ALGOMA CENTRAL CORPORATION REPORTS OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

St. Catharines, Ontario August 5, 2021 - 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, 2021. (All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.)

Second quarter 2021 business highlights include:

- The Domestic Dry-Bulk segment revenues increased 23% to $96,855 compared to $78,957 in 2020, reflecting a 14% increase in volumes driven by higher cargoes in iron and steel, construction and salt sectors and higher fuel cost recoveries. Net earnings increased 81% to $25,922 compared to $14,326 in the prior year.
- The Global Short Sea Shipping segment generated earnings of $9,374 compared to $2,312, an increase of $7,062 compared to 2020. Market rates continued to improve significantly in the mini bulker sector and steady cement business drove a major improvement in the results for the segment.
- The Ocean Self-Unloader segment reported earnings of $3,896 in the 2021 second quarter compared to $2,843, an increase of $1,053 compared to the same period in 2020. Volumes in the segment are recovering, especially in gypsum, and fewer dry-dockings this quarter resulted in increased vessel on-hire time. Earnings for the quarter were impacted by a $5,513 one-time compensation payment made to effect retirement of two older vessels owned by our partner in the Pool.
- Segment earnings for Product Tankers were $3,203 compared to $5,926 in the prior year. Customer requirements in the second quarter of 2020 favourably impacted earnings last year as the fleet was in full utilization; however, an expected decrease in customer demand in 2021 resulted in lower vessel utilization.
- We are reporting gains totaling $5,455 in the 2021 second quarter related to the sale of a property that belonged to Algoma Ship Repair and a gain from an insurance settlement and post quarter-end recycling of the Algoma Spirit.

EBITDA, which includes our share of joint venture EBITDA, for the three months ended June 30, 2021 was $61,860 an increase of 15% compared to the same period in the prior year. The increase to EBITDA was primarily driven by significantly higher earnings in both the Domestic Dry-Bulk and Global Short Sea segments compared to 2020. EBITDA is determined as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2021**	2020	**2021**	2020
Net earnings (loss)	**$ 32,315**	$ 17,742	**$ 9,899**	$ (5,884)
Depreciation and amortization	**21,118**	22,696	**42,388**	45,539
Interest and taxes	**14,489**	12,294	**9,702**	8,754
Foreign exchange (gain) loss	**(607)**	1,219	**(817)**	(64)
Gains on sale of assets	**(2,725)**	(44)	**(2,933)**	(317)
Gain from insurance settlement	**(2,730)**	—	**(2,730)**	—
EBITDA	**$ 61,860**	$ 53,907	**$ 55,509**	$ 48,028

"When we look back at the second quarter of 2020, Algoma was in a very different position," said Gregg Ruhl, President and CEO of Algoma Central Corporation. "At the beginning of the quarter last year we were right-sizing our fleet in order to better position ourselves for uncertainty about the impact the pandemic would have on the markets we serve. As we enter the third quarter of 2021, although we are still faced with some uncertainties, we are experiencing market recovery, higher volumes across most sectors and higher overall earnings. Our results this quarter indicate not only that the economy is recovering, but also demonstrate the hard work of all our teams ensuring that we are always well positioned to meet customer requirements, no matter the economic environment. I should also mention the arrival of the Captain Henry Jackman in Canada in June. On her first trip, she loaded a record grain cargo in Thunder Bay, Ontario," Mr. Ruhl concluded.

Outlook

As restrictions ease and global supply chains improve, the Domestic Dry-Bulk segment is expecting volumes in the iron and steel and construction sectors to continue to strengthen compared to last year, with salt and agriculture volumes expected to return to more normal levels in the third quarter. Higher fuel prices are also likely to continue, driving higher fuel recoveries in the second half of 2021.

As we noted in our 2020 financial reports, Product Tanker utilization was not immediately impacted by the onset of the pandemic as our vessels were utilized to move product between major markets, absorbing available days that were not required to service the Ontario market. This trade pattern ceased in late 2020 and tanker utilization is now being impacted by weaker demand in wholesale petroleum product markets in central Canada. In the Ocean Self-Unloader segment, Pool performance has not recovered as quickly as hoped, but we are still expecting a positive third and fourth quarter compared to 2020 with volumes in certain sectors expected to continue to improve. There are no dry-dockings planned for the remainder of 2021 and the fleet is set to be fully utilized. In the Global Short Sea segment, the cement sector is expected to remain steady for the remainder of 2021 and, if the substantially improved market rates in the mini-bulker sector remain strong, the segment should continue to experience improved operating results.

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2021**	2020	**2021**	2020
Revenue	**$ 167,687**	$ 151,270	**$ 245,286**	$ 236,367
Operating expenses	**(101,311)**	(96,339)	**(182,300)**	(181,672)
Selling, general and administrative	**(7,306)**	(7,290)	**(15,816)**	(15,673)
Other items	**(1,197)**	—	**(1,197)**	—
Depreciation and amortization	**(16,992)**	(18,642)	**(34,485)**	(37,456)
Operating earnings	**40,881**	28,999	**11,488**	1,566
Interest expense	**(4,931)**	(5,185)	**(10,248)**	(10,176)
Interest income	**15**	40	**42**	226
Foreign currency gain (loss)	**527**	(68)	**580**	174
	36,492	23,786	**1,862**	(8,210)
Income tax (expense) recovery	**(8,752)**	(6,139)	**1,990**	3,494
Net earnings (loss) from investments in joint ventures	**4,575**	95	**6,047**	(1,168)
Net Earnings (Loss)	**$ 32,315**	$ 17,742	**$ 9,899**	$ (5,884)
Basic earnings (loss) per share	**$ 0.85**	$ 0.47	**$ 0.26**	$ (0.16)
Diluted earnings (loss) per share	**$ 0.78**	$ 0.45	**$ 0.26**	$ (0.16)

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2021**	2020	**2021**	2020
Domestic Dry-Bulk				
Revenue	**$ 96,855**	$ 78,957	**$ 121,408**	$ 100,052
Operating earnings	**35,140**	19,429	**5,457**	(6,980)
Product Tankers				
Revenue	**28,688**	36,021	**46,905**	60,446
Operating earnings	**4,821**	8,124	**5,044**	6,577
Ocean Self-Unloaders				
Revenue	**40,006**	33,518	**72,501**	69,895
Operating earnings	**3,865**	3,749	**8,233**	7,398
Corporate and Other				
Revenue	**2,138**	2,774	**4,472**	5,974
Operating loss	**(2,945)**	(2,303)	**(7,246)**	(5,429)

The MD&A for the three and six months ended June 30, 2021 includes further details. Full results for the second quarter ended June 30, 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. The dividend will be paid on September 1, 2021 to shareholders of record on August 18, 2021.

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, 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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