

## ALGOMA CENTRAL CORPORATION REPORTS RECORD QUARTERLY RESULTS

**St. Catharines, Ontario November 3, 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 nine months ended September 30, 2021. (All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.)

Third quarter 2021 business highlights include:

- Net earnings of \$39,984 an 80% increase compared to the 2020 third quarter. Basic earnings per share were \$1.06 compared to \$0.59 for the same period in 2020.
- Domestic Dry-Bulk segment revenue increased 24% to \$109,591 compared to \$88,144 in 2020, reflecting a 7% increase in revenue days primarily driven by higher cargoes in the iron and steel sector, higher freight rates and increased fuel cost recoveries. Net earnings increased 20% to \$24,351 compared to \$20,270 in the prior year.
- The Global Short Sea Shipping segment revenue increased 9% to \$71,085 compared to \$64,918 in 2020. Strong market rates in the mini-bulker fleet and solid domestic cement business drove the significantly improved results for the segment. Net earnings increased 205% to \$15,378 compared to \$5,048 in the prior year.
- The Ocean Self-Unloader segment reported revenue of \$41,221 in the 2021 third quarter compared to \$34,235, an increase of \$6,986 or 20% compared to the same period in 2020. Operating earnings increased 64% to \$10,366 compared to \$6,319 in the prior year.
- Revenue for Product Tankers decreased 29% to \$21,186 compared to \$29,798 in 2020. Decreased customer demand and consequently lower fleet utilization in the third quarter impacted earnings. Net earnings decreased 54% to \$2,916 compared to \$6,336 in the prior year.

EBITDA, which includes our share of joint venture EBITDA, for the three months ended September 30, 2021 was \$69,415 an increase of 5% compared to \$65,800 for the same period in the prior year. The increase to EBITDA was largely driven by higher earnings in the Global Short Sea, Domestic Dry-Bulk and Ocean Self-Unloader segments compared to 2020. EBITDA is determined as follows:

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Net earnings	\$ 39,984	\$ 22,235	\$ 49,882	\$ 16,351
Depreciation and amortization	20,009	22,720	62,396	68,258
Impairment provision	—	9,789	—	9,789
Interest and taxes	13,697	11,438	23,399	20,190
Foreign exchange gain	(1,080)	(385)	(1,897)	(449)
Other operating items	(465)	—	(3,495)	—
Gain on sale of property	(10)	—	(1,596)	—
Gain on sale of vessels	(2,720)	3	(4,066)	(313)
<b>EBITDA</b>	<b>\$ 69,415</b>	<b>\$ 65,800</b>	<b>\$ 124,623</b>	<b>\$ 113,826</b>

"This quarter was unmatched", said Gregg Ruhl, President and CEO of Algoma Central Corporation. "Our strong results are evidence of the economic recovery underway in Canada and around the world and a testimony to our unparalleled crew and staff. We know that markets can shift and demand can change but Algoma has proven over the last two years that we are able to adapt to that change and thrive. In our global short sea partnership, we were able to take advantage of strong ocean freight rates, and after a tough rate environment last year, we are experiencing strong returns from our investment in this sector," Mr. Ruhl continued. "Algoma is ready to position our fleet strategically for the 2022 navigation season and we will continue to move our business forward with the values that define us because we are and will always remain *Your Marine Carrier of Choice™*," Mr. Ruhl concluded.

## Outlook

We are expecting the demand for manufacturing and building materials to continue to steadily recover for the balance of 2021, leading to fourth quarter results for the Domestic Dry-Bulk segment and the Ocean Self-Unloader segment largely in line with previous trends. Product Tanker utilization is expected to be slightly stronger in the fourth quarter, although demand in the segment will continue to be tied to domestic distribution patterns for petroleum products. Looking forward into 2022, we are preparing for lower grain volumes next year as Western Canada has been impacted by an extremely dry summer and a drought-reduced harvest that will affect carry-over grain cargoes. We will monitor the outlook for this sector and plan a spring fit-out taking market conditions into account. Other sectors are expected to remain steady or experience modest improvements as the underlying economy continues to recover. If global trends in the mini-bulker markets continue, we expect our Global Short Sea segment to continue to generate strong returns, though perhaps not at 2021's record levels.

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Revenue	\$ 174,734	\$ 155,002	\$ 420,020	\$ 391,369
Operating expenses	(106,449)	(90,118)	(289,050)	(271,790)
Selling, general and administrative	(7,374)	(6,086)	(23,190)	(21,759)
Other operating items	402	—	(2,081)	—
Depreciation and amortization	(16,675)	(18,256)	(51,160)	(55,711)
Operating earnings	44,638	40,542	54,539	42,109
Interest expense	(5,299)	(4,655)	(15,547)	(14,831)
Interest income	23	71	65	297
Gain on sale of property	10	—	1,596	—
Foreign currency gain	1,065	259	1,645	432
	40,437	36,217	42,298	28,007
Income tax expense	(7,953)	(6,112)	(5,963)	(2,618)
Net earnings (loss) from investments in joint ventures	7,500	(7,870)	13,547	(9,038)
<b>Net Earnings</b>	<b>\$ 39,984</b>	<b>\$ 22,235</b>	<b>\$ 49,882</b>	<b>\$ 16,351</b>
Basic earnings per share	\$ 1.06	\$ 0.59	\$ 1.32	\$ 0.43
Diluted earnings per share	\$ 0.96	\$ 0.55	\$ 1.23	\$ 0.43

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
<b>Domestic Dry-Bulk</b>				
Revenue	\$ 109,591	\$ 88,144	\$ 230,999	\$ 188,197
Operating earnings	32,795	27,444	36,662	20,472
<b>Product Tankers</b>				
Revenue	21,186	29,798	68,091	90,245
Operating earnings	3,969	8,689	9,014	15,267
<b>Ocean Self-Unloaders</b>				
Revenue	41,221	34,235	113,722	104,130
Operating earnings	10,366	6,319	18,599	13,717
<b>Corporate and Other</b>				
Revenue	2,736	2,825	7,208	8,797
Operating loss	(2,492)	(1,910)	(9,736)	(7,347)

The MD&A for the three and nine months ended September 30, 2021 includes further details. Full results for the third quarter ended September 30, 2021 can be found on the Company's website at [www.algonet.com/investor-relations](http://www.algonet.com/investor-relations) and on SEDAR at [www.sedar.com](http://www.sedar.com).

**Normal Course Issuer Bid**

Effective 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 December 1, 2021 to shareholders of record on November 17, 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 nine months ended September 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 and product tankers. Since 2010 we have introduced 10 new build vessels to our domestic dry-bulk fleet, with one under construction and expected to arrive in 2024, making us the youngest, most efficient and environmentally sustainable fleet on the Great Lakes. Each new vessel reduces carbon emissions on average by 40% versus the ship replaced. 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. Algoma truly is *Your Marine Carrier of Choice*™.

**For further information please contact:**

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**Or visit**

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