ALGOMA CENTRAL CORPORATION REPORTS FINANCIAL PERFORMANCE FOR THE 2022 SECOND QUARTER

Financial results are solid across operating segments proving the strength of Algoma's focused diversification strategy

St. Catharines, Ontario August 5, 2022 - Algoma Central Corporation (TSX: ALC) today reported its results for the three and six months ended June 30, 2022. Revenues increased 9% during the 2022 second quarter to $183,463 compared to $167,687 for the same period in 2021 while net earnings increased 46% in the same period. The Company reported 2022 second quarter EBITDA(1) of $61,412 compared to $61,860 for the same period in 2021. All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.

"I have a different perspective this quarter, as I write this from onboard the Captain Henry Jackman while she transports a load of iron ore pellets from Port Cartier to Hamilton" said Gregg Ruhl, President and CEO of Algoma Central Corporation. "I am impressed by the hard work of our crews in these ever-changing times and with the performance of the newest ship in our fleet which entered into service just a year ago. Algoma continued to deliver strong results in the second quarter, largely driven by the efforts of our dedicated teams, our strategic long-term investments, and our valued partnerships. Our international fleets generated excellent results, our Domestic Dry-Bulk fleet held up well under the shadow of a 46% decrease in Canadian grain exports for the crop year-to-date and demand for our product tankers is beginning to gain momentum. As we look into the second half of 2022, I am confident in our ability to continue to generate strong results by flexing our fleets to meet our customers' needs as economic conditions evolve," concluded Mr. Ruhl.

Financial Highlights: Second Quarter 2022 Compared to 2021

- Net earnings increased 46% to $47,045 compared to $32,315 last year. Basic earnings per share were $1.24 compared to $0.85.
- Global Short Sea Shipping segment equity earnings increased 108% to $9,454 compared to $4,544 for the prior year. Earnings include a $4,782 gain on the sale of two vessels; excluding this gain, earnings increased 37%.
- Ocean Self-Unloader segment revenue increased 26% to $50,292 compared to $40,006 driven by higher freight rates and fuel cost recoveries. Operating earnings increased 188% to $11,139 compared to $3,865. During the 2021 second quarter, a one-time compensation payment of $5,513 related to the retirement of two older vessels owned by our partner in the Pool was expensed.
- Domestic Dry-Bulk segment revenue increased 3% to $99,288 compared to $96,855, reflecting increased fuel recoveries and modestly improved base freight rates across several sectors, partially offset by lower volumes. Operating earnings decreased 36% to $21,504 compared to $33,554 driven by higher operating costs and by the timing of winter lay-up spending this year compared to 2021.
- Revenue for Product Tankers increased 11% to $31,923 compared to $28,688. This was mainly driven by higher fuel cost recoveries, partially offset by unplanned outages on two vessels. Operating earnings decreased 24% to $3,683 compared to $4,821 driven by higher operating costs.
- The Sault Ste. Marie shopping centre that was held for sale in the Investment Properties segment sold at the end of June and a pre-tax gain of $14,372 was recorded in the second quarter.

Consolidated Statement of Earnings

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2022**	2021	**2022**	2021
(unaudited, in thousands of dollars, except per share data)				
Revenue	**$ 183,463**	$ 167,687	**$ 268,566**	$ 245,286
Operating expenses	**(125,615)**	(101,311)	**(212,173)**	(182,601)
Selling, general and administrative	**(8,767)**	(7,306)	**(17,178)**	(15,816)
Other operating item	**—**	(2,783)	**—**	(2,482)
Depreciation and amortization	**(17,000)**	(16,992)	**(33,745)**	(34,485)
Operating earnings	**32,081**	39,295	**5,470**	9,902
Interest expense	**(5,048)**	(4,931)	**(10,033)**	(10,248)
Interest income	**28**	15	**39**	42
Gain on sale of property	**14,372**	1,586	**14,372**	1,586
Foreign currency gain	**2,097**	527	**1,490**	580
	43,530	36,492	**11,338**	1,862
Income tax (expense) recovery	**(8,947)**	(8,752)	**1,210**	1,990
Net earnings from investments in joint ventures	**12,462**	4,575	**14,926**	6,047
Net earnings	**$ 47,045**	$ 32,315	**$ 27,474**	$ 9,899
Basic earnings per share	**$ 1.24**	$ 0.85	**$ 0.73**	$ 0.26
Diluted earnings per share	**$ 1.12**	$ 0.78	**$ 0.69**	$ 0.26

EBITDA[1]

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 and six months ended June 30, 2022 and 2021 and presented herein:

EBITDA[1]

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2022**	2021	**2022**	2021
Net loss	**$ 47,045**	$ 32,315	**$ 27,474**	$ 9,899
Depreciation and amortization	**22,993**	21,118	**44,548**	42,388
Impairment reversal	**(2,783)**	—	**(2,783)**	—
Interest and taxes	**15,126**	14,489	**10,498**	9,702
Foreign exchange loss (gain)	**(1,815)**	(607)	**(1,293)**	(817)
Other operating item	**—**	(2,730)	**—**	(3,031)
Gain on sale of property	**(14,372)**	(1,586)	**(14,372)**	(1,586)
Gain on sale of vessels	**(4,782)**	(1,139)	**(4,780)**	(1,347)
EBITDA	**$ 61,412**	$ 61,860	**$ 59,292**	$ 55,208

Select Financial Performance by Business Segment

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2022**	2021	**2022**	2021
Domestic Dry-Bulk				
Revenue	**$ 99,288**	$ 96,855	**$ 123,876**	$ 121,408
Operating earnings (loss)	**21,504**	33,554	**(5,715)**	3,871
Product Tankers				
Revenue	**31,923**	28,688	**49,959**	46,905
Operating earnings	**3,683**	4,821	**2,125**	5,044
Ocean Self-Unloaders				
Revenue	**50,292**	40,006	**90,613**	72,501
Operating earnings	**11,139**	3,865	**17,246**	8,233
Corporate and Other				
Revenue	**1,960**	2,138	**4,118**	4,472
Operating loss	**(4,245)**	(2,945)	**(8,186)**	(7,246)

The MD&A for the three and six months ended June 30, 2022 and 2021 includes further details. Full results for the three and six months ended June 30, 2022 and 2021 can be found on the Company's website at www.algonet.com/investor-relations and on SEDAR at www.sedar.com.

2022 Business Outlook[2]

Dry-bulk cargo volumes for the second half of the year are expected to be strong across all commodities, driving increased domestic fleet utilization for the remainder of the year. The war in Ukraine will likely continue to impact grain trading patterns and the current outlook for the Western Canadian grain crop in the fall is for a return to normal harvest levels. Product Tanker demand remains steady and we expect the fleet to be well utilized for the balance of the year. Customer demand and vessel capacity for the Ocean segment is well balanced for the remainder of the year. Revenues days for the the third quarter will be impacted by a vessel dry-docking.

We are anticipating the continuation of the strong charter rates earned by the global short-sea mini-bulker fleet over the first half of 2022 with the potential for a gradual normalization in rates during the second half of the year. This outlook could change if global markets slow appreciably. The cement sector is expected to remain steady throughout the 2022 season and the two additional handy-size bulk carriers, which entered the handy-size fleet in May 2022, are expected to make strong contributions for the remainder of the year.

Normal Course Issuer Bid

Effective March 21, 2022, 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 9, 2022 (the "NCIB"). Under the current NCIB, no common shares have been purchased or cancelled for the period ended June 30, 2022.

Cash Dividends

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 September 1, 2022 to shareholders of record on August 18, 2022.

Notes

(1) Use of Non-GAAP Measures

The Company 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. Further information on Non-GAAP measures please refer to page 2 in the Company's Management's Discussion and Analysis for the three and six months ended June 30, 2022.

(2) 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 2023 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.

Algoma owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Seaway, 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 the world's largest fleet of pneumatic cement carriers and a global fleet of mini-bulk vessels serving regional markets. Algoma truly is *Your Marine Carrier of Choice*™. For more information about Algoma, visit the Company's website at www.algonet.com

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