ALGOMA CENTRAL CORPORATION

2022 INTERIM REPORT TO SHAREHOLDERS

For the Three Months Ended March 31, 2022 and 2021

Your Marine Carrier of Choice™

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General

This Management's Discussion and Analysis ("MD&A") of the Company should be read in conjunction with its Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2022, and 2021 and related notes thereto and has been prepared as at May 4, 2022.

This MD&A has been prepared by reference to the disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Additional information on the Company, including its 2021 Annual Information Form, is available on SEDAR's website at *www.sedar.com* or on the Company's website at *www.algonet.com*.

Business Profile

Algoma Central Corporation 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. Algoma also owns ocean-going self-unloading dry-bulk vessels operating in international markets and a 50% interest in global joint ventures, which own a diversified portfolio of dry-bulk fleets operating internationally. In addition to its owned vessels, the Company provides operational management for four vessels; one owned by G3 Canada Limited and three by NovaAlgoma Cement Carriers ("NACC"), a related party.

The Company reports the results of its operations for six business units or segments. The largest is the Domestic Dry-Bulk segment, which includes the Company's 18 Canadian dry-bulk carriers. This segment serves a wide variety of major industrial sectors, including iron and steel producers, aggregate producers, cement and building material producers, salt producers and agricultural product distributors.

The Product Tanker fleet provides safe and reliable transportation of liquid petroleum products throughout the Great Lakes, St. Lawrence Seaway and Atlantic Canada regions. This business unit consists of seven double-hull product tankers employed in Canadian flag service. Domestic customers include major oil refiners, leading wholesale distributors, and large consumers of petroleum products.

The Company's international Ocean Self-Unloaders segment consists of eight ocean-going self-unloading vessels and a 50% interest in a ninth self-unloader. The eight self-unloaders are part of the world's largest pool of ocean-going self-unloaders, which at the end of March 31, 2022 totalled 18 vessels.

The Global Short Sea Shipping segment, which consists of the Company's NovaAlgoma joint ventures, focuses on niche marine transportation markets featuring specialized equipment or services. The cement carrier fleet comprises pneumatic cement carriers servicing large global cement manufacturers that support infrastructure projects. The short sea mini-bulker fleet comprises owned ships, chartered vessels, and vessels operated under third party management contracts. The fleet supports the agricultural, cement, construction, energy and steel industries worldwide. The handy-size fleet is an opportunistic sales and purchase vessel platform.

The Investment Properties segment consists of a shopping centre located in Sault Ste. Marie, Ontario that is currently held for sale.

The Corporate segment consists of the Company's head office expenditures, third party management services and other administrative functions of the Company.

Impact of Seasonality on the Company

The nature of the Company's business is such that the earnings in the first quarter of each year are not indicative of the results for the other three quarters in the year. Due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Waterway, the majority of the Domestic Dry-Bulk fleet does not operate for most of the first quarter. In addition, significant repair and maintenance costs are incurred in the first quarter to prepare the Domestic Dry-Bulk fleet for the upcoming navigation season. As a result, first quarter revenues and earnings are significantly lower than those of the remaining quarters in the year.

Important Information About This MD&A

The reporting currency used is the Canadian dollar and all amounts are reported in thousands of Canadian dollars, except for per share data, and unless otherwise noted.

Forward-Looking Statements

Algoma Central Corporation's public communications often include written or oral forward-looking statements. Statements of this type are included in this document and may be included in other filings with Canadian securities regulators or in other communications. All such statements are made pursuant to the safe harbour provisions of any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2022 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price and the results of or outlook for our operations or for the Canadian, U.S. and global economies. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to:

- the impact of climate change on markets served by our customers, including the impact of drought conditions on agricultural outputs and the impact of winter conditions on production and/or sale of certain commodities;
- the economic impact of COVID-19 in Canada, the U.S., and other global markets;

- general economic and market conditions in the countries in which we operate;
- our success in securing contract renewals and maintaining existing freight rates with existing customers;
- our success in securing contracts with new customers at acceptable freight rates;
- evolving regulations focused on carbon emissions and ballast water treatment that could require capital investments and increase costs that may not be recoverable from revenues;
- our ability to attract and retain qualified employees;
- interest rate and currency value fluctuations;
- our ability to execute our strategic plans and to complete and integrate acquisitions;
- critical accounting estimates;
- operational and infrastructure risks, including on-going maintenance and operational reliability of the St. Lawrence Seaway and Welland Canal;
- on-time and on-budget delivery of new ships from shipbuilders;
- general political conditions;
- labour relations with our unionized workforce;
- the possible effects on our business of war or terrorist activities;
- disruptions to public infrastructure, such as transportation, communications, power or water supply, including water levels;
- technological changes;
- significant competition in the shipping industry and from other transportation providers;
- reliance on partnering relationships;
- appropriate maintenance and repair of our existing fleet by third-party contractors;
- health and safety regulations that affect our operations can change and be onerous and the risk of safety incidents can affect results;
- a change in applicable laws and regulations, including environmental regulations, could materially affect our results;
- economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels;
- our ability to raise new equity and debt financing if required;
- general weather conditions or natural disasters;
- the seasonal nature of our business; and
- risks associated with the lease and ownership of real estate.

This should not be considered a complete list of all risks to which the Company may be subject from time to time. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements.

The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives and may not be appropriate for other purposes.

For more information, please see the discussion of risks in the Company’s Annual Information Form for the year ended December 31, 2021, which outlines in detail certain key factors that may affect the Company’s future results. The Annual Information Form can be found on the Company's website at www.algonet.com and on SEDAR's website at www.sedar.com.

Ocean Self-Unloaders

Algoma participates in the world's largest pool of ocean-going self-unloaders (the "Pool"). The Pool’s commercial results reflect a pro-rata share of Pool revenue and voyage costs (in operating expenses) for the Company's eight 100% owned ships. The costs incurred to operate these ships are recorded in operating expenses. Earnings from partially owned ships operating in this sector are included in the Company's joint venture, Marbulk. Algoma does not incur selling expenses on ocean self-unloader business, but instead pays a commercial fee to the Pool manager, which is reflected as an operating expense.

Global Short Sea Shipping

Revenue from the Global Short Sea segment, in which we participate via joint ventures, is not included in the consolidated revenue figure. The Company's 50% share of net earnings, adjusted for amortization arising from vessel purchase price allocation and intangibles, is included in net earnings of joint ventures in our consolidated earnings.

Non-GAAP Measures

This MD&A uses several financial measures to assess its performance including earnings before interest, income taxes, depreciation, and amortization (EBITDA), free cash flow, return on equity, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management’s perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how management assesses performance. The non-GAAP measures that are used throughout this report are defined below and can also be referred to in the sections entitled *EBITDA*, *Free Cash Flow*, *Select financial and operational performance* and *Adjusted performance measures*.

EBITDA

EBITDA is not intended to represent cash flow from operations, and it should not be considered as an alternative to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. Management considers EBITDA to be a meaningful measure to assess its operating performance in addition to other IFRS measures. It is included because Management believes it can be useful in measuring its ability to service debt, fund capital expenditures, expand its business and a metric that it is based on is used by credit providers in the financial covenants of the Company's senior secured long-term debt.

Free Cash Flow

Management believes that free cash flow is a useful measure of liquidity as it demonstrates the Company's ability to generate cash for debt obligations and for discretionary uses such as payments of dividends, investing activities and additions of property, plant, and equipment. The Company defines its free cash flow as cash from operating activities less debt service and capital required for maintenance of existing assets.

Adjusted Performance Measures

Management assesses results on a reported and adjusted basis and considers both as useful measures of performance. Adjusted results remove items of note from reported results and are used to calculate the adjusted measures. Items of note include certain items of significance that arise from time-to-time which Management believes are not reflective of underlying business performance. Management believes that adjusted measures provide the reader with a better understanding of how we assess underlying business performance and facilitate a more informed analysis of trends.

Select Financial and Operational Highlights

Financial Highlights

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Reported revenue	**$**	**85,103**	$	77,599	$	7,504
Freight revenues[1]		**113,046**		105,137		7,909
Operating loss		**(26,611)**		(29,393)		2,782
Net loss		**(19,571)**		(22,416)		2,845
Basic loss per share		**(0.52)**		(0.59)		0.07
Diluted loss per share		**(0.52)**		(0.59)		0.07
EBITDA[2]		**(2,120)**		(6,651)		4,531
Free Cash Flow[3]		**(15,948)**		(1,293)		(14,655)

As at		March 31 2022		December 31 2021		2022 vs. 2021
Common shares outstanding		**37,800,943**		37,800,943		—
Total assets	**$**	**1,176,306**	$	1,200,083	$	(23,777)
Total long-term financial liabilities	**$**	**389,497**	$	391,682	$	2,185

(1) Freight revenues includes our 50% share of freight revenue from the Global Short Sea Shipping segment and excludes revenues from non-marine activities of the Company.

(2) See the section entitled Important Information About This MD&A - EBITDA for an explanation of this non-GAAP measure.

(3) See the section entitled Important Information About This MD&A - Free Cash Flow for an explanation of this non-GAAP measure.

First Quarter 2022 Highlights

During the 2022 first quarter, the majority of our domestic dry-bulk fleet was laid-up for the winter months as a result of the closing on the canal system and the weather conditions on the Great Lakes - St. Lawrence Seaway. We typically experience a loss during this period as a result of lower vessel utilization and higher spending on winter vessel maintenance and repairs. As a result of the current global events, higher fuel prices are driving higher fuel cost recoveries; this was most notably experienced in the Ocean Self-Unloader and Global Short Sea Shipping segments. Additionally, fewer dry-dockings and higher overall base freight rates resulted in positive results in the Ocean Self-Unloader segment. In the Global Short Sea shipping segment, a modest rate improvement in the cement carrier fleet and the addition of two vessels to the fleet drove higher returns. This was offset by slightly lower revenue in the mini-bulker fleet, which was attributable to fewer owned vessels this quarter compared to 2021 and no revenues from handy-size vessels in the 2022 quarter.

Operational Highlights

The following table lists key measures of the Company's operating performance, for the purpose of measuring the efficiency and effectiveness of our operations. The operational highlights below relate only to our Domestic Dry-Bulk and Product Tanker segments.

For the three months ended March 31	2022	2021
Total cargo carried (metric tonne)[1]	**1,791,039**	2,047,309
Tonne-kilometre travelled[2]	**1,344,693,861**	1,517,864,321
Vessel utilization[3]		
Domestic Dry-Bulk	**85 %**	89 %
Product Tankers	**75 %**	70 %

(1) Total quantity of cargo in metric tonnes transported during the period.

(2) Total cargo tonne-kilometres travelled in the period. Calculated as cargo quantity multiplied by the distance in kilometres that the cargo quantity was transported.

(3) Total number of days that vessels operated expressed as a percentage of the total number of days that were available for vessels to operate based on a standard operating season. The standard season for Domestic Dry-Bulk excludes days on which the Welland Canal is closed.

EBITDA

The Company uses EBITDA as a measure of the cash generating capacity of its businesses. The following table provides a reconciliation of net earnings in accordance with GAAP, to the non-GAAP EBITDA measure for the three months ended March 31, 2022, and 2021 and presented herein:

For the three months ended March 31		**2022**		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Net loss	**$**	**(19,571)**	$	(22,416)	$	2,845
Adjustments to net loss:						
Depreciation and amortization		**16,745**		17,493		(748)
Interest expense, net		**4,974**		5,290		(316)
Other operating item		**—**		(300)		300
Foreign currency loss (gain)		**607**		(53)		660
Income tax recovery		**(10,157)**		(10,742)		585
Joint ventures						
Interest expense		**379**		590		(211)
Foreign exchange gain		**(85)**		(157)		72
Depreciation and amortization		**4,809**		3,777		1,032
Income tax expense		**177**		75		102
Loss (gain) on disposal of vessels		**2**		(208)		210
EBITDA[(1)]	**$**	**(2,120)**	$	(6,651)	$	4,531

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

Revenues

For the three months ended March 31		**2022**		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Reported Revenue	**$**	**85,103**	$	77,599	$	7,504
Freight revenues[(1)]	**$**	**113,046**	$	105,137	$	7,909
Other revenues		**2,158**		2,334		(176)
Total revenues	**$**	**115,204**	$	107,471	$	7,733
Freight revenues						
Domestic Dry-Bulk	**$**	**24,588**	$	24,552	$	36
Product Tankers		**18,036**		18,217		(181)
Ocean Self-Unloaders		**40,321**		32,496		7,825
Global Short Sea Shipping[(1)]		**30,101**		29,872		229
Investment Properties[(1)]		**—**		—		—
Corporate[(1)]		**—**		—		—
Total freight revenues	**$**	**113,046**	$	105,137	$	7,909

(1) Freight revenues include our 50% share of freight revenue from the Global Short Sea Shipping segment. The Investment Properties and Corporate segments do not generate freight revenue.

- Freight markets in the Domestic Dry-Bulk segment are generally slower during the first quarter as a result of the closing of the canal system and winter weather conditions on the Great Lakes - St. Lawrence Seaway. Strong freight rates across several sectors partially offset the decline in overall volumes during the quarter.
- The continuation of travel restrictions and uncertainties continued to impact demand for petroleum products in the first quarter of 2022, partially offset by higher fuel recovery charges.
- Volumes in the Ocean Self-Unloader segment were primarily impacted by reduced demand across all sectors, offset by strong freight rates in the aggregate and gypsum sectors. Revenue improvements quarter-over-quarter were driven primarily by more on-hire days, reflecting fewer dry-dockings than in the first quarter of 2021.
- During the 2022 first quarter, higher fuel cost recoveries and a steady rate improvement in the cement carrier fleet primarily drove the increased revenues.

Adjusted Performance Measures

Management assesses results on a reported and adjusted basis and considers both as useful measures of performance. Adjusted results remove items of note from reported results and are used to calculate the adjusted measures noted below. Items of note include certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. We believe that adjusted measures provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends. Adjusted net loss below is net of income tax. These measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

The following table provides a reconciliation of net loss and basic and diluted loss per share in accordance with GAAP, as reported for the three months ended March 31, 2022 and 2021, to the adjusted non-GAAP performance measures presented herein:

For the three months ended March 31		**2022**		2021
Net loss	**$**	**(19,571)**	$	(22,416)
Adjustments:		—		—
Adjusted net loss	**$**	**(19,571)**	$	(22,416)
Basic loss per share	**$**	**(0.52)**	$	(0.59)
Impact of adjustments per share		**—**		—
Adjusted basic loss per share	**$**	**(0.52)**	$	(0.59)
Diluted loss per share	**$**	**(0.52)**	$	(0.59)
Impact of adjustments per share		**—**		—
Adjusted diluted loss per share	**$**	**(0.52)**	$	(0.59)

- There were no adjustments during the three months ended March 31, 2022 and 2021.

The following table provides a reconciliation of operating loss in accordance with GAAP, as reported for the three months ended March 31, 2022 and 2021, to the adjusted non-GAAP performance measures presented herein:

For the three months ended March 31		**2022**		2021
Revenue	**$**	**85,103**	$	77,599
Operating loss	**$**	**(26,611)**	$	(29,393)
Adjustments:		—		—
Adjusted operating loss	**$**	**(26,611)**	$	(29,393)
Profit margin		**(31.27)%**		(37.88)%
Impact of adjustments on profit margin		**— %**		— %
Adjusted profit margin		**(31.27)%**		(37.88)%

- There were no adjustments during the three months ended March 31, 2022 and 2021.

Domestic Dry-Bulk Segment

Financial Performance

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Revenue	**$ 24,588**	$ 24,552	$ 36
Operating expenses	**(42,239)**	(44,909)	2,670
Selling, general and administrative	**(2,994)**	(2,944)	(50)
Other operating item	**—**	300	(300)
Depreciation and amortization	**(6,575)**	(6,685)	110
Operating loss	**(27,220)**	(29,686)	2,466
Income tax recovery	**7,232**	7,878	(646)
Net loss	**$ (19,988)**	$ (21,808)	$ 1,820

Operational Performance

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Volumes (metric tonnes)			
Iron and steel	**674**	762	(88)
Construction	**—**	40	(40)
Agriculture	**91**	170	(79)
Salt	**607**	761	(154)
Total volumes	**1,372**	1,733	(361)
Revenue Days	**387**	393	(6)
Operating Days	**453**	453	—

EBITDA

The following table provides a reconciliation of net loss in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three months ended March 31, 2022 and 2021 and presented herein:

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Net loss	**$ (19,988)**	$ (21,808)	$ 1,820
Adjustments to net loss:			
Depreciation and amortization	**6,575**	6,685	(110)
Income tax recovery	**(7,232)**	(7,878)	646
Other operating item	**—**	(300)	300
EBITDA[(1)]	**$ (20,645)**	$ (23,301)	$ 2,656

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 First Quarter Overview

The slight increase in revenue in the Domestic Dry-Bulk segment was driven by increased fuel recoveries reflecting higher oil prices globally and other voyage cost recoveries offset by 21% lower overall volumes. Revenue days for the quarter were down only slightly compared to the prior year.

Reduced winter maintenance spending this year compared to the previous year was partially offset by higher operating costs, particularly for supplies and repairs. Operating days were unchanged year over year.

2022 Outlook

The impact of the drought in Western Canada is a significant factor in 2022. We currently expect reduced grain volumes, at least until the 2022 fall harvest. Reduced grain volumes will impact the efficiency of some of our trade routes in the spring and summer and we have adjusted the pace of our vessel fit-out schedule to match vessel capacity to customer demand. The impact on global markets of the Russian invasion of Ukraine is expected to extend to grain trade patterns, which could shift some grain shipments to Great Lakes routes. Other commodities may also be affected by changing global trading patterns and we are preparing to be as nimble as possible to respond to shifting customer requirements. Our overall outlook for the segment is not materially different than it was three months ago as we still expect the lack of winter carry-over grain volumes to be a key driver of vessel utilization.

Product Tankers Segment

Financial Performance

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Revenue	$	**18,036**	$	18,217	$	(181)
Operating expenses		**(15,116)**		(13,452)		(1,664)
Selling, general and administrative		**(1,254)**		(1,047)		(207)
Depreciation and amortization		**(3,225)**		(3,494)		269
Operating (loss) earnings		**(1,559)**		224		(1,783)
Income tax recovery (expense)		**412**		(59)		471
Net (loss) earnings	$	**(1,147)**	$	165	$	(1,312)

Operational Performance

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Freight Revenue						
Petroleum products	$	**18,036**	$	18,217	$	(181)
Total volumes	$	**18,036**	$	18,217	$	(181)
Volume (metric tonnes)						
Petroleum products		**419**		314		105
Total volumes		**419**		314		105
Revenue days (owned fleet)		**380**		411		(31)
Operating days (owned fleet)		**410**		468		(58)

EBITDA

The following table provides a reconciliation of net (loss) earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three months ended March 31, 2022 and 2021 and presented herein:

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Net (loss) earnings	$	**(1,147)**	$	165	$	(1,312)
Adjustments to net (loss) earnings:						
Depreciation and amortization		**3,225**		3,494		269
Income tax recovery (expense)		**(412)**		59		(471)
EBITDA[(1)]	$	**1,666**	$	3,718	$	(2,052)

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 First Quarter Overview

A 7.5% reduction in revenue days as a result of lower customer demand was partially offset by the impact of higher fuel cost recoveries, resulting in a 1% decrease in revenues for the Product Tanker segment in 2022.

Despite the 12% decrease in operating days, operating expenses rose in the 2022 quarter because of rising fuel prices and higher crew costs.

Outlook

We expect Product Tanker utilization in 2022 to be similar to 2021 as our customers continue to recover from the impact that COVID-19 has had on the demand for wholesale petroleum products.

Ocean Self-Unloaders Segment

Financial Performance

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Annual foreign exchange rate average		**1.2663**		1.2666		(0.0003)
Revenue	**$**	**40,321**	$	32,496	$	7,825
Operating expenses		**(27,328)**		(21,419)		(5,909)
Selling, general and administrative		**(334)**		(306)		(28)
Depreciation and amortization		**(6,551)**		(6,402)		(149)
Operating earnings		**6,108**		4,369		1,739
Net (loss) earnings from investments in joint ventures		**(36)**		28		(64)
Net earnings	**$**	**6,072**	$	4,397	$	1,675

Operational Performance

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Pool Volumes (metric tonnes)[(1)]			
Gypsum	**341**	392	(51)
Aggregates	**900**	1,052	(152)
Coal	**693**	816	(123)
Other	**88**	67	21
Total volumes	**2,022**	2,327	(305)
Revenue days	**704**	620	84
Operating days	**720**	628	92
Off-hire days for dry-docking	**—**	92	92

(1) Pool volumes exclude volumes carried on vessels that were under time charter arrangements in the periods.

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three months ended March 31, 2022 and 2021 and presented herein:

For the three months ended March 31		2022		2021		Favourable/ (Unfavourable) 2022 vs. 2021
Net earnings	**$**	**6,072**	$	4,397	$	1,675
Adjustments to net earnings:						
Depreciation and amortization		**6,551**		6,402		149
Joint Venture:						
Depreciation and amortization		**178**		180		(2)
Foreign exchange gain		**—**		(1)		1
EBITDA[(1)]	**$**	**12,801**	$	10,978	$	1,823

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 First Quarter Overview

Revenue was higher in 2022 driven by higher fuel cost recoveries and a 14% increase in revenue days mainly due to fewer dry-dockings compared to the first quarter of 2021 when two vessels were dry-docked compared to none this year. Additionally, overall base freight rates were strong, most notably in the aggregates and gypsum sectors; this offset the impact of a 13% decrease in overall Pool volumes.

Operating costs were higher in the first quarter of 2022, driven by a 15% increase in operating days compared to the same period last year and increased global fuel prices. Operating days for 2021 reflects the impact of vessel dry-dockings last year.

Outlook

Vessel supply at the Pool level is fairly well balanced for the remainder of the year. We are not currently expecting much impact from the war in Ukraine on the Pool business, aside from the effect of oil prices. Two Algoma vessels have significant dry-dockings later in the year. We remain optimistic that cargo volumes will grow gradually.

Global Short Sea Shipping Segment

Financial Results Overview

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Annual foreign exchange rate average	**1.2663**	1.2666	(0.0003)
Revenue	**$ 60,202**	$ 59,744	$ 458
Operating expenses	**(43,862)**	(47,339)	3,477
Selling, general and administrative	**(1,358)**	(1,836)	478
Depreciation and amortization	**(8,966)**	(6,895)	(2,071)
Operating earnings	**6,016**	3,674	2,342
(Loss) gain on sale of vessels	**(4)**	415	(419)
Interest expense	**(757)**	(1,180)	423
Foreign exchange gain	**169**	312	(143)
Earnings before undernoted	**5,424**	3,221	2,203
Income tax expense	**(354)**	(150)	(204)
Net earnings of joint ventures	**1,207**	267	940
Net earnings attributable to non-controlling interest	**(981)**	(152)	(829)
Net earnings	**$ 5,296**	$ 3,186	$ 2,110
Company share of net earnings above	**$ 2,648**	$ 1,593	$ 1,055
Amortization of vessel purchase price allocation and intangibles	**(148)**	(149)	1
Company share included in net earnings from investments in joint ventures	**$ 2,500**	$ 1,444	$ 1,056

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three months ended March 31, 2022 and 2021 and presented herein:

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Company share of net earnings from investments in joint ventures	**$ 2,500**	$ 1,444	$ 1,056
Adjustments to net earnings:			
Depreciation and amortization	**4,631**	3,597	1,034
Interest expense	**379**	590	(211)
Income tax expense	**177**	75	102
Foreign currency gain	**(85)**	(156)	71
Loss (gain) on disposal of vessels	**2**	(208)	210
Company share of EBITDA(1)	**$ 7,604**	$ 5,342	$ 2,262

(1) Please refer to the section entitled Important Information About This MD&A for an explanation of this non-GAAP measure.

2022 First Quarter Overview

Revenue was slightly higher during the first quarter of 2022 primarily driven by a 34% increase in revenue in the cement fleet, partially offset by lower revenue in mini-bulker and handy-size fleets. Higher fuel cost recoveries and a modest rate improvement were the primary drivers of the revenue increase in the cement fleet. Additionally, two vessels were added to the fleet during the quarter. The cement sector increase was offset by slightly lower revenue in the mini-bulker fleet, which was attributable to fewer owned vessels this quarter compared to 2021 and no revenues from handy-size vessels in the 2022 first quarter. This was partially offset by higher fuel cost recoveries and stronger mini-bulker freight rates year-over-year. We initially acquired the handy-size vessels in order to participate in the active international sales and purchase market; during the first quarter of 2021 there were four vessels operating in the fleet compared to none this quarter.

The decrease in operating costs in the first quarter of 2022 reflects the reduction in the handy-size fleet this year and the reduction of the number of owned vessels in the mini-bulker fleet. Offsetting the decrease were higher global fuel prices and a 52% increase in operating costs in the cement fleet as a result of higher dry-dock spending, particularly in our domestic cement fleet, and the addition of two vessels to the fleet.

The increase to deprecation this quarter was a result of the addition of the two cement vessels.

Our interest in our Northern European joint venture cement fleet increased by 25% in late 2021 bringing our share equity in the business to 50%, resulting in an increase in equity earnings at the joint venture level.

Outlook

We are anticipating solid charter rates for the next quarter, building a very strong first quarter market for the mini-bulker fleet, followed by gradual normalization for the remainder of 2022. This outlook could change rapidly if global markets slow appreciably. The cement sector is expected to remain steady for the 2022 season and we are expecting the third of three newly acquired cement carriers to be delivered in late June. Two handy-size bulk carriers will also join the handy-size fleet later this year.

Investment Properties Segment

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Revenue	**$ 1,535**	$ 1,593	$ (58)
Operating expenses	**(1,598)**	(1,248)	(350)
Depreciation	**—**	(643)	643
Operating loss	**(63)**	(298)	235
Income tax recovery	**17**	368	(351)
Net (loss) earnings	**$ (46)**	$ 70	$ (116)

The Company owns a shopping centre located in Sault Ste. Marie, Ontario.

Corporate Segment

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Revenue	**$ 623**	$ 741	$ (118)
Operating expenses	**(277)**	(261)	(16)
Selling, general and administrative	**(3,829)**	(4,213)	384
Depreciation	**(394)**	(269)	(125)
Operating loss	**(3,877)**	(4,002)	125
Foreign currency (loss) gain	**(607)**	53	(660)
Interest expense, net	**(4,974)**	(5,290)	316
Income tax recovery	**2,496**	2,555	(59)
Net loss	**$ (6,962)**	$ (6,684)	$ (278)

The Corporate segment consists of revenue from management services provided to third parties, head office expenditures and other administrative expenses of the Company. Revenues are also generated from rental income provided by third party tenants in the Company's head office building. Operating expenses include the operating costs of that office building.

Consolidated

Interest Expense

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Interest expense on borrowings	**$ 4,441**	$ 4,839	$ 398
Amortization of financing costs	**402**	385	(17)
Interest on employee future benefits, net	**214**	363	149
Interest capitalized on vessels under construction	**(72)**	(270)	(198)
	$ 4,985	$ 5,317	$ 332

Foreign Currency (Loss) Gain

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
(Loss) gain on foreign denominated cash	**$ (607)**	$ 1	$ (608)
Gain on foreign exchange forward contracts	**—**	52	(52)
	$ (607)	$ 53	$ (660)

Income Taxes

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Combined federal and provincial statutory income tax rate	**26.5 %**	26.5 %	— %
Net loss before income tax and net earnings from investments in joint ventures	**$ (32,192)**	$ (34,630)	$ 2,438
Expected income tax recovery	**$ 8,531**	$ 9,177	$ (646)
Increase (decrease) in recovery resulting from:			
Foreign tax rates different from Canadian statutory rate	**1,617**	1,152	465
Effect of items that are non deductible	**—**	9	(9)
Adjustments to prior period provision	**—**	410	(410)
Other	**9**	(6)	15
Actual tax recovery	**$ 10,157**	$ 10,742	$ (585)

Earnings from the Company's foreign subsidiaries are taxed in jurisdictions which have nil income tax rates. The Canadian statutory rate for the Company for both 2022 and 2021 was 26.5%. Any variation in the effective income tax rate from the statutory income tax rate is due mainly to the lower income tax rates applicable to foreign subsidiaries, the effect of taxable and non-taxable items that may or may not be included in earnings and changes to income tax provisions related to prior periods.

Actual tax recovery was $585 lower for the three months ended March 31, 2022 compared to the same period in 2021 as a result of an increase in earnings generated in our domestic segments where earnings are taxed.

Contingencies

For information on contingencies, please refer to Note 28 of the Consolidated Financial Statements for the years ending December 31, 2021 and 2020. There have been no significant changes in the items presented since December 31, 2021.

Capital Resources

The Company has cash on hand of $83,156 at March 31, 2022. Available credit facilities along with projected cash from operations for 2022 are expected to be more than sufficient to meet the Company's planned operating and capital requirements and other contractual obligations for the year.

The Company maintains credit facilities that are reviewed periodically to determine if sufficient capital is available to meet current and anticipated needs. The Company's bank credit facility (the "Facility") expires December 10, 2023 and comprises a $75 million Canadian dollar and a $75 million U.S. dollar senior secured revolving bank credit facility provided by a syndicate of four banks. The Facility bears interest at rates that are based on the Company's ratio of net senior debt, as defined, to earnings before interest, taxes, depreciation and amortization and ranges from 185 to 315 basis points above bankers' acceptance or LIBOR rates. The Company has granted a general security agreement in favour of the senior secured lenders and has granted specific collateral mortgages covering the majority of its wholly owned vessels. The Company's real estate assets and certain vessels, including ones that are not wholly owned, are not directly encumbered under this Facility.

The Company is subject to certain covenants under the terms of the Bank Facility and the Notes, including ones with respect to maintaining defined financial ratios and other conditions. As at March 31, 2022, the Company was in compliance with all of its covenants.

Transactions with Related Parties

The Company's ultimate controlling party is The Honourable Henry N. R. Jackman, together with a trust created in 1969 by his father, Henry R. Jackman.

There were no transactions with related parties for the three months ended March 31, 2022.

Financial Condition, Liquidity and Capital Resources

Cash Flows

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Net cash (used in) generated from operating activities	**$ (8,709)**	$ 3,791	$ (12,500)
Net cash used in investing activities	**(9,728)**	(6,875)	(2,853)
Net cash used in financing activities	**(6,570)**	(46,168)	39,598
Net change in cash	**(25,007)**	(49,252)	24,245
Effects of exchange rate changes on cash held in foreign currencies	**(779)**	(1,582)	803
Cash, beginning of period	**108,942**	103,910	5,032
Cash, end of period	**$ 83,156**	$ 53,076	$ 30,080

Investing Activities

Net cash used in investing activities increased during the first quarter of 2022 primarily as a result of additional investments made that were used for the acquisition of a vessel in our global short sea shipping joint venture.

Financing Activities

Net cash used in financing activities decreased during the first quarter of 2022 compared to the same period in 2021 driven primarily by the special dividend of $97,679 paid in January 2021.

Free Cash Flow

The following table provides a reconciliation of net cash generated from operating activities in accordance with GAAP to the non-GAAP free cash flow, as reported for the three months ended March 31, 2022 and 2021 and presented herein:

For the three months ended March 31	2022	2021	Favourable/ (Unfavourable) 2022 vs. 2021
Net cash (used in) generated from operating activities	**$ (8,709)**	$ 3,791	$ (12,500)
Net debt service repayments	**(315)**	(750)	435
Capital required for maintenance of existing assets	**(6,924)**	(4,334)	(2,590)
Free cash flow[(1)]	**$ (15,948)**	$ (1,293)	$ (14,655)

(1) Please refer to the section entitled Important Information About This MD&A - Free Cash Flow for an explanation of this non-GAAP measure.

- Cash flow is typically lower in the first quarter due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Seaway. Additionally, operating costs are generally higher as a result of annual winter maintenance spending.

Normal Course Issuer Bid

Effective March 21, 2022, the Company renewed its normal course issuer bid (the "2022 NCIB") with the intention to purchase, through the facilities of the TSX, up to 1,890,047 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 9, 2022 (the "NCIB").

Subject to prescribed exceptions, the Company is allowed to purchase up to 1,517 Common Shares on the TSX during any trading day, representing approximately 25% of the average daily trading volume of the shares on the TSX for the previous six calendar months, being 6,070 Shares. Any Shares purchased under the 2021 NCIB are cancelled. The Company did not purchase Shares under the 2021 NCIB.

In conjunction with the renewal of the NCIB, Algoma entered into a new automatic share purchase plan (the "ASPP") with a designated broker to allow for the purchase of its Shares under the NCIB at times when Algoma normally would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods. Before the commencement of any particular internal trading black-out period, Algoma may, but is not required to, instruct its designated broker to make purchases of Shares under the NCIB during the ensuing black-out period in accordance with the terms of the ASPP. Such purchases will be determined by the broker in its sole discretion based on parameters established by Algoma prior to commencement of the applicable black-out period in accordance with the terms of the ASPP and applicable TSX rules. Outside of these black-out periods, Shares will continue to be purchasable by Algoma at its discretion under its NCIB.

The ASPP will commence on the Company's behalf during any quarterly blackout period of the Company and will terminate on the earliest of the date on which: (a) the maximum annual purchase limit under the NCIB has been reached; (b) Algoma terminates the ASPP in accordance with its terms; or (c) the NCIB expires. The ASPP constitutes an "automatic securities purchase plan" under applicable Canadian securities laws.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at March 31, 2022 that affect the Company's liquidity and capital resource needs.

	2022	2023	2024	2025	2026	2027 and Beyond	Total
Long-term debt	$ 112	$ 5,197	$ 81,263	$ —	$ —	$ 311,691	$ 398,263
Capital asset commitments	39,828	54,501	—	—	—	—	94,329
Interest payments on long-term debt	16,375	16,248	14,023	11,857	11,857	85,673	156,033
Employee future benefit special payments	1,089	—	—	—	—	—	1,089
Leases	69	114	117	122	72	—	494
	$ 57,473	$ 76,060	$ 95,403	$ 11,979	$ 11,929	$ 397,364	$ 650,208

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

In accordance with the requirements of National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2022. Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, Management has concluded that the Company's disclosure controls and procedures were effective as of March 31, 2022.

Internal Controls over Financial Reporting

The Company's management is responsible for designing, establishing and maintaining an adequate system of internal controls over financial reporting. The internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with IFRS. Because of inherent limitations, internal controls over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management has used the criteria established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission to assess, with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting. Based on this assessment, Management has concluded that the Company's internal controls over financial reporting are operating effectively as of March 31, 2022.

Changes in Internal Controls over Financial Reporting

During the period ended March 31, 2022, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ALGOMA CENTRAL CORPORATION

Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021

Notice of disclosure of no auditor review of interim condensed consolidated financial statements pursuant to National Instrument 51-02, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying interim condensed consolidated financial statements of Algoma Central Corporation for the three months ended March 31, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Earnings

For the three months ended March 31	Notes		2022		2021
(unaudited, in thousands of dollars, except per share data)					
Revenue	3	$	**85,103**	$	77,599
Operating expenses			**(86,558)**		(81,289)
Selling, general and administrative expenses			**(8,411)**		(8,510)
Other operating item			**—**		300
Depreciation and amortization			**(16,745)**		(17,493)
Operating loss			**(26,611)**		(29,393)
Interest expense	5		**(4,985)**		(5,317)
Interest income			**11**		27
Foreign currency (loss) gain	6		**(607)**		53
			(32,192)		(34,630)
Income tax recovery	7		**10,157**		10,742
Net earnings from investments in joint ventures	4		**2,464**		1,472
Net loss		**$**	**(19,571)**	$	(22,416)
Basic loss per share	16	**$**	**(0.52)**	$	(0.59)
Diluted loss per share	16	**$**	**(0.52)**	$	(0.59)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the three months ended March 31	Notes		2022		2021
Net loss		**$**	**(19,571)**	$	(22,416)
Other Comprehensive Earnings					
Items that may be subsequently reclassified to net earnings:					
Unrealized loss on translation of financial statements of foreign operations			**(5,956)**		(5,257)
Unrealized gain on hedging instruments, net of income tax			**2,006**		1,486
Foreign exchange gain on purchase commitment hedge reserve, net of income tax, transferred to:					
Property, plant, and equipment			**—**		175
Items that will not be subsequently reclassified to net earnings:					
Employee future benefits actuarial gain, net of income tax			**9,250**		13,480
			5,300		9,884
Comprehensive loss		**$**	**(14,271)**	$	(12,532)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes		March 31 2022		December 31 2021
Assets					
Current					
Cash		**$**	**83,156**	$	108,942
Accounts receivable			**42,360**		56,560
Income taxes recoverable			**12,608**		4,052
Other current assets	9		**27,667**		21,020
			165,791		190,574
Property, plant, and equipment	10		**807,123**		818,922
Investments in joint ventures	4		**157,407**		155,140
Goodwill	11		**7,910**		7,910
Employee future benefits			**15,094**		4,618
Non-current asset held for sale	10		**14,653**		14,167
Other assets	12		**8,328**		8,752
		$	**1,176,306**	$	1,200,083
Liabilities					
Current					
Accounts payable and accrued charges		**$**	**77,545**	$	79,167
Current portion of long-term debt	15		**5,305**		150
Income taxes payable			**37**		794
Other current liabilities	13		**8,566**		4,400
			91,453		84,511
Long-term debt	15		**384,192**		391,532
Employee future benefits			**21,417**		23,882
Deferred income taxes			**58,686**		57,728
Other long-term liabilities	14		**1,113**		2,147
			465,408		475,289
Commitments	19				
Shareholders' Equity					
Share capital	16		**8,110**		8,110
Contributed surplus			**844**		985
Convertible debentures			**2,309**		2,309
Accumulated other comprehensive loss	17		**(35,269)**		(31,319)
Retained earnings			**643,451**		660,198
			619,445		640,283
		$	**1,176,306**	$	1,200,083

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

(unaudited, in thousands of dollars)	Share Capital	Contributed Surplus and Convertible Debentures	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	(Note 16)		(Note 17)		
Balance at January 1, 2021	$ 8,110	$ 3,337	$ (32,787)	$ 581,956	$ 560,616
Net loss	—	—	—	(22,416)	(22,416)
Dividends	—	—	—	(6,426)	(6,426)
Share-based compensation	—	47	—	—	47
Other comprehensive (loss) earnings	—	—	(3,596)	13,480	9,884
Balance at March 31, 2021	$ 8,110	$ 3,384	$ (36,383)	$ 566,594	$ 541,705
Balance at January 1, 2022	$ 8,110	$ 3,294	$ (31,319)	$ 660,198	$ 640,283
Net loss	—	—	—	(19,571)	(19,571)
Dividends	—	—	—	(6,426)	(6,426)
Share-based compensation	—	(141)	—	—	(141)
Other comprehensive (loss) earnings	—	—	(3,950)	9,250	5,300
Balance at March 31, 2022	**$ 8,110**	**$ 3,153**	**$ (35,269)**	**$ 643,451**	**$ 619,445**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the three months ended March 31 (unaudited, in thousands of dollars)	Notes	**2022**	2021
Net (Outflow) Inflow of Cash Related to the Following Activities			
Operating			
Net loss		**$ (19,571)**	$ (22,416)
Net earnings from investments in joint ventures	4	**(2,464)**	(1,472)
Items not affecting cash			
Depreciation and amortization		**16,745**	17,493
Gain on disposal of vessel		**—**	(300)
Other non-cash items		**(4,255)**	(4,829)
Net change in non-cash working capital		**3,362**	17,336
Income taxes paid, net		**(1,497)**	(1,348)
Employee future benefits paid		**(1,029)**	(673)
Net cash (used in) generated from operating activities		**(8,709)**	3,791
Investing			
Additions to property, plant, and equipment	18	**(7,567)**	(4,609)
Investment in joint ventures	4	**(2,099)**	—
Progress payments for shipbuilding contracts		**(62)**	(3,116)
Proceeds on sale of property, plant, and equipment		**—**	850
Net cash used in investing activities		**(9,728)**	(6,875)
Financing			
Interest paid		**(277)**	(714)
Interest received		**11**	27
Proceeds of long-term debt		**—**	58,500
Repayments of long-term debt		**(38)**	(36)
Dividends paid		**(6,266)**	(103,945)
Net cash used in financing activities		**(6,570)**	(46,168)
Net change in cash		**(25,007)**	(49,252)
Effects of exchange rate changes on cash held in foreign currencies		**(779)**	(1,582)
Cash, beginning of period		**108,942**	103,910
Cash, end of period		**$ 83,156**	$ 53,076

See accompanying notes to the interim condensed consolidated financial statements

Notes to the Interim Condensed Consolidated Financial Statements

1. Organization and Description of Business

Algoma Central Corporation (the "Company") is incorporated in Canada and is listed on the Toronto Stock Exchange. The address of the Company's registered office is 63 Church St, Suite 600, St. Catharines, Ontario, Canada. The interim condensed consolidated financial statements of the Company for the three months ended March 31, 2022 and 2021 comprise the Company, its subsidiaries and the Company's interests in associated and jointly controlled entities.

The principal subsidiaries are Algoma Shipping Ltd., Algoma International Shipholdings Ltd., Algoma Tankers Limited and Algoma Central Properties Inc. The principal jointly controlled entities are Marbulk Canada Inc. (50%), NovaAlgoma Cement Carriers Limited (50%), NovaAlgoma Short-Sea Holdings Ltd. (50%) and NovaAlgoma Bulk Holdings Ltd. (50%). In addition, Algoma Shipping Ltd. is a member of an international pool arrangement (the "Pool"), under which revenues and related voyage expenses are distributed to each Pool member based on an agreed formula reflecting the earnings capacity of the vessels each Pool member has placed in the Pool.

Algoma Central Corporation owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes – St. Lawrence Waterway. The Company's Canadian flag fleet consists of self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers.

The Domestic Dry-Bulk marine transportation segment includes ownership and management of the operational and commercial activities of the Company's 18-vessel fleet. The dry-bulk vessels carry cargoes of raw materials such as iron ore, grain, salt and aggregates and operate throughout the Great Lakes – St. Lawrence Waterway, from the Gulf of St. Lawrence through all five Great Lakes. This segment also includes the operational management of vessels owned by other ship owners.

The Product Tankers marine transportation segment includes ownership and management of the operational and commercial activities of seven Canadian flag tanker vessels operating on the Great Lakes, the St. Lawrence Seaway and the east coast of North America.

The Ocean Self-Unloaders marine transportation segment includes ownership interests in eight ocean-going self-unloading vessels and a 50% interest in a ninth self-unloader. The ocean vessels are engaged in the carriage of dry-bulk commodities in worldwide trades in the ocean Pool.

The Global Short Sea Shipping segment includes the Company's 50% interests in NovaAlgoma Cement Carriers Limited, NovaAlgoma Short-Sea Holdings Ltd. and NovaAlgoma Bulk Holdings Ltd.

The nature of the Company's business is such that the earnings in the first quarter of each year are not indicative of the results for the other three quarters in a year. Due to the closing of the canal system and the winter weather conditions in the Great Lakes – St. Lawrence Waterway, the majority of the domestic dry-bulk fleet does not operate for most of the first quarter. In addition, significant repair and maintenance costs are incurred in the first quarter to prepare the domestic dry-bulk fleet for the upcoming navigation season. As a result, first quarter revenues and earnings are significantly lower than those for the remaining three quarters of the year.

2. Statement of Compliance

The financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and using the same accounting policies and methods as were used for the Company's Consolidated Financial Statements and the notes thereto for the years ended December 31, 2021 and 2020 . The financial statements should be read in conjunction with the Company's Consolidated Financial Statements for the years ended December 31, 2021 and 2020.

The reporting currency used is the Canadian dollar and all amounts are reported in thousands of Canadian dollars, except for share data, unless otherwise noted.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on May 4, 2022.

3. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended March 31	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
(unaudited, in thousands of dollars)						
2022						
Contract of Affreightment	$ 10,833	$ —	$ —	$ —	$ —	$ 10,833
Time Charter	13,647	18,036	—	—	—	31,683
Pool Revenue Share	—	—	40,321	—	—	40,321
Other	108	—	—	1,535	623	2,266
	$ 24,588	**$ 18,036**	**$ 40,321**	**$ 1,535**	**$ 623**	**$ 85,103**
2021						
Contract of Affreightment	$ 14,179	$ —	$ —	$ —	$ —	$ 14,179
Time Charter	10,287	18,217	—	—	—	28,504
Pool Revenue Share	—	—	32,496	—	—	32,496
Other	86	—	—	1,593	741	2,420
	$ 24,552	$ 18,217	$ 32,496	$ 1,593	$ 741	$ 77,599

The Company's unbilled revenue and deferred revenue are as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Unbilled revenue	**$ 5,569**	$ 14,799
Deferred revenue	**$ 1,278**	$ 1,122

4. Joint Ventures

The Company has a 50% interest in Marbulk Canada Inc. ("Marbulk"), which owns and operates ocean-going vessels, a 50% interest in NovaAlgoma Cement Carriers Limited ("NACC"), which owns and operates pneumatic cement carriers to support infrastructure projects worldwide, a 50% interest in NovaAlgoma Short-Sea Holdings Ltd. ("NASC"), which owns and manages a fleet of short sea mini-bulkers operating in global markets, and a 50% interest in NovaAlgoma Bulk Holdings Ltd. ("NABH"), which participates in the trade of purchasing and selling handy-size vessels. In the tables below, Marbulk results are presented in "Ocean Self-Unloaders" and all NovaAlgoma joint ventures are presented in "Global Short Sea Shipping".

Operating results of the Company's joint ventures are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**		2021	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Revenue	**$ 1,506**	**$ 60,202**	$ 1,699	$ 59,744
Operating expenses	**(1,090)**	**(43,862)**	(1,150)	(47,339)
General and administrative	**(132)**	**(1,358)**	(136)	(1,836)
Depreciation and amortization	**(356)**	**(8,966)**	(359)	(6,895)
Operating (loss) earnings	**(72)**	**6,016**	54	3,674
Interest expense	**—**	**(757)**	—	(1,180)
Foreign exchange gain	**—**	**169**	1	312
(Loss) gain on sale of vessels	**—**	**(4)**	—	415
(Loss) earnings before undernoted	**(72)**	**5,424**	55	3,221
Net earnings of joint ventures	**—**	**1,207**	—	267
Net earnings attributable to non-controlling interest	**—**	**(981)**	—	(152)
Income tax expense	**—**	**(354)**	—	(150)
Net (loss) earnings	**$ (72)**	**$ 5,296**	$ 55	$ 3,186
Company share of net (loss) earnings	**$ (36)**	**$ 2,648**	$ 28	$ 1,593
Amortization of vessel purchase price allocation and intangibles	**—**	**(148)**	—	(149)
Company share of net (loss) earnings from investments in joint ventures	**$ (36)**	**$ 2,500**	$ 28	$ 1,444

The Company's total share of net earnings from the investments in joint ventures by reportable operating segment are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**	2021
Ocean Self-Unloaders	**$ (36)**	$ 28
Global Short Sea Shipping	**2,500**	1,444
	$ 2,464	$ 1,472

The assets and liabilities of the joint ventures by segment are as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**		December 31 2021	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Cash	**$ 3,118**	**$ 31,203**	$ 3,712	$ 28,117
Other current assets	**1,003**	**49,932**	532	57,455
Income taxes recoverable	**47**	**209**	48	223
Property, plant, and equipment	**3,241**	**343,765**	3,644	318,779
Investment in joint ventures	**—**	**46,176**	—	44,027
Other assets	**—**	**12,461**	—	14,627
Current liabilities	**(292)**	**(66,849)**	(642)	(54,176)
Current portion of long-term debt	**—**	**(26,441)**	—	(21,450)
Long-term debt	**—**	**(90,963)**	—	(80,601)
Other long-term liabilities	**—**	**(10,232)**	—	(13,330)
Non-controlling interest	**—**	**(3,688)**	—	(3,646)
Net assets of jointly controlled operations	**$ 7,117**	**$ 285,573**	$ 7,294	$ 290,025
Company share of net assets	**$ 3,559**	**$ 147,524**	$ 3,647	$ 145,013
Goodwill and other purchase price adjustments	**—**	**6,324**	—	6,480
Company share of joint venture	**$ 3,559**	**$ 153,848**	$ 3,647	$ 151,493

The Company's net investments in the jointly controlled operations by segment are as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Ocean Self-Unloaders	**$ 3,559**	$ 3,647
Global Short Sea Shipping	**153,848**	151,493
	$ 157,407	$ 155,140

The Company has related party relationships with its joint ventures with respect to management services, technical management services, and vessel operations. The Company also guarantees certain loans of the joint ventures. Amounts relating to transactions with joint ventures are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**	2021
Revenue	**$ 332**	$ 461

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Accounts receivable	**$ 12,948**	$ 10,882
Accounts payable	**6,560**	6,656
Loans guaranteed by the Company	**18,781**	20,303

The Company's cash investment in joint ventures by segment is as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**	2021
	Investment in joint ventures	Investment in joint ventures
Ocean Self-Unloaders	**$ —**	$ —
Global Short Sea Shipping	**2,099**	$ —
	$ 2,099	$ —

5. Interest Expense

The components of interest expense are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2022	2021
Interest expense on borrowings	$ 4,441	$ 4,839
Amortization of financing costs	402	385
Interest on employee future benefits, net	214	363
Interest capitalized on vessels under construction	(72)	(270)
	$ 4,985	$ 5,317

6. Foreign Currency (Loss) Gain

The components of the net (loss) gain on foreign currency are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2022	2021
(Loss) gain on foreign denominated cash and debt	$ (607)	$ 1
Gain on foreign exchange forward contracts	—	52
	$ (607)	$ 53

7. Income Taxes

A reconciliation comparing income taxes calculated at the Canadian statutory rate to the amount provided in the interim consolidated financial statements is as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2022	2021
Combined federal and provincial statutory income tax rate	26.5%	26.5%
Net loss before income tax and net earnings from investments in joint ventures	$ (32,192)	$ (34,630)
Expected income tax recovery	$ 8,531	$ 9,177
Increase (decrease) in recovery resulting from:		
Foreign tax rates different from Canadian statutory rate	1,617	1,152
Effect of items that are non deductible	—	9
Adjustments to prior period provision	—	410
Other	9	(6)
	$ 10,157	$ 10,742

8. Leases

The Company reports its right-of-use asset and lease liability as part of other assets and liabilities on the interim condensed consolidated balance sheet. The table below shows the continuity of the right-of-use assets and lease liabilities:

	Right-of-use assets		Lease liabilities	
As at (unaudited, in thousands of dollars)	March 31 2022	December 31 2021	March 31 2022	December 31 2021
Opening balance	$ 640	$ 511	$ 535	$ 522
Additions	—	545	—	537
Depreciation	(41)	(163)	—	—
Interest accretion	—	—	4	24
Payments	—	—	(75)	(277)
Remeasurement adjustment	6	(220)	6	(220)
Derecognition of terminated lease	—	(39)	—	(59)
Effect of foreign currency exchange differences	(3)	6	(5)	8
Closing balance	$ 602	$ 640	$ 465	$ 535

Depreciation expense for the right-of-use assets is recognized within depreciation and amortization expenses while interest expense for the lease liabilities is recognized within interest expense in the interim condensed consolidated statement of earnings.

Shown below is a table detailing the components of all cash payments relating to leases:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**	2021
Payments - short term leases	**$ —**	$ 2
Payments per IFRS 16	**75**	77
Non-lease components per IFRS 16	**30**	14
Total cash payments	**$ 105**	$ 93

9. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Materials and supplies	**$ 14,501**	$ 12,455
Prepaid expenses	**13,000**	8,319
Derivative asset	**166**	246
	$ 27,667	$ 21,020

10. Property, Plant, and Equipment

Details of property, plant, and equipment are as follows:

Cost (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
Balance at December 31, 2021	$ 668,707	$ 233,535	$ 381,276	$ —	$ 21,696	$ 1,305,214
Additions	3,016	3,505	1,544	486	252	8,803
Transferred to held for sale	—	—	—	(486)	—	(486)
Fully depreciated assets no longer in use	—	(1,873)	—	—	—	(1,873)
Effect of foreign currency exchange differences and other adjustments	—	—	(5,539)	—	—	(5,539)
Balance at March 31, 2022	**$ 671,723**	**$ 235,167**	**$ 377,281**	**$ —**	**$ 21,948**	**$ 1,306,119**

Accumulated depreciation (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
Balance at December 31, 2021	$ 192,632	$ 140,777	$ 139,035	$ —	$ 13,848	$ 486,292
Depreciation expense	6,570	3,225	6,551	—	358	16,704
Fully depreciated assets no longer in use	—	(1,873)	—	—	—	(1,873)
Effect of foreign currency exchange differences and other adjustments	—	—	(2,127)	—	—	(2,127)
Balance at March 31, 2022	**$ 199,202**	**$ 142,129**	**$ 143,459**	**$ —**	**$ 14,206**	**$ 498,996**

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
March 31, 2022						
Cost	$ 671,723	$ 235,167	$ 377,281	$ —	$ 21,948	$ 1,306,119
Accumulated depreciation	199,202	142,129	143,459	—	14,206	498,996
	$ 472,521	**$ 93,038**	**$ 233,822**	**$ —**	**$ 7,742**	**$ 807,123**
December 31, 2021						
Cost	$ 668,707	$ 233,535	$ 381,276	$ —	$ 21,696	$ 1,305,214
Accumulated depreciation	192,632	140,777	139,035	—	13,848	486,292
	$ 476,075	$ 92,758	$ 242,241	$ —	$ 7,848	$ 818,922

In the second quarter of 2021, the Company committed to sell a shopping centre located in Sault Ste. Marie, Ontario. The carrying value of this asset and any additions are reclassified to non-current asset held for sale on the interim condensed consolidated balance sheet. The transaction is expected to close in the second quarter of 2022.

11. Goodwill

As part of a business acquisition in 2011, the Company recognized goodwill of $7,910 within the Domestic Dry-Bulk segment on the allocation of the purchase price, determined as the excess over the fair values of the net tangible and identifiable intangible assets acquired.

12. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Progress payments for shipbuilding contracts	**$ 6,607**	$ 6,365
Derivative asset	**1,112**	1,738
Right-of-use assets (Note 8)	**602**	640
Other	**7**	9
	$ 8,328	$ 8,752

13. Other Current Liabilities

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Accrued interest on long-term debt	**$ 4,698**	$ 664
Dividends payable	**3,764**	3,604
Lease obligations (Note 8)	**104**	132
	$ 8,566	$ 4,400

14. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Deferred compensation	**$ 752**	$ 1,744
Lease obligations (Note 8)	**361**	403
	$ 1,113	$ 2,147

15. Long-Term Debt

As at (unaudited, in thousands of dollars)		March 31 2022		December 31 2021
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	**$**	**81,263**	$	81,137
Senior Secured Notes				
U.S. $20,000, interest at 3.37%, due December 10, 2027		**24,992**		25,356
U.S. $42,000, interest at 3.60%, due December 10, 2030		**52,483**		53,248
U.S. $35,000, interest at 3.70%, due December 10, 2032		**43,736**		44,373
U.S. $50,000, interest at 3.80%, due December 10, 2035		**62,480**		63,390
Canadian $128,000, interest at 4.01%, due December 10, 2035		**128,000**		128,000
Mortgage payable, due March 8, 2023, interest at 4.73%		**5,309**		5,347
		398,263		400,851
Less: unamortized financing expenses		**8,766**		9,169
		389,497		391,682
Less: current portion of long-term debt		**5,305**		150
	$	**384,192**	$	391,532

The Company also maintains a bank credit facility that comprises a $75 million Canadian dollar and a $75 million U.S. dollar senior secured revolving bank credit. As at March 31, 2022 and December 31, 2021, no amounts had been withdrawn from the bank facility.

The Company is subject to certain covenants, including ones with respect to maintaining defined financial ratios and other conditions under the terms of the bank facility and the senior secured notes.

As at March 31, 2022 and December 31, 2021 the Company was in compliance with all of its covenants.

16. Share Capital

Share capital

Authorized share capital consists of an unlimited number of common and preferred shares with no par value.

The Company had 37,800,943 common shares outstanding and no preferred shares issued or outstanding as at March 31, 2022 and December 31, 2021.

The Company's Board of Directors have authorized payment of a quarterly dividend to shareholders of $0.17 per common share. The dividend will be paid on June 1, 2022 to shareholders of record on May 18, 2022.

The basic and diluted net loss per share are computed as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)		2022		2021
Net loss	**$**	**(19,571)**	$	(22,416)
Interest expense on debentures, net of tax		**991**		986
Net loss for diluted loss per share	**$**	**(18,580)**	$	(21,430)
Basic weighted average common shares		**37,800,943**		37,800,943
Shares due to dilutive effect of debentures		**5,121,043**		5,055,147
Diluted weighted average common shares		**42,921,986**		42,856,090
Basic loss per common share	**$**	**(0.52)**	$	(0.59)
Diluted loss per common share	**$**	**(0.52)**	$	(0.59)

Normal Course Issuer Bid

On March 17, 2022, the Company renewed its normal course issuer bid ("NCIB") to purchase up to 1,890,047 of its common shares, representing approximately 5% of the common shares issued and outstanding as of the close of business on March 9, 2022.

Under the NCIB, the Company may purchase up to 1,517 common shares per day, representing 25% of the average daily trading volume for the previous six months. The Company may buy back common shares anytime during the twelve-month period beginning on March 21, 2022 and ending on March 20, 2023. The stated capital of the common shares of $0.21 per share equals the approximate paid-up capital amount of the common shares for purposes of the Income Tax Act.

Under the current NCIB, no common shares have been purchased or cancelled for the period ended March 31, 2022.

The Company did not purchase any shares under the previous NCIB, which began on March 19, 2021 and concluded on March 18, 2022.

17. Accumulated Other Comprehensive Loss

(in thousands of dollars)	Hedges: Net investment	Hedges: Purchase Commitment	Foreign exchange translation	Total
Balance at January 1, 2021	$ (19,447)	$ (978)	$ (12,362)	$ (32,787)
Gain (loss)	794	1,769	(1,916)	647
Reclassified to property, plant, and equipment	—	1,194	—	1,194
Income tax expense	(110)	(263)	—	(373)
Net gain (loss)	684	2,700	(1,916)	1,468
Balance at December 31, 2021	$ (18,763)	$ 1,722	$ (14,278)	$ (31,319)
Gain (loss)	2,675	(707)	(5,956)	(3,988)
Income tax recovery (expense)	80	(42)	—	38
Net gain (loss)	2,755	(749)	(5,956)	(3,950)
Balance at March 31, 2022	**$ (16,008)**	**$ 973**	**$ (20,234)**	**$ (35,269)**

18. Supplementary Disclosure of Cash Flow Information

Additions to property, plant and equipment are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	**2022**	2021
Additions to property, plant, and equipment (Note 10)	**(8,803)**	$ (7,293)
Amounts included in working capital	**1,236**	2,530
Other non-cash adjustments	**—**	154
	$ (7,567)	$ (4,609)

19. Commitments

The table below reflects the commitments of the Company at March 31, 2022.

Construction of one domestic dry bulk self-unloader	$ 49,259
Construction and purchase of five bulk carriers and a cement vessel, through the Company's interest in a joint venture	45,070
Employee future benefit payments	1,089
Leases	494
	$ 95,912

20. Financial Instruments and Risk Management

The Company's financial instruments that are included in the interim condensed consolidated balance sheet comprise cash, accounts receivable, accounts payable and accrued charges, derivative assets, dividends payable and long-term debt.

Fair Value

The carrying values of the Company's financial assets are equal to their fair values. The carrying values of the Company's financial liabilities approximate their fair values with the exception of long-term debt. The fair value hierarchy for the Company's financial liability not measured at fair value is as follows:

As at (unaudited, in thousands of dollars)	**March 31 2022**	December 31 2021
Long-term debt		
Carrying value	**$ 398,263**	$ 400,851
Fair value, classified as Level 2	**$ 380,418**	$ 409,094

The derivative liabilities are classified as Level 2.

The difference in the fair value of long-term debt compared to the carrying value is due to the difference in the rates on the debt compared to current market rates for similar instruments with similar terms. The fair value of the convertible debentures included in long-term debt is based on market rates.

Liquidity Risk

The contractual maturities of non-derivative financial liabilities are as follows:

(unaudited, in thousands of dollars)	2022	2023	2024	2025	2026	2027 and Beyond	Total
Long-term debt	$ 112	$ 5,197	$ 81,263	$ —	$ —	$ 311,691	$ 398,263
Capital asset commitments	39,828	54,501	—	—	—	—	94,329
Interest payments on long-term debt	16,375	16,248	14,023	11,857	11,857	85,673	156,033
Employee future benefit special payments	1,089	—	—	—	—	—	1,089
Leases	69	114	117	122	72	—	494
	$ 57,473	$ 76,060	$ 95,403	$ 11,979	$ 11,929	$ 397,364	$ 650,208

Foreign Exchange Risk

At March 31, 2022 and December 31, 2021, approximately 40% and 42% respectively of the Company's total assets were denominated in U.S. dollars, including U.S. cash of $54,959 and $71,935 at March 31, 2022 and December 31, 2021, respectively.

The Company has significant commitments due for payment in U.S. dollars. For payments due in U.S. dollars, the Company mitigates the risk principally through U.S. dollar cash inflows and foreign-denominated debt. The Company also utilizes foreign exchange forward contracts as a hedge on purchase commitments to manage its foreign exchange risk associated with payments required under shipbuilding contracts with foreign shipbuilders for vessels that will join our Canadian flag domestic dry-bulk fleet.

At March 31, 2022 and December 31, 2021, the Company had U.S. dollar denominated foreign exchange forward contracts outstanding with a notional principal of $39,420 and fair value gain of $1,278 (December 31, 2021 - $1,984).

21. Segment Disclosures

The Company operates through six segments; Domestic Dry-Bulk, Product Tankers, Ocean Self-Unloaders, Global Short Sea Shipping, Investment Properties and Corporate. The segment operating results include fully consolidated subsidiaries and interests in jointly controlled entities. Segment disclosures are based on how the Chief Executive Officer views operating results and how decisions are made about resources to be allocated to operating segments.

The following presents the Company's results by reportable segment.

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
For the three months ended March 31, 2022 (unaudited, in thousands of dollars)							
Revenue	$ 24,588	$ 18,036	$ 40,321	$ 1,535	$ 623	$ —	$ 85,103
Operating expenses	(42,239)	(15,116)	(27,328)	(1,598)	(277)	—	(86,558)
Selling, general and administrative	(2,994)	(1,254)	(334)	—	(3,829)	—	(8,411)
Depreciation and amortization	(6,575)	(3,225)	(6,551)	—	(394)	—	(16,745)
Operating (loss) earnings	(27,220)	(1,559)	6,108	(63)	(3,877)	—	(26,611)
Interest, net	—	—	—	—	(4,974)	—	(4,974)
Foreign currency loss	—	—	—	—	(607)	—	(607)
	(27,220)	(1,559)	6,108	(63)	(9,458)	—	(32,192)
Income tax recovery	7,232	412	—	17	2,496	—	10,157
Net (loss) earnings from investments in joint ventures	—	—	(36)	—	—	2,500	2,464
Net (loss) earnings	**$ (19,988)**	**$ (1,147)**	**$ 6,072**	**$ (46)**	**$ (6,962)**	**$ 2,500**	**$ (19,571)**

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
For the three months ended March 31, 2021 (unaudited, in thousands of dollars)							
Revenue	$ 24,552	$ 18,217	$ 32,496	$ 1,593	$ 741	$ —	$ 77,599
Operating expenses	(44,909)	(13,452)	(21,419)	(1,248)	(261)	—	(81,289)
Selling, general and administrative	(2,944)	(1,047)	(306)	—	(4,213)	—	(8,510)
Other operating item	300	—	—	—	—	—	300
Depreciation and amortization	(6,685)	(3,494)	(6,402)	(643)	(269)	—	(17,493)
Operating (loss) earnings	(29,686)	224	4,369	(298)	(4,002)	—	(29,393)
Interest, net	—	—	—	—	(5,290)	—	(5,290)
Foreign currency gain	—	—	—	—	53	—	53
	(29,686)	224	4,369	(298)	(9,239)	—	(34,630)
Income tax recovery (expense)	7,878	(59)	—	368	2,555	—	10,742
Net earnings from investments in joint ventures	—	—	28	—	—	1,444	1,472
Net (loss) earnings	$ (21,808)	$ 165	$ 4,397	$ 70	$ (6,684)	$ 1,444	$ (22,416)

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
As at March 31, 2022 (unaudited, in thousands of dollars)							
Assets							
Current assets	$ 28,286	$ 4,559	$ 31,745	$ 3,065	$ 98,136	$ —	$ 165,791
Property, plant, and equipment	472,521	93,038	233,822	—	7,742	—	807,123
Investments in joint ventures	—	—	3,559	—	—	153,848	157,407
Goodwill	7,910	—	—	—	—	—	7,910
Non-current assets held for sale	—	—	—	14,653	—	—	14,653
Other assets	7,383	—	9	—	16,030	—	23,422
	$ 516,100	**$ 97,597**	**$ 269,135**	**$ 17,718**	**$ 121,908**	**$ 153,848**	**$ 1,176,306**
Liabilities							
Current liabilities	$ 45,743	$ 9,248	$ 14,966	$ 1,768	$ 14,423	$ —	$ 86,148
Current portion of long-term debt	—	—	—	—	5,305	—	5,305
Long-term liabilities	1,171	13,939	—	583	65,523	—	81,216
Long-term debt	—	—	—	—	384,192	—	384,192
	46,914	23,187	14,966	2,351	469,443	—	556,861
Shareholders' Equity	469,186	74,410	254,169	15,367	(347,535)	153,848	619,445
	$ 516,100	**$ 97,597**	**$ 269,135**	**$ 17,718**	**$ 121,908**	**$ 153,848**	**$ 1,176,306**

	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
As at December 31, 2021 (unaudited, in thousands of dollars)							
Assets							
Current assets	$ 41,136	$ 3,523	$ 28,317	$ 5,801	$ 111,797	$ —	$ 190,574
Property, plant, and equipment	476,075	92,758	242,241	—	7,848	—	818,922
Investments in joint ventures	—	—	3,647	—	—	151,493	155,140
Goodwill	7,910	—	—	—	—	—	7,910
Non-current assets held for sale	—	—	—	14,167	—	—	14,167
Other assets	6,612	—	9	—	6,749	—	13,370
	$ 531,733	$ 96,281	$ 274,214	$ 19,968	$ 126,394	$ 151,493	$ 1,200,083
Liabilities							
Current liabilities	$ 44,312	$ 9,543	$ 9,828	$ 1,784	$ 18,894	$ —	$ 84,361
Current portion of long-term debt	—	—	—	—	150	—	150
Long-term liabilities	1,586	14,065	—	417	67,689	—	83,757
Long-term debt	—	—	—	—	391,532	—	391,532
	45,898	23,608	9,828	2,201	478,265	—	559,800
Shareholders' Equity	485,835	72,673	264,386	17,767	(351,871)	151,493	640,283
	$ 531,733	$ 96,281	$ 274,214	$ 19,968	$ 126,394	$ 151,493	$ 1,200,083

22. Share-Based Compensation

The Company maintains a stock option program for certain key employees. Options on common shares are periodically granted to eligible employees under the plan for terms of five years and cliff vest on the third anniversary of the grant date. These options provide holders with the right to purchase common shares of the Company at a fixed price equal to the closing market price of the shares on the day prior to the date the options were issued. Under this plan, 1,890,047 common shares have been reserved for future issuance. The outstanding options expire on various dates to February 25, 2027. The following table summarizes the Company's stock option activity and related information.

Stock Option Activity (unaudited, amounts not stated in thousands)	Number of shares		Weighted average exercise price
Number outstanding, at January 1, 2021	343,542	$	13.13
Granted	112,668		14.69
Exercised	(100,000)		(12.74)
Exercise price adjustment	—		(1.77)
Number outstanding, at December 31, 2021	356,210	$	12.03
Granted	146,250		16.94
Exercised	(130,000)		(13.15)
Number outstanding, at March 31, 2022	**372,460**	**$**	**14.91**

The Company's Board of Directors authorized the payment of a special dividend in the amount of $2.65 per common share, which was paid on January 12, 2021. The payment of the special dividend triggered an adjustment of $1.77 to the weighted average exercise price of the stock options.

The following table summarizes information relating to stock options outstanding as at March 31, 2022.

	Options outstanding	
Exercise price per share (amounts not stated in thousands)	Number of shares	Remaining contractual life (years)
$12.52	113,542	2.91
$14.69	112,668	3.91
$16.94	146,250	4.91
	372,460	

For the three month period ended March 31, 2022, the Company recognized compensation expense for stock option awards of $38 (2021 - $59). For the three month period ended March 31, 2022, 146,250 (2021 - 112,668) options were granted by the Company at a weighted average fair value of $2.59 per option (2021 - $1.77).

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2022

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