of shipboard employees.

For the periods ended March 31	2021	2020
Revenue	\$ 77,599	\$ 85,097
Operating expenses	(80,989)	(85,333)
Selling, general and administrative	(8,510)	(8,383)
Depreciation and amortization	(17,493)	(18,814)
Operating loss	(29,393)	(27,433)
Interest expense	(5,317)	(4,991)
Interest income	27	186
Foreign currency gain (loss)	53	242
	(34,630)	(31,996)
Income tax expense	10,742	9,633
Net loss from investments in joint ventures	1,472	(1,263)
Net Earnings	\$ (22,416)	\$ (23,626)
Basic earnings per share	\$ (0.59)	\$ (0.62)
Diluted earnings per share	\$ (0.59)	\$ (0.62)

For the periods ended March 31	2021	2020
Domestic Dry-Bulk		
Revenue	\$ 24,552	\$ 21,095
Operating earnings	(29,686)	(26,408)
Product Tankers		
Revenue	18,217	24,425
Operating earnings	224	(1,546)
Ocean Self-Unloaders		
Revenue	32,496	36,377
Operating earnings	4,369	3,650
Corporate and Other		
Revenue	2,334	3,200
Operating loss	(4,300)	(3,129)

The MD&A for the quarter ended March 31, 2021 includes further details. Full results for the quarter ended March 31, 2021 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, 2021, 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 37,800,943 Shares which were issued and outstanding as at the close of business on March 8, 2021 (the "NCIB"). No shares have been purchased to date under this NCIB.

Cash Dividends

The Company's Board of Directors has authorized payment of a quarterly dividend to shareholders of \$0.17 per common share to be paid on June 1, 2021 to shareholders of record on May 18, 2021.

2021 Annual General & Special Meeting of Shareholders

We would like to remind all shareholders that Algoma's Annual General and Special Meeting of Shareholders will be held in a virtual-only format via a live webcast available at www.virtualshareholdermeeting.com/ALC2021, on Wednesday, May 5, 2021 at 11:30 a.m. (EDT). Registered shareholders and duly appointed proxyholders will have an equal opportunity to attend, participate and vote at this virtual Meeting from any location. Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholders may also attend the Meeting virtually and ask questions but will not be able to vote. Guests will be able to attend virtually and listen to the Meeting but will not be able to vote or ask questions during the Meeting. A summary of the information shareholders will need in order to attend, participate and vote at the Meeting is provided in the *How to Vote* section of our Management Information Circular.

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 quarter ended March 31, 2021 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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