ALGOMA CENTRAL CORPORATION
2022 INTERIM REPORT TO SHAREHOLDERS

For the Three and Nine Months Ended September 30, 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 and nine months ended September 30, 2022, and 2021 and related notes thereto and has been prepared as at November 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 and one vessel operating internationally under bareboat charter. 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 25% 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 September 30, 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 consisted of a shopping centre located in Sault Ste. Marie, Ontario. The shopping centre was sold on June 30, 2022.

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 global pandemics in Canada, the U.S., and other global markets;
- general economic and market conditions in the countries in which we operate;
- our success in maintaining and securing our information technology systems, including communications and data processing from accidental and malicious threats
- 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 the partially owned ship 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

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Reported revenue	**$ 199,327**	$ 174,734	**$ 467,893**	$ 420,020	$ 24,593	$ 47,873
Freight revenues[(1)]	**235,150**	207,541	**565,429**	511,495	27,609	53,934
Operating earnings	**40,763**	44,638	**46,233**	54,539	(3,875)	(8,306)
Net earnings	**42,533**	39,984	**70,007**	49,882	2,549	20,125
Basic earnings per share	**1.13**	1.06	**1.85**	1.32	0.07	0.53
Diluted earnings per share	**1.01**	0.96	**1.70**	1.23	0.05	0.47
EBITDA[(2)]	**73,604**	69,415	**132,895**	124,623	4,189	8,272
Free Cash Flow[(3)]	**56,177**	40,207	**45,759**	47,833	15,970	(2,074)

As at	**September 30 2022**	December 31 2021	2022 vs. 2021
Common shares outstanding	**37,805,027**	37,800,943	4,084
Total assets	**$ 1,308,713**	$ 1,200,083	$ 108,630
Total long-term financial liabilities	**$ 408,224**	$ 391,682	$ 16,542

(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.

Third quarter and year-to-date 2022 results compared to the same periods in 2021

- Operating earnings decreased in the Domestic Dry-Bulk segment driven primarily by higher layup and repair spending to activate idled vessels in preparation for the fall grain harvest in Canada. For the year to date period, earnings were impacted by the timing of winter lay-up spending compared to 2021 and lower vessel utilization as a result of the 2021 grain drought.
- Operating earnings increased in the Product Tanker segment during the third quarter driven by a 32% increase in revenue days primarily due to improved customer demand and consequently higher fleet utilization.
- Ocean Self-Unloader operating earnings decreased during the 2022 third quarter due to higher operating costs and increased dry-dock expenditures.
- Steady rate improvement, improved demand and the addition of three vessels in the cement fleet drove increased earnings in the Global Short Sea Shipping segment.

Revenues

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Reported Revenue	**$ 199,327**	$ 174,734	**$ 467,893**	$ 420,020	$ 24,593	$ 47,873
Freight revenues[(1)]						
Domestic Dry-Bulk	**$ 115,996**	$ 109,591	**$ 239,872**	$ 230,999	$ 6,405	$ 8,873
Product Tankers	**32,749**	21,186	**82,708**	68,091	11,563	14,617
Ocean Self-Unloaders	**49,927**	41,221	**140,540**	113,722	8,706	26,818
Global Short Sea Shipping[(1)]	**36,478**	35,543	**102,309**	98,683	935	3,626
Total freight revenues	**$ 235,150**	$ 207,541	**$ 565,429**	$ 511,495	$ 27,609	$ 53,934

(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.

Third quarter and year-to-date 2022 compared to the same periods in 2021

- Overall base freight rates in the Domestic Dry-Bulk segment have steadily improved across all sectors and fuel prices are remaining high driving increased fuel cost recoveries. Despite lower revenue days during the 2022 third quarter, overall volumes were slightly higher.
- Higher customer demand resulting in a 32% increase in revenue days drove higher revenues in the Product Tanker segment. For the year to date period higher fuel cost recoveries and demand increased revenue in the segment, partially offset by unplanned outages on two vessels.
- Strong Pool results reflecting higher freight rates and increased fuel cost recoveries continue to drive increased revenue in the Ocean Self-Unloader segment during the year to date period. During the third quarter, these increases were partially offset by a 6% decrease in revenue days compared to the prior year period as the Honourable Henry Jackman was on dry-dock for the first half of the 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, Product Tanker and Ocean Self-Unloader segments.

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2022**	2021	**2022**	2021
Total cargo carried (thousands of metric tonne)[(1)]	**12,900**	12,166	**31,631**	31,690
Tonne-kilometre travelled[(2)]	**13,561,906,574**	14,500,209,427	**32,572,801,908**	32,293,230,691
Vessel utilization[(3)]				
Domestic Dry-Bulk	**89 %**	98 %	**83 %**	94 %
Product Tankers	**100 %**	71 %	**92 %**	79 %
Ocean Self-Unloaders	**100 %**	100 %	**100 %**	100 %

(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 and St. Lawrence Seaway 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 and nine months ended September 30, 2022, and 2021 and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Net earnings	**$ 42,533**	$ 39,984	**$ 70,007**	$ 49,882	$ 2,549	$ 20,125
Adjustments to net earnings:						
Depreciation and amortization	**17,361**	16,675	**51,106**	51,160	686	(54)
Other operating items	**—**	(465)	**—**	(3,495)	465	3,495
Interest expense, net	**4,533**	5,276	**14,527**	15,482	(743)	(955)
Gain on sale of properties	**(147)**	(10)	**(14,519)**	(1,596)	(137)	(12,923)
Foreign currency gain	**(2,172)**	(1,065)	**(3,662)**	(1,645)	(1,107)	(2,017)
Income tax expense	**8,776**	7,953	**7,566**	5,963	823	1,603
Joint ventures						
Interest expense	**979**	402	**2,247**	1,538	577	709
Foreign exchange loss (gain)	**434**	(15)	**630**	(252)	449	882
Depreciation and amortization	**4,511**	3,334	**15,313**	11,236	1,177	4,077
Impairment (reversal)	**139**	—	**(2,643)**	—	139	(2,643)
Income tax expense	**216**	66	**662**	416	150	246
Investment gain on distribution	**(637)**	—	**(637)**	—	(637)	(637)
Gain on disposal of vessels	**(2,922)**	(2,720)	**(7,702)**	(4,066)	(202)	(3,636)
EBITDA[(1)]	**$ 73,604**	$ 69,415	**$ 132,895**	$ 124,623	$ 4,189	$ 8,272

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

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 earnings 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 earnings and basic and diluted earnings per share in accordance with GAAP, as reported for the three and nine months ended September 30, 2022 and 2021, to the adjusted non-GAAP performance measures presented herein:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2022**	2021	**2022**	2021
Net earnings	**$ 42,533**	$ 39,984	**$ 70,007**	$ 49,882
Adjustments:				
Impairment (reversal)	**—**	(305)	**—**	4,015
Gain on sale of investment property	**(165)**	—	**(10,729)**	—
Adjusted net earnings	**$ 42,368**	$ 39,679	**$ 59,278**	$ 53,897
Basic earnings per share	**$ 1.13**	$ 1.06	**$ 1.85**	$ 1.32
Impact of adjustments per share	**—**	(0.01)	**(0.28)**	0.11
Adjusted basic earnings per share	**$ 1.13**	$ 1.05	**$ 1.57**	$ 1.43
Diluted earnings per share	**$ 1.01**	$ 0.96	**$ 1.70**	$ 1.23
Impact of adjustments per share	**—**	(0.01)	**(0.25)**	0.09
Adjusted diluted earnings per share	**$ 1.01**	$ 0.95	**$ 1.45**	$ 1.32

- In the second quarter of 2021, the Company recognized an impairment reversal on a vessel that was damaged and subsequently sold for scrap for an amount in excess of its carrying value.
- In the second quarter of 2022, a shopping centre in Sault Ste. Marie, Ontario was sold.

Domestic Dry-Bulk Segment

Financial Performance

For the periods ended September 30	Three Months Ended 2022	Three Months Ended 2021	Nine Months Ended 2022	Nine Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Nine Months
Revenue	**$ 115,996**	$ 109,591	**$ 239,872**	$ 230,999	$ 6,405	$ 8,873
Operating expenses	**(76,086)**	(67,310)	**(186,699)**	(168,631)	(8,776)	(18,068)
Selling, general and administrative	**(2,942)**	(2,804)	**(8,868)**	(8,850)	(138)	(18)
Other operating items	**—**	63	**—**	3,093	(63)	(3,093)
Depreciation and amortization	**(6,515)**	(6,745)	**(19,567)**	(19,949)	230	382
Operating earnings	**30,453**	32,795	**24,738**	36,662	(2,342)	(11,924)
Gain on sale of property	**—**	10	**—**	1,596	(10)	(1,596)
Income tax expense	**(8,188)**	(8,454)	**(6,807)**	(9,794)	266	2,987
Net earnings	**$ 22,265**	$ 24,351	**$ 17,931**	$ 28,464	$ (2,086)	$ (10,533)

Operational Performance

For the periods ended September 30	Three Months Ended 2022	Three Months Ended 2021	Nine Months Ended 2022	Nine Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Nine Months
Volumes (thousands of metric tonnes)						
Power Generation	**74**	—	**74**	—	74	74
Iron and steel	**2,866**	3,130	**5,882**	6,315	(264)	(433)
Construction	**1,334**	1,057	**2,303**	2,287	277	16
Agriculture	**679**	935	**1,640**	1,971	(256)	(331)
Salt	**1,623**	1,369	**3,677**	3,979	254	(302)
Total volumes	**6,576**	6,491	**13,502**	14,552	11	(1,050)
Revenue Days	**1,483**	1,629	**3,146**	3,432	(146)	(286)
Operating Days	**1,547**	1,667	**3,323**	3,573	(120)	(250)

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 and nine months ended September 30, 2022 and 2021 and presented herein:

For the periods ended September 30	Three Months Ended 2022	Three Months Ended 2021	Nine Months Ended 2022	Nine Months Ended 2021	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Nine Months
Net earnings	**$ 22,265**	$ 24,351	**$ 17,931**	$ 28,464	$ (2,086)	$ (10,533)
Adjustments to net earnings:						
Depreciation and amortization	**6,515**	6,745	**19,567**	19,949	(230)	(382)
Income tax expense	**8,188**	8,454	**6,807**	9,794	(266)	(2,987)
Other operating items	**—**	(63)	**—**	(3,093)	63	3,093
Gain on sale of property	**—**	(10)	**—**	(1,596)	10	1,596
EBITDA(1)	**$ 36,968**	$ 39,477	**$ 44,305**	$ 53,518	$ (2,509)	$ (9,213)

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

2022 Third Quarter Compared to Corresponding Period in 2021

Higher fuel cost recoveries primarily drove the increase in revenue during the quarter as the segment continues to be impacted by rising fuel prices. Additionally, improved overall base freight rates positively impacted revenue during the period. Partially offsetting the increase was a 9% decrease in revenue days as a result of the deferred fit-out on two vessels that remained in lay-up due to the lack of grain demand as a result of the 2021 drought; however, both vessels were deployed late in the quarter to support additional cargoes. Despite the lower revenue days, overall volumes were slightly higher, particularly in the construction and salt sectors, resulting in a change in vessel trading patterns as average cargo sizes were larger and overall trip times were shorter. The increase in fuel prices also affects operating costs; however, fuel costs are passed on to customers through the fuel component of freight rates.

The slight increase to overall volumes during the quarter was primarily driven by increased cargoes in the construction and salt sectors. Aggregates were in higher demand as a result of a large infrastructure project in Ontario and a rise in production levels drove an increase in salt shipments. This was offset by lower volumes in the iron and steel and agriculture sectors. Iron and steel volumes were lower due to a decrease in export ore cargoes and agriculture volumes have not fully recovered from the drought in 2021.

Operating expenses for the current quarter were higher predominantly due to significant increases in fuel costs and higher lay-up and repair expenditures. A 7% reduction in operating days driven primarily by lower fleet utilization on two vessels was largely offset by the above noted items and the impact inflation is having on crew and supply costs.

2022 Outlook

Cargo demand is anticipated to be strong across all commodities for the fourth quarter, with full fleet utilization expected through the remainder of the year. The Western Canada grain crop size has returned to trend line level which, combined with continued demand for Eastern export capacity due to the Ukraine conflict, has allowed any open capacity to be filled at prices reflecting the strong market conditions.

Product Tankers Segment

Financial Performance

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Revenue	**$ 32,749**	$ 21,186	**$ 82,708**	$ 68,091	$ 11,563	$ 14,617
Operating expenses	**(22,050)**	(13,374)	**(60,756)**	(46,102)	(8,676)	(14,654)
Selling, general and administrative	**(1,144)**	(1,036)	**(3,518)**	(3,164)	(108)	(354)
Other operating items	**—**	402	**—**	402	(402)	(402)
Depreciation and amortization	**(3,667)**	(3,209)	**(10,422)**	(10,213)	(458)	(209)
Operating earnings	**5,888**	3,969	**8,012**	9,014	1,919	(1,002)
Income tax expense	**(1,279)**	(1,053)	**(2,071)**	(2,730)	(226)	659
Net earnings	**$ 4,609**	$ 2,916	**$ 5,941**	$ 6,284	$ 1,693	$ (343)

Operational Performance[1]

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Volume (thousands of metric tonnes)						
Petroleum products	**673**	469	**1,759**	1,423	204	336
Total volumes	**673**	469	**1,759**	1,423	204	336
Revenue days (owned fleet)	**601**	456	**1,548**	1,456	145	92
Operating days (owned fleet)	**626**	464	**1,630**	1,534	162	96
Outside charter days	**—**	—	**6**	—	—	6

(1) The vessel operating internationally under bareboat charter is excluded from operational performance.

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 and nine months ended September 30, 2022 and 2021 and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Net earnings	**$ 4,609**	$ 2,916	**$ 5,941**	$ 6,284	$ 1,693	$ (343)
Adjustments to net earnings:						
Depreciation and amortization	**3,667**	3,209	**10,422**	10,213	458	209
Income tax expense	**1,279**	1,053	**2,071**	2,730	226	(659)
Other operating items	**—**	(402)	**—**	(402)	402	402
EBITDA[(1)]	**$ 9,555**	$ 6,776	**$ 18,434**	$ 18,825	$ 2,779	$ (391)

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

2022 Third Quarter Compared to Corresponding Period in 2021

Revenue in the Product Tanker segment was higher in the quarter primarily as a result of a 32% increase in revenue days. Customer demand, and consequently fleet utilization, is returning to more normal levels compared to significant reductions in demand from our major customer during 2021 which resulted in the temporary lay-up of two vessels. The increase was also attributable to higher fuel cost recoveries.

Operating expenses were higher during the quarter mainly driven by a 35% increase in operating days due to the higher fleet utilization as a result of the demand recovery. Additionally, fuel and crew costs were also higher; higher global fuel prices continues to impact operating expenses and an increase in wages drove the higher crew costs. The increase was partially offset by lower lay-up, supply and repair expenditures.

During the 2021 third quarter we sold our small bunkering vessel that had laid up at the end of 2020, recording a $402 gain resulting from the sale as an impairment reversal.

Outlook

We expect full utilization of the tanker fleet through the fourth quarter as demand recovery continues.

Ocean Self-Unloaders Segment

Financial Performance

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Foreign exchange rate average	**1.3061**	1.2601	**1.2830**	1.2537	0.0460	0.0293
Revenue	**$ 49,927**	$ 41,221	**$ 140,540**	$ 113,722	$ 8,706	$ 26,818
Operating expenses	**(34,938)**	(24,131)	**(94,473)**	(69,682)	(10,807)	(24,791)
Selling, general and administrative	**(342)**	(295)	**(1,019)**	(900)	(47)	(119)
Other operating items	**—**	(63)	**—**	(5,576)	63	5,576
Depreciation and amortization	**(6,791)**	(6,366)	**(19,946)**	(18,965)	(425)	(981)
Operating earnings	**7,856**	10,366	**25,102**	18,599	(2,510)	6,503
Net earnings (loss) from investments in joint ventures	**657**	(41)	**3,629**	18	698	3,611
Net earnings	**$ 8,513**	$ 10,325	**$ 28,731**	$ 18,617	$ (1,812)	$ 10,114

Operational Performance

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Pool Volumes (thousands of metric tonnes)(1)						
Gypsum	**1,010**	938	**2,827**	2,747	72	80
Aggregates	**2,298**	2,187	**6,950**	6,904	111	46
Coal	**2,123**	1,939	**5,860**	5,493	184	367
Other	**294**	142	**733**	571	152	162
Total volumes	**5,725**	5,206	**16,370**	15,715	519	655
Revenue days	**670**	734	**2,610**	2,063	(64)	547
Operating days	**689**	736	**2,109**	2,078	(47)	31
Off-hire days for dry-docking	**47**	—	**74**	106	(47)	32

(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 and nine months ended September 30, 2022 and 2021 and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Net earnings	**$ 8,513**	$ 10,325	**$ 28,731**	$ 18,617	$ (1,812)	$ 10,114
Adjustments to net earnings:						
Depreciation and amortization	**6,791**	6,366	**19,946**	18,965	425	981
Joint Venture:						
Depreciation and amortization	**168**	179	**390**	532	(11)	(142)
Impairment (reversal)	**139**	—	**(2,643)**	—	139	(2,643)
Investment gain on distribution	**(637)**	—	**(637)**	—	(637)	(637)
Foreign exchange gain	**1**	2	**1**	—	(1)	1
EBITDA(1)	**14,975**	16,872	**$ 45,788**	$ 38,114	$ (1,897)	7,674

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

2022 Third Quarter Compared to Corresponding Period in 2021

Higher revenue during the quarter is mainly attributable to increased Pool earnings driven by significant increases to fuel cost recoveries and higher freight rates. Additionally, Pool volumes were up 10% during the quarter as a result of increased cargoes across all sectors but particularly in coal and aggregate shipments. The increase in revenue was partially offset by a 6% decrease in revenue days compared to the prior year period as the Honourable Henry Jackman was on dry-dock for the first half of the quarter.

Operating expenses were higher during the quarter mainly due to the significant impact of rising fuel costs. Lay-up and repair spending also increased as a result of the dry-docking of the Honourable Henry Jackman and repairs on two additional vessels. The increase was partially offset by a 9% decrease in operating days driven mostly by the increased dry-docking days during the period compared to last year.

Other items refers to a one-time compensation payment of $5,576 related to the retirement of two older vessels by our Pool partner.

Outlook

Strong demand is expected to continue and vessel supply at the Pool level is fairly well balanced for the remainder of the year. Aggregate volumes are expected to be impacted by a facility closure in Mexico and the US residential market is expected to slow down but overall construction sector demand remains strong as infrastructure investments are picking up. The Pool is currently experiencing a supply shortage as a result of the disruptions caused by two damaging hurricanes in September. We are expecting costs to continue to be impacted by inflation and global fuel prices will likely remain higher than normal.

Global Short Sea Shipping Segment

Financial Results Overview

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Foreign exchange rate average	**1.3061**	1.2601	**1.2830**	1.2537	0.0460	0.0293
Revenue	**$ 72,955**	$ 71,085	**$ 204,618**	$ 197,365	$ 1,870	$ 7,253
Operating expenses	**(40,681)**	(51,419)	**(127,275)**	(148,696)	10,738	21,421
Selling, general and administrative	**(1,787)**	(1,551)	**(4,749)**	(5,251)	(236)	502
Depreciation and amortization	**(8,382)**	(6,014)	**(28,946)**	(20,527)	(2,368)	(8,419)
Operating earnings	**22,105**	12,101	**43,648**	22,891	10,004	20,757
Gain on disposal of vessels	**5,843**	5,439	**15,403**	8,131	404	7,272
Interest expense	**(1,958)**	(804)	**(4,494)**	(3,076)	(1,154)	(1,418)
Foreign exchange (loss) gain	**(866)**	34	**(1,258)**	503	(900)	(1,761)
Earnings before undernoted	**25,124**	16,770	**53,299**	28,449	8,354	24,850
Income tax expense	**(431)**	(132)	**(1,323)**	(831)	(299)	(492)
Net earnings of joint ventures	**1,697**	1,126	**3,930**	2,466	571	1,464
Net earnings attributable to non-controlling interest	**(1,880)**	(2,386)	**(6,892)**	(2,146)	506	(4,746)
Net earnings	**$ 24,510**	$ 15,378	**$ 49,014**	$ 27,938	$ 9,132	$ 21,076
Company share of net earnings above	**$ 12,255**	$ 7,689	**$ 24,507**	$ 13,969	$ 4,566	$ 10,538
Amortization of vessel purchase price allocation and intangibles	**(152)**	(148)	**(450)**	(440)	(4)	(10)
Company share included in net earnings from investments in joint ventures	**$ 12,103**	$ 7,541	**$ 24,057**	$ 13,529	$ 4,562	$ 10,528

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 and nine months ended September 30, 2022 and 2021 and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Company share of net earnings from investments in joint ventures	**$ 12,103**	$ 7,541	**$ 24,057**	$ 13,529	$ 4,562	$ 10,528
Adjustments to net earnings:						
Depreciation and amortization	**4,343**	3,155	**14,923**	10,704	1,188	4,219
Interest expense	**979**	402	**2,247**	1,538	577	709
Income tax expense	**216**	66	**662**	416	150	246
Foreign currency loss (gain)	**433**	(17)	**629**	(252)	450	881
Gain on disposal of vessels	**(2,922)**	(2,720)	**(7,702)**	(4,066)	(202)	(3,636)
Company share of EBITDA[(1)]	**$ 15,152**	$ 8,427	**$ 34,816**	$ 21,869	$ 6,725	$ 12,947

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

2022 Third Quarter Compared to Corresponding Period in 2021

Revenue was higher during the third quarter driven primarily by revenue increases in the cement and handy-size fleets, partially offset by lower revenue in the mini-bulker fleet. Driving the improved results in the cement fleet were steady rate increases, increased customer demand and the larger fleet size this year with the addition of three vessels to the fleet. Two vessels that had previously been on dry-dock also returned to operations during the quarter. The increase in the handy-size fleet was mainly due to the addition of two vessels into operation; during the 2021 third quarter, the last remaining vessel held for sale was sold. Lower revenue in the mini-bulker fleet is mainly attributable to the reduced fleet size this year, partially offset by higher freight rates.

The decrease in operating costs primarily reflects the reduction of the number of owned vessels in the mini-bulker fleet this year. Offsetting the decrease were higher global fuel prices and increased operating costs in the cement and handy-size fleets. The cement fleet experienced higher repair costs during the quarter and higher fleet utilization due to the addition of three vessels to the fleet and fewer dry-dockings. The increased costs in the handy-size fleet were driven by the larger fleet size this year with the addition of two vessels compared to the sale of the last remaining vessel during the prior year period.

The increase to depreciation this quarter was a result of the addition of the three cement and two handy-size vessels.

The gain on the sale of vessels in the 2022 and 2021 third quarter of $5,843 and $5,439, respectively, includes the sale of one cement vessel and one mini-bulker for both periods.

Outlook

The solid charter rates earned by the mini-bulker fleet over the first three quarters of 2022 are expected to continue throughout the calendar year based on the joint venture's existing vessel commitments and on our market outlook. This outlook could change if global markets slow appreciably. The cement sector is expected to remain steady for the remainder of the 2022 season and the two additional handy-size bulk carriers, which entered the handy-size fleet in May 2022, are expected to continue to make strong contributions in the fourth quarter.

Investment Properties Segment

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Revenue	**$ 96**	$ 2,014	**$ 2,938**	$ 5,013	$ (1,918)	$ (2,075)
Operating expenses	**(147)**	(1,468)	**(2,949)**	(3,978)	1,321	1,029
Depreciation	**—**	—	**—**	(1,078)	—	1,078
Operating (loss) gain	**(51)**	546	**(11)**	(43)	(597)	32
(Loss) gain on sale of investment property	**(69)**	—	**14,303**	—	(69)	14,303
Interest income	**248**	—	**248**	—	248	248
Income tax (expense) recovery	**(84)**	(265)	**(3,984)**	297	181	(4,281)
Net earnings	**$ 44**	$ 281	**$ 10,556**	$ 254	$ (237)	$ 10,302

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario. Since the Company began to divest its commercial real estate in 2015, 15 properties have been sold in Sault Ste. Marie, Waterloo and St. Catharines Ontario. The shopping centre was the last of the Company's real estate holdings in Sault Ste. Marie.

Corporate Segment

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Revenue	**$ 559**	$ 722	**$ 1,835**	$ 2,195	$ (163)	$ (360)
Operating expenses	**(218)**	(166)	**(735)**	(657)	(52)	(78)
Selling, general and administrative	**(3,336)**	(3,239)	**(11,537)**	(10,276)	(97)	(1,261)
Depreciation	**(388)**	(355)	**(1,171)**	(955)	(33)	(216)
Operating loss	**(3,383)**	(3,038)	**(11,608)**	(9,693)	(345)	(1,915)
Gain on sale of property	**216**	—	**216**	—	216	216
Foreign currency gain	**2,172**	1,065	**3,662**	1,645	1,107	2,017
Interest expense, net	**(4,781)**	(5,276)	**(14,775)**	(15,482)	495	707
Income tax recovery	**775**	1,819	**5,296**	6,264	(1,044)	(968)
Net loss	**$ (5,001)**	$ (5,430)	**$ (17,209)**	$ (17,266)	$ 429	$ 57

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 periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2022	2021	**2022**	2021	Three Months	Nine Months
Interest expense on borrowings	**$ 4,521**	$ 4,613	**$ 13,471**	$ 14,143	$ 92	$ 672
Amortization of financing costs	**402**	402	**1,206**	1,210	—	4
Interest on employee future benefits, net	**193**	364	**620**	1,094	171	474
Interest capitalized on vessels under construction	**(85)**	(80)	**(233)**	(900)	5	(667)
	$ 5,031	$ 5,299	**$ 15,064**	$ 15,547	$ 268	$ 483

Foreign Currency Gain

For the periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2022	2021	**2022**	2021	Three Months	Nine Months
Gain on foreign denominated cash	**$ 2,172**	$ 1,065	**$ 3,662**	$ 1,262	$ 1,107	$ 2,400
Gain on return of capital from foreign subsidiary	**—**	—	**—**	331	—	(331)
Gain on foreign exchange forward contracts	**—**	—	**—**	52	—	(52)
	$ 2,172	$ 1,065	**$ 3,662**	$ 1,645	$ 1,107	$ 2,017

Income Taxes

For the periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2022	2021	**2022**	2021	Three Months	Nine Months
Combined federal and provincial statutory income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %	— %	— %
Net earnings before income tax and net earnings from investments in joint ventures	**$ 38,549**	$ 40,437	**$ 49,887**	$ 42,298	$ (1,888)	$ 7,589
Expected income tax expense	**$ (10,215)**	$ (10,716)	**$ (13,220)**	$ (11,209)	$ 501	$ (2,011)
(Increase) decrease in expense resulting from:						
Foreign tax rates different from Canadian statutory rate	**2,004**	2,707	**6,540**	4,795	(703)	1,745
Effect of items that are non deductible	**(266)**	(115)	**(266)**	77	(151)	(343)
Deferred tax items recognized	**(218)**	390	**(218)**	390	(608)	(608)
Adjustments to prior period provision	**(203)**	(245)	**(501)**	17	42	(518)
Other	**122**	26	**99**	(33)	96	132
Actual tax expense	**$ (8,776)**	$ (7,953)	**$ (7,566)**	$ (5,963)	$ (823)	$ (1,603)

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.

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 $136,628 at September 30, 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") 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 and has been extended to October 11, 2027. 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 170 to 325 basis points above bankers' acceptance, adjusted SOFR or EURIBOR 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 September 30, 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 and nine months ended September 30, 2022.

Financial Condition, Liquidity and Capital Resources

Cash Flows

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Net cash generated from operating activities	**$ 59,561**	$ 71,950	**$ 68,603**	$ 94,153	$ (12,389)	$ (25,550)
Net cash (used in) generated from investing activities	**(17,082)**	8,004	**(19,442)**	(12,555)	(25,086)	(6,887)
Net cash used in financing activities	**(6,236)**	(35,154)	**(27,440)**	(96,266)	28,918	68,826
Net change in cash	**36,243**	44,800	**21,721**	(14,668)	(8,557)	36,389
Effects of exchange rate changes on cash held in foreign currencies	**4,350**	1,468	**5,965**	18	2,882	5,947
Cash, beginning of period	**96,035**	42,992	**108,942**	103,910	53,043	5,032
Cash, end of period	**$ 136,628**	$ 89,260	**$ 136,628**	$ 89,260	$ 47,368	$ 47,368

Investing Activities

Higher net cash used in investing activities during the third quarter relates to the initial payments made in the newly formed FureBear joint venture and the purchase of a product tanker currently operating internationally under bareboat charter. During the second quarter of 2022 the Company sold a shopping centre within the investment properties segment. In 2021, final delivery payment was made on one vessel and an instalment payment was made on another vessel currently under construction.

Financing Activities

The decrease in net cash used in financing activities during the quarter is reflective of no short-term borrowings requiring repayment this year compared to the prior year period. The substantial net cash used in financing activities in the nine months ended September 30, 2021 was a result of 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 and nine months ended September 30, 2022 and 2021 and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2022**	2021	**2022**	2021	Three Months	Nine Months
Net cash generated from operating activities	**$ 59,561**	$ 71,950	**$ 68,603**	$ 94,153	$ (12,389)	$ (25,550)
Net debt service repayments	**(220)**	(28,911)	**(8,931)**	(38,352)	28,691	29,421
Capital required for maintenance of existing assets	**(3,164)**	(2,832)	**(13,913)**	(7,968)	(332)	(5,945)
Free cash flow[(1)]	**$ 56,177**	$ 40,207	**$ 45,759**	$ 47,833	$ 15,970	$ (2,074)

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

- During the three and nine months ended September 30, 2022, the Company made significant environmental investments in fleet upgrades such as carbon reducing fuel efficiency technology, ballast water treatment system installations and scrubber upgrades.

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 September 30, 2022 that affect the Company's liquidity and capital resource needs.

	2022	2023	2024	2025	2026	2027 and Beyond	Total
Long-term debt including convertible debentures	$ 38	$ 5,197	$ 82,435	$ —	$ —	$ 329,493	$ 417,163
Capital asset commitments	9,927	77,290	111,721	18,100	—	—	217,038
Interest payments on long-term debt	8,480	16,896	14,672	12,508	12,508	89,498	154,562
Employee future benefit special payments	—	781	781	781	781	—	3,124
Leases	28	122	126	132	79	—	487
	$ 18,473	$ 100,286	$ 209,735	$ 31,521	$ 13,368	$ 418,991	$ 792,374

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 September 30, 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 September 30, 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 September 30, 2022.

Changes in Internal Controls over Financial Reporting

During the period ended September 30, 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 and Nine Months Ended September 30, 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 and nine months ended September 30, 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 periods ended September 30 (unaudited, in thousands of dollars, except per share data)	Notes	Three Months Ended 2022	Three Months Ended 2021	Nine Months Ended 2022	Nine Months Ended 2021
Revenue	3	**$ 199,327**	$ 174,734	**$ 467,893**	$ 420,020
Operating expenses		**(133,439)**	(106,449)	**(345,612)**	(289,050)
Selling, general and administrative expenses		**(7,764)**	(7,374)	**(24,942)**	(23,190)
Other operating items	4	**—**	402	**—**	(2,081)
Depreciation and amortization		**(17,361)**	(16,675)	**(51,106)**	(51,160)
Operating earnings		**40,763**	44,638	**46,233**	54,539
Interest expense	6	**(5,031)**	(5,299)	**(15,064)**	(15,547)
Interest income		**498**	23	**537**	65
Gain on sale of properties	11	**147**	10	**14,519**	1,596
Foreign currency gain	7	**2,172**	1,065	**3,662**	1,645
		38,549	40,437	**49,887**	42,298
Income tax expense	8	**(8,776)**	(7,953)	**(7,566)**	(5,963)
Net earnings from investments in joint ventures	5	**12,760**	7,500	**27,686**	13,547
Net earnings		**$ 42,533**	$ 39,984	**$ 70,007**	$ 49,882
Basic earnings per share	18	**$ 1.13**	$ 1.06	**$ 1.85**	$ 1.32
Diluted earnings per share	18	**$ 1.01**	$ 0.96	**$ 1.70**	$ 1.23

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the periods ended September 30 (unaudited, in thousands of dollars)	Three Months Ended 2022	Three Months Ended 2021	Nine Months Ended 2022	Nine Months Ended 2021
Net earnings	**$ 42,533**	$ 39,984	**$ 70,007**	$ 49,882
Other Comprehensive Earnings				
Items that may be subsequently reclassified to net earnings:				
Unrealized gain on translation of financial statements of foreign operations	**27,021**	11,522	**33,894**	40
Unrealized (loss) gain on hedging instruments, net of income tax	**(6,279)**	(2,941)	**(8,769)**	1,494
Foreign exchange gain on purchase commitment hedge reserve, net of income tax, transferred to:				
Property, plant, and equipment	**—**	—	**—**	1,194
Items that will not be subsequently reclassified to net earnings:				
Employee future benefits actuarial (loss) gain, net of income tax	**(1,729)**	5,037	**7,218**	19,573
	19,013	13,618	**32,343**	22,301
Comprehensive earnings	**$ 61,546**	$ 53,602	**$ 102,350**	$ 72,183

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	September 30 2022	December 31 2021
Assets			
Current			
Cash		**$ 136,628**	$ 108,942
Accounts receivable		**71,699**	56,560
Income taxes recoverable		**3,853**	4,052
Other current assets	10	**34,477**	21,020
		246,657	190,574
Property, plant, and equipment	11	**819,512**	818,922
Investments in joint ventures	5	**193,404**	155,140
Goodwill	12	**7,910**	7,910
Employee future benefits		**10,116**	4,618
Non-current asset held for sale	11	**—**	14,167
Mortgage receivable	13	**18,000**	—
Other assets	14	**13,114**	8,752
		$ 1,308,713	$ 1,200,083
Liabilities			
Current			
Accounts payable and accrued charges		**$ 82,809**	$ 79,167
Current portion of long-term debt	17	**5,235**	150
Income taxes payable		**5,696**	794
Other current liabilities	15	**9,115**	4,400
		102,855	84,511
Long-term debt	17	**402,989**	391,532
Employee future benefits		**19,011**	23,882
Deferred income taxes		**58,806**	57,728
Other long-term liabilities	16	**1,661**	2,147
		585,322	559,800
Commitments	21		
Shareholders' Equity			
Share capital	18	**8,175**	8,110
Contributed surplus		**957**	985
Convertible debentures		**2,308**	2,309
Accumulated other comprehensive loss	19	**(6,194)**	(31,319)
Retained earnings		**718,145**	660,198
		723,391	640,283
		$ 1,308,713	$ 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 18)		(Note 19)		
Balance at January 1, 2021	$ 8,110	$ 3,337	$ (32,787)	$ 581,956	$ 560,616
Net earnings	—	—	—	49,882	49,882
Dividends	—	—	—	(19,279)	(19,279)
Repurchase and cancellation of common shares	—	(25)	—	—	(25)
Share-based compensation	—	(48)	—	—	(48)
Other comprehensive earnings	—	—	2,728	19,573	22,301
Balance at September 30, 2021	$ 8,110	$ 3,264	$ (30,059)	$ 632,132	$ 613,447
Balance at January 1, 2022	$ 8,110	$ 3,294	$ (31,319)	$ 660,198	$ 640,283
Net earnings	—	—	—	70,007	70,007
Dividends	—	—	—	(19,278)	(19,278)
Repurchase and cancellation of common shares	—	(6)	—	—	(6)
Debenture conversions	65	(1)	—	—	64
Share-based compensation	—	(22)	—	—	(22)
Other comprehensive earnings	—	—	25,125	7,218	32,343
Balance at September 30, 2022	**$ 8,175**	**$ 3,265**	**$ (6,194)**	**$ 718,145**	**$ 723,391**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

		Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	Notes	**2022**	2021	**2022**	2021
Net Inflow (Outflow) of Cash Related to the Following Activities					
Operating					
Net earnings		**$ 42,533**	$ 39,984	**$ 70,007**	$ 49,882
Net earnings from investments in joint ventures	5	**(12,760)**	(7,500)	**(27,686)**	(13,547)
Items not affecting cash					
Depreciation and amortization		**17,361**	16,675	**51,106**	51,160
Gain on disposal of assets		**(147)**	(10)	**(14,519)**	(1,897)
Net gain from insurance settlement		**—**	(63)	**—**	(2,793)
Impairment reversal	11	**—**	(402)	**—**	(402)
Other non-cash items	20	**11,645**	12,795	**19,787**	21,590
Net change in non-cash working capital		**1,764**	13,717	**(24,938)**	(1,307)
Income taxes paid, net		**(342)**	(2,295)	**(2,607)**	(5,547)
Employee future benefits paid		**(493)**	(951)	**(2,547)**	(2,986)
Net cash generated from operating activities		**59,561**	71,950	**68,603**	94,153
Investing					
Additions to property, plant, and equipment	20	**(20,919)**	(1,360)	**(32,645)**	(29,176)
Distributions received from joint ventures	5	**11,385**	4,346	**16,153**	9,922
Investment in joint ventures	5	**(7,334)**	(1,058)	**(13,522)**	(1,058)
Additions to vessels under construction		**(430)**	(40)	**(937)**	(8,437)
Insurance proceeds on vessel disposal		**—**	—	**—**	7,548
Net proceeds on sale of assets	11	**216**	6,116	**11,509**	8,646
Net cash (used in) generated from investing activities		**(17,082)**	8,004	**(19,442)**	(12,555)
Financing					
Interest paid		**(183)**	(376)	**(8,820)**	(9,746)
Interest received		**251**	23	**290**	65
Proceeds of long-term debt		**—**	—	**—**	58,500
Repayment of long-term debt		**(37)**	(28,535)	**(111)**	(28,606)
Normal Course Issuer Bid	18	**—**	—	**—**	(2)
Dividends paid		**(6,267)**	(6,266)	**(18,799)**	(116,477)
Net cash used in financing activities		**(6,236)**	(35,154)	**(27,440)**	(96,266)
Net change in cash		**36,243**	44,800	**21,721**	(14,668)
Effects of exchange rate changes on cash held in foreign currencies		**4,350**	1,468	**5,965**	18
Cash, beginning of period		**96,035**	42,992	**108,942**	103,910
Cash, end of period		**$ 136,628**	$ 89,260	**$ 136,628**	$ 89,260

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 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 and nine months ended September 30, 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. and Algoma Tankers Limited. The principal jointly controlled entities are 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, and ownership of one tanker vessel operating in international waters under bareboat charter.

The Ocean Self-Unloaders marine transportation segment includes ownership of eight ocean-going self-unloading vessels and a 25% interest in a ninth self-unloader. The eight ocean vessels are engaged in the carriage of dry-bulk commodities in the 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 closure 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 per share data, unless otherwise noted.

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

3. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended September 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
2022						
Contract of Affreightment	$ 115,618	$ —	$ —	$ —	$ —	$ 115,618
Time Charter	57	32,714	—	—	—	32,771
Pool Revenue Share	—	—	49,927	—	—	49,927
Other	321	35	—	96	559	1,011
	$ 115,996	**$ 32,749**	**$ 49,927**	**$ 96**	**$ 559**	**$ 199,327**
2021						
Contract of Affreightment	$ 109,530	$ —	$ —	$ —	$ —	$ 109,530
Time Charter	—	21,186	—	—	—	21,186
Pool Revenue Share	—	—	41,221	—	—	41,221
Other	61	—	—	2,014	722	2,797
	$ 109,591	$ 21,186	$ 41,221	$ 2,014	$ 722	$ 174,734

For the nine months ended September 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
2022						
Contract of Affreightment	$ 225,469	$ —	$ —	$ —	$ —	$ 225,469
Time Charter	13,725	82,222	—	—	—	95,947
Pool Revenue Share	—	—	140,540	—	—	140,540
Other	679	485	—	2,938	1,835	5,937
	$ 239,873	**$ 82,707**	**$ 140,540**	**$ 2,938**	**$ 1,835**	**$ 467,893**
2021						
Contract of Affreightment	$ 219,343	$ —	$ —	$ —	$ —	$ 219,343
Time Charter	11,368	68,025	—	—	—	79,393
Pool Revenue Share	—	—	113,722	—	—	113,722
Other	288	66	—	5,013	2,195	7,562
	$ 230,999	$ 68,091	$ 113,722	$ 5,013	$ 2,195	$ 420,020

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

As at (unaudited, in thousands of dollars)	**September 30 2022**	December 31 2021
Unbilled revenue	**$ 8,972**	$ 14,799
Deferred revenue	**$ 1,402**	$ 1,122

4. Other Operating Items

The components of other operating items are as follows:

For the periods ended September 30 (unaudited, in thousands of dollars)	Three Months Ended		Nine Months Ended	
	2022	2021	**2022**	2021
Net gain from insurance settlement	**$ —**	$ 63	**$ —**	$ 2,793
Gain on sale of vessel	**—**	402	**—**	702
Pool compensation payment	**—**	(63)	**—**	(5,576)
	$ —	$ 402	**$ —**	$ (2,081)

5. Joint Ventures

The Company has a 50% interest in FureBear AB ("FureBear"), which is currently constructing four product tankers for Northern Europe trade, a 50% interest in Marbulk Canada Inc. ("Marbulk"), which has a 50% interest in a specialized self-unloader, 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, FureBear results are presented in "Product Tankers", Marbulk results are presented in "Ocean Self-Unloaders" and all NovaAlgoma joint ventures are presented in "Global Short Sea Shipping". There was no operating activity for FureBear for the three and nine months ended September 30, 2022.

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

For the three months ended September 30 (unaudited, in thousands of dollars)	**2022**		2021	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Revenue	**$ 2,389**	**$ 72,955**	$ 1,735	$ 71,085
Operating expenses	**(1,605)**	**(40,681)**	(1,219)	(51,419)
General and administrative	**(129)**	**(1,787)**	(238)	(1,551)
Depreciation and amortization	**(336)**	**(8,382)**	(357)	(6,014)
Operating earnings (loss)	**319**	**22,105**	(79)	12,101
Impairment	**(278)**	**—**	—	—
Interest expense	**—**	**(1,958)**	—	(804)
Foreign exchange (loss) gain	**(2)**	**(866)**	(3)	34
Gain on disposal of vessels	**—**	**5,843**	—	5,439
Earnings (loss) before undernoted	**39**	**25,124**	(82)	16,770
Net earnings of joint ventures	**—**	**1,697**	—	1,126
Net earnings attributable to non-controlling interest	**—**	**(1,880)**	—	(2,386)
Income tax expense	**—**	**(431)**	—	(132)
Net earnings (loss)	**$ 39**	**$ 24,510**	$ (82)	$ 15,378
Company share of net earnings (loss)	**$ 20**	**$ 12,255**	$ (41)	$ 7,689
Investment gain on distribution	**637**	**—**	—	—
Amortization of vessel purchase price allocation and intangibles	**—**	**(152)**	—	(148)
Company share of net earnings (loss) from investments in joint ventures	**$ 657**	**$ 12,103**	$ (41)	$ 7,541

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

For the three months ended September 30 (unaudited, in thousands of dollars)	**2022**	2021
Ocean Self-Unloaders	**657**	(41)
Global Short Sea Shipping	**12,103**	7,541
	$ 12,760	$ 7,500

For the nine months ended September 30 (unaudited, in thousands of dollars)	2022		2021	
	Ocean Self-Unloaders	**Global Short Sea Shipping**	Ocean Self-Unloaders	Global Short Sea Shipping
Revenue	**$ 6,077**	**$ 204,618**	$ 5,087	$ 197,365
Operating expenses	**(4,213)**	**(127,275)**	(3,491)	(148,696)
General and administrative	**(384)**	**(4,749)**	(497)	(5,251)
Depreciation and amortization	**(780)**	**(28,946)**	(1,064)	(20,527)
Operating earnings	**700**	**43,648**	35	22,891
Impairment reversal	**5,286**	**—**	—	—
Interest expense	**—**	**(4,494)**	—	(3,076)
Foreign exchange (loss) gain	**(2)**	**(1,258)**	—	503
Gain on sale of vessels	**—**	**15,403**	—	8,131
Earnings before undernoted	**5,984**	**53,299**	35	28,449
Net earnings of joint ventures	**—**	**3,930**	—	2,466
Net earnings attributable to non-controlling interest	**—**	**(6,892)**	—	(2,146)
Income tax expense	**—**	**(1,323)**	—	(831)
Net earnings	**$ 5,984**	**$ 49,014**	$ 35	$ 27,938
Company share of net earnings	**$ 2,992**	**$ 24,507**	$ 18	$ 13,969
Investment gain on distribution	**637**	**—**	—	—
Amortization of vessel purchase price allocation and intangibles	**—**	**(450)**	—	(440)
Company share included in net earnings of joint ventures	**$ 3,629**	**$ 24,057**	$ 18	$ 13,529

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

For the nine months ended September 30 (unaudited, in thousands of dollars)	**2022**	2021
Ocean Self-Unloaders	**3,629**	18
Global Short Sea Shipping	**24,057**	13,529
	$ 27,686	$ 13,547

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

As at (unaudited, in thousands of dollars)	**September 30, 2022**			December 31, 2021		
	Product Tankers	**Ocean Self-Unloaders**	**Global Short Sea Shipping**	Product Tankers	Ocean Self-Unloaders	Global Short Sea Shipping
Cash	**$ 3**	**$ 4,600**	**$ 26,378**	$ —	$ 3,712	$ 28,117
Other current assets	**—**	**1,265**	**37,248**	—	532	57,455
Income taxes recoverable	**—**	**52**	**360**	—	48	223
Property, plant, and equipment	**—**	**1,908**	**419,171**	—	3,644	318,779
Investment in joint ventures	**—**	**—**	**50,804**	—	—	44,027
Other assets	**14,371**	**—**	**15,996**	—	—	14,627
Current liabilities	**—**	**(608)**	**(36,276)**	—	(642)	(54,176)
Current portion of long-term debt	**—**	**—**	**(49,137)**	—	—	(21,450)
Long-term debt	**—**	**—**	**(97,832)**	—	—	(80,601)
Other long-term liabilities	**—**	**—**	**(7,630)**	—	—	(13,330)
Non-controlling interest	**—**	**—**	**(7,083)**	—	—	(3,646)
Net assets of jointly controlled operations	**$ 14,374**	**$ 7,217**	**$ 351,999**	$ —	$ 7,294	$ 290,025
Company share of net assets	**$ 7,187**	**$ 3,609**	**$ 176,000**	$ —	$ 3,647	$ 145,013
Goodwill and other purchase price adjustments	**—**	**—**	**6,608**	—	—	6,480
Company share of joint venture	**$ 7,187**	**$ 3,609**	**$ 182,608**	$ —	$ 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)	September 30 2022	December 31 2021
Product Tankers	$ 7,187	$ —
Ocean Self-Unloaders	3,609	3,647
Global Short Sea Shipping	182,608	151,493
	$ 193,404	$ 155,140

The Company has related party relationships with its joint ventures with respect to administrative 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:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	2022	2021	2022	2021
Revenue	$ 267	$ 443	$ 940	$ 904

As at (unaudited, in thousands of dollars)	September 30 2022	December 31 2021
Accounts receivable	$ 7,628	$ 10,882
Accounts payable	—	6,656
Loans guaranteed by the Company	15,772	20,303

The Company's cash flows from (to) joint ventures by segment are as follows:

For the nine months ended September 30 (unaudited, in thousands of dollars)	2022		2021	
	Distributions received	Investment in joint ventures	Distributions received	Investment in joint ventures
Product Tankers	$ —	$ (7,334)	$ —	$ —
Ocean Self-Unloaders	4,016	—	939	—
Global Short Sea Shipping	12,137	(6,188)	8,983	$ (1,058)
	$ 16,153	$ (13,522)	$ 9,922	$ (1,058)

6. Interest Expense

The components of interest expense are as follows:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	2022	2021	2022	2021
Interest expense on borrowings	$ 4,521	$ 4,613	$ 13,471	$ 14,143
Amortization of financing costs	402	402	1,206	1,210
Interest on employee future benefits, net	193	364	620	1,094
Interest capitalized on vessels under construction	(85)	(80)	(233)	(900)
	$ 5,031	$ 5,299	$ 15,064	$ 15,547

7. Foreign Currency Gain

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

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	2022	2021	2022	2021
Gain on foreign denominated cash and debt	$ 2,172	$ 1,065	$ 3,662	$ 1,262
Gain on return of capital from foreign subsidiary	—	—	—	331
Gain on foreign exchange forward contracts	—	—	—	52
	$ 2,172	$ 1,065	$ 3,662	$ 1,645

8. 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:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2022**	2021	**2022**	2021
Combined federal and provincial statutory income tax rate	**26.5%**	26.5%	**26.5%**	26.5%
Net earnings before income tax and net earnings from investments in joint ventures	**$ 38,549**	$ 40,437	**$ 49,887**	$ 42,298
Expected income tax expense	**$ (10,215)**	$ (10,716)	**$ (13,220)**	$ (11,209)
(Increase) decrease in expense resulting from:				
Foreign tax rates different from Canadian statutory rate	**2,004**	2,707	**6,540**	4,795
Effect of items that are non deductible	**(266)**	(115)	**(266)**	77
Deferred tax items recognized	**(218)**	390	**(218)**	390
Adjustments to prior period provision	**(203)**	(245)	**(501)**	17
Other	**122**	26	**99**	(33)
Actual tax expense	**$ (8,776)**	$ (7,953)	**$ (7,566)**	$ (5,963)

9. Leases

The Company reports its right-of-use assets and lease liabilities 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	
	September 30	December 31	**September 30**	December 31
As at (unaudited, in thousands of dollars)	**2022**	2021	**2022**	2021
Opening balance	**$ 640**	$ 511	**$ 535**	$ 522
Additions	**—**	545	**—**	537
Depreciation	**(122)**	(163)	**—**	—
Interest accretion	**—**	—	**10**	24
Payments	**—**	—	**(125)**	(277)
Remeasurement adjustment	**6**	(220)	**6**	(220)
Derecognition of terminated lease	**—**	(39)	**—**	(59)
Effect of foreign currency exchange differences	**28**	6	**36**	8
Closing balance	**$ 552**	$ 640	**$ 462**	$ 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 nine months ended September 30 (unaudited, in thousands of dollars)	**2022**	2021
Payments - short term leases	**$ 485**	$ 2
Payments per IFRS 16	**125**	204
Non-lease components per IFRS 16	**90**	42
Total cash payments	**$ 700**	$ 248

10. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	**September 30 2022**	December 31 2021
Materials and supplies	**$ 20,251**	$ 12,455
Prepaid expenses	**12,956**	8,319
Derivative assets	**1,270**	246
	$ 34,477	$ 21,020

11. 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	5,191	22,012	5,247	839	471	33,760
Transfer between segments	(257)	—	—	—	257	—
Disposals	—	—	—	(839)	(24)	(863)
Fully depreciated assets no longer in use	(1,817)	(4,132)	(1,052)	—	—	(7,001)
Effect of foreign currency exchange differences	—	—	31,581	—	2	31,583
Balance at September 30, 2022	**$ 671,824**	**$ 251,415**	**$ 417,052**	**$ —**	**$ 22,402**	**$ 1,362,693**

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	19,552	10,422	19,946	—	1,064	50,984
Transfer between segments	(257)	—	—	—	257	—
Fully depreciated assets no longer in use	(1,817)	(4,132)	(1,052)	—	—	(7,001)
Effect of foreign currency exchange differences	—	—	12,906	—	—	12,906
Balance at September 30, 2022	**$ 210,110**	**$ 147,067**	**$ 170,835**	**$ —**	**$ 15,169**	**$ 543,181**

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Total
September 30, 2022						
Cost	$ 671,824	$ 251,415	$ 417,052	$ —	$ 22,402	$ 1,362,693
Accumulated depreciation	210,110	147,067	170,835	—	15,169	543,181
	$ 461,714	**$ 104,348**	**$ 246,217**	**$ —**	**$ 7,233**	**$ 819,512**
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

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario for proceeds of $30,000, with a realized gain on sale of $14,303. Prior to the sale, the carrying value of this asset and any additions had been reclassified to non-current asset held for sale on the interim condensed consolidated balance sheet

12. 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.

13. Mortgage Receivable

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario. Proceeds of the sale included a vendor take-back ("VTB") mortgage of $18,000, secured against the shopping centre. The VTB mortgage bears interest at 5.5% for a 24 month term and is fully open for repayment of any part of the principal outstanding at any time. The first payment of interest shall be due on June 30, 2023 and interest-only payments will be due monthly thereafter.

14. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	**September 30 2022**	December 31 2021
Vessels under construction	**$ 7,673**	$ 6,365
Derivative assets	**4,632**	1,738
Right-of-use assets (Note 9)	**552**	640
Other	**257**	9
	$ 13,114	$ 8,752

15. Other Current Liabilities

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)	**September 30 2022**	December 31 2021
Accrued interest on long-term debt	**$ 4,919**	$ 664
Dividends payable	**4,084**	3,604
Lease obligations (Note 9)	**112**	132
	$ 9,115	$ 4,400

16. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

As at (unaudited, in thousands of dollars)	**September 30 2022**	December 31 2021
Deferred compensation	**$ 1,311**	$ 1,744
Lease obligations (Note 9)	**350**	403
	$ 1,661	$ 2,147

17. Long-Term Debt

As at (unaudited, in thousands of dollars)		**September 30 2022**		December 31 2021
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	**$**	**81,459**	$	81,137
Senior Secured Notes				
U.S. $20,000, interest at 3.37%, due December 10, 2027		**27,414**		25,356
U.S. $42,000, interest at 3.60%, due December 10, 2030		**57,569**		53,248
U.S. $35,000, interest at 3.70%, due December 10, 2032		**47,975**		44,373
U.S. $50,000, interest at 3.80%, due December 10, 2035		**68,535**		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%		**5,235**		5,347
		416,187		400,851
Less: unamortized financing expenses		**7,963**		9,169
		408,224		391,682
Less: current portion of long-term debt		**5,235**		150
	$	**402,989**	$	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 September 30, 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 September 30, 2022 and December 31, 2021 the Company was in compliance with all of its covenants.

Subsequent to the quarter, the Company extended its existing bank credit facility with similar terms, security, and covenants. The extended bank credit agreement matures on October 11, 2027.

18. Share Capital

Share capital

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

The Company had 37,805,027 and 37,800,943 common shares outstanding and no preferred shares issued or outstanding as at September 30, 2022 and December 31, 2021 respectively.

The Company's Board of Directors authorized payment of a quarterly dividend to shareholders of $0.17 per common share. The dividend will be paid on December 1, 2022 to shareholders of record on November 17, 2022.

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

	Three Months Ended				Nine Months Ended			
For the periods ended September 30 (unaudited, in thousands of dollars)		**2022**		2021		**2022**		2021
Net earnings	**$**	**42,533**	$	39,984	**$**	**70,007**	$	49,882
Interest expense on debentures, net of tax		**1,013**		972		**3,005**		2,954
Net earnings for diluted earnings per share	**$**	**43,546**	$	40,956	**$**	**73,012**	$	52,836
Basic weighted average common shares		**37,805,027**		37,800,943		**37,802,758**		37,800,943
Shares due to dilutive effect of debentures		**5,168,339**		5,055,147		**5,134,994**		5,055,147
Diluted weighted average common shares		**42,973,366**		42,856,090		**42,937,752**		42,856,090
Basic earnings per common share	**$**	**1.13**	$	1.06	**$**	**1.85**	$	1.32
Diluted earnings per common share	**$**	**1.01**	$	0.96	**$**	**1.70**	$	1.23

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 September 30, 2022.

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

19. Accumulated Other Comprehensive Loss

	Hedges			
(unaudited, in thousands of dollars)	Net investment	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)
(Loss) gain	(15,126)	4,976	33,894	23,744
Income tax recovery (expense)	2,040	(659)	—	1,381
Net (loss) gain	(13,086)	4,317	33,894	25,125
Balance at September 30, 2022	**$ (31,849)**	**$ 6,039**	**$ 19,616**	**$ (6,194)**

20. Supplementary Disclosure of Cash Flow Information

The other items not affecting cash are as follows:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2022**	2021	**2022**	2021
Interest expense	**$ 5,031**	$ 5,299	**$ 15,064**	$ 15,547
Interest income	**(498)**	(23)	**(537)**	(65)
Income tax expense (Note 8)	**8,776**	7,953	**7,566**	5,963
Employee future benefit expense	**449**	608	**1,378**	1,857
Foreign currency gain (Note 7)	**(2,172)**	(1,065)	**(3,662)**	(1,645)
Other	**59**	23	**(22)**	(67)
	$ 11,645	$ 12,795	**$ 19,787**	$ 21,590

Additions to property, plant and equipment are as follows:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2022**	2021	**2022**	2021
Additions to property, plant, and equipment (Note 11)	**$ (20,560)**	$ (863)	**$ (33,760)**	$ (30,734)
Amounts included in working capital	**(359)**	(497)	**1,115**	(3)
Capitalized interest	**—**	—	**—**	524
Other non-cash adjustments	**—**	—	**—**	1,037
	$ (20,919)	$ (1,360)	**$ (32,645)**	$ (29,176)

21. Commitments

The table below reflects the commitments of the Company at September 30, 2022.

(unaudited, in thousands of dollars)		
Construction of two domestic dry bulk self-unloaders	$	116,983
Construction of two bulk carriers through a joint venture interest		7,927
Construction of four product tankers through a joint venture interest		92,128
Employee future benefit payments		3,124
Leases		487
	$	**220,649**

22. Financial Instruments and Risk Management

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

Fair Value

The Company's financial instruments, excluding derivative assets, are carried at amortized cost which, due to their short-term nature, approximates fair value. Derivative assets are remeasured for fair value at the end of each reporting period. 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)		**September 30 2022**		December 31 2021
Long-term debt				
Carrying value	**$**	**416,187**	$	400,851
Fair value, classified as Level 2	**$**	**352,020**	$	409,094

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 for the remainder of the year and forward are as follows:

(unaudited, in thousands of dollars)		2022		2023		2024		2025		2026		2027 and Beyond		Total
Long-term debt including convertible debentures	$	38	$	5,197	$	82,435	$	—	$	—	$	329,493	$	417,163
Capital asset commitments		9,927		77,290		111,721		18,100		—		—		217,038
Interest payments on long-term debt		8,480		16,896		14,672		12,508		12,508		89,498		154,562
Employee future benefit special payments		—		781		781		781		781		—		3,124
Leases		28		122		126		132		79		—		487
	$	18,473	$	100,286	$	209,735	$	31,521	$	13,368	$	418,991	$	792,374

Foreign Exchange Risk

At September 30, 2022 and December 31, 2021, approximately 39% and 42% respectively of the Company's total assets were denominated in U.S. dollars, including U.S. cash of $36,647 (December 31, 2021 - $71,935). In the third quarter, the Company purchased Euro cash of €23,500 as a hedge against a vessel construction contract payment due in 2024.

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 September 30, 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 $5,902 (December 31, 2021 - $1,984).

23. 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.

For the three months ended September 30, 2022 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
Revenue	$ 115,996	$ 32,749	$ 49,927	$ 96	$ 559	$ —	$ 199,327
Operating expenses	(76,086)	(22,050)	(34,938)	(147)	(218)	—	(133,439)
Selling, general and administrative	(2,942)	(1,144)	(342)	—	(3,336)	—	(7,764)
Depreciation and amortization	(6,515)	(3,667)	(6,791)	—	(388)	—	(17,361)
Operating earnings (loss)	30,453	5,888	7,856	(51)	(3,383)	—	40,763
Interest, net	—	—	—	248	(4,781)	—	(4,533)
Gain (loss) on sale of properties	—	—	—	(69)	216	—	147
Foreign currency gain	—	—	—	—	2,172	—	2,172
	30,453	5,888	7,856	128	(5,776)	—	38,549
Income tax (expense) recovery	(8,188)	(1,279)	—	(84)	775	—	(8,776)
Net earnings from investments in joint ventures	—	—	657	—	—	12,103	12,760
Net earnings (loss)	**$ 22,265**	**$ 4,609**	**$ 8,513**	**$ 44**	**$ (5,001)**	**$ 12,103**	**$ 42,533**

For the three months ended September 30, 2021 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
Revenue	$ 109,591	$ 21,186	$ 41,221	$ 2,014	$ 722	$ —	$ 174,734
Operating expenses	(67,310)	(13,374)	(24,131)	(1,468)	(166)	—	(106,449)
Selling, general and administrative	(2,804)	(1,036)	(295)	—	(3,239)	—	(7,374)
Other operating items	63	402	(63)	—	—	—	402
Depreciation and amortization	(6,745)	(3,209)	(6,366)	—	(355)	—	(16,675)
Operating earnings (loss)	32,795	3,969	10,366	546	(3,038)	—	44,638
Interest, net	—	—	—	—	(5,276)	—	(5,276)
Gain on sale of property	10	—	—	—	—	—	10
Foreign currency gain	—	—	—	—	1,065	—	1,065
	32,805	3,969	10,366	546	(7,249)	—	40,437
Income tax (expense) recovery	(8,454)	(1,053)	—	(265)	1,819	—	(7,953)
Net (loss) earnings from investments in joint ventures	—	—	(41)	—	—	7,541	7,500
Net earnings (loss)	$ 24,351	$ 2,916	$ 10,325	$ 281	$ (5,430)	$ 7,541	$ 39,984

For the nine months ended September 30, 2022 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
Revenue	$ 239,872	$ 82,708	$ 140,540	$ 2,938	$ 1,835	$ —	$ 467,893
Operating expenses	(186,699)	(60,756)	(94,473)	(2,949)	(735)	—	(345,612)
Selling, general and administrative	(8,868)	(3,518)	(1,019)	—	(11,537)	—	(24,942)
Depreciation and amortization	(19,567)	(10,422)	(19,946)	—	(1,171)	—	(51,106)
Operating earnings (loss)	24,738	8,012	25,102	(11)	(11,608)	—	46,233
Interest, net	—	—	—	248	(14,775)	—	(14,527)
Gain on sale of properties	—	—	—	14,303	216	—	14,519
Foreign currency gain	—	—	—	—	3,662	—	3,662
	24,738	8,012	25,102	14,540	(22,505)	—	49,887
Income tax (expense) recovery	(6,807)	(2,071)	—	(3,984)	5,296	—	(7,566)
Net earnings from investments in joint ventures	—	—	3,629	—	—	24,057	27,686
Net earnings (loss)	**$ 17,931**	**$ 5,941**	**$ 28,731**	**$ 10,556**	**$ (17,209)**	**$ 24,057**	**$ 70,007**

For the nine months ended September 30, 2021 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
Revenue	$ 230,999	$ 68,091	$ 113,722	$ 5,013	$ 2,195	$ —	$ 420,020
Operating expenses	(168,631)	(46,102)	(69,682)	(3,978)	(657)	—	(289,050)
Selling, general and administrative	(8,850)	(3,164)	(900)	—	(10,276)	—	(23,190)
Other operating items	3,093	402	(5,576)	—	—	—	(2,081)
Depreciation and amortization	(19,949)	(10,213)	(18,965)	(1,078)	(955)	—	(51,160)
Operating earnings (loss)	36,662	9,014	18,599	(43)	(9,693)	—	54,539
Interest, net	—	—	—	—	(15,482)	—	(15,482)
Gain on sale of property	1,596	—	—	—	—	—	1,596
Foreign currency gain	—	—	—	—	1,645	—	1,645
	38,258	9,014	18,599	(43)	(23,530)	—	42,298
Income tax (expense) recovery	(9,794)	(2,730)	—	297	6,264	—	(5,963)
Net earnings from investments in joint ventures	—	—	18	—	—	13,529	13,547
Net earnings (loss)	$ 28,464	$ 6,284	$ 18,617	$ 254	$ (17,266)	$ 13,529	$ 49,882

As at September 30, 2022 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
Assets							
Current assets	$ 56,845	$ 6,569	$ 44,667	$ 2,148	$ 136,428	$ —	$ 246,657
Property, plant, and equipment	461,714	104,348	246,217	—	7,233	—	819,512
Investments in joint ventures	—	7,187	3,609	—	—	182,608	193,404
Goodwill	7,910	—	—	—	—	—	7,910
Mortgage receivable	—	—	—	18,000	—	—	18,000
Other assets	7,772	—	10	248	15,200	—	23,230
	$ 534,241	**$ 118,104**	**$ 294,503**	**$ 20,396**	**$ 158,861**	**$ 182,608**	**$ 1,308,713**
Liabilities							
Current liabilities	$ 47,669	$ 10,671	$ 16,514	$ 1,407	$ 21,359	$ —	$ 97,620
Current portion of long-term debt	—	—	—	—	5,235	—	5,235
Long-term liabilities	1,362	13,966	—	—	64,150	—	79,478
Long-term debt	—	—	—	—	402,989	—	402,989
	49,031	24,637	16,514	1,407	493,733	—	585,322
Shareholders' Equity	485,210	93,467	277,989	18,989	(334,872)	182,608	723,391
	$ 534,241	**$ 118,104**	**$ 294,503**	**$ 20,396**	**$ 158,861**	**$ 182,608**	**$ 1,308,713**

As at December 31, 2021 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Investment Properties	Corporate	Global Short Sea Shipping	Total
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

24. 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 having a term 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, 1,890,251 common shares have been reserved for future issuance. The outstanding options expire on various dates to March 1, 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 September 30, 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 September 30, 2022.

	Options outstanding	
Exercise price per share (unaudited, amounts not stated in thousands)	Number of shares	Remaining contractual life (years)
$12.52	113,542	2.41
$14.69	112,668	3.41
$16.94	146,250	4.41
	372,460	

For the nine months ended September 30, 2022, the Company recognized compensation expense for stock option awards of $155 (2021 - $422). For the nine months ended September 30, 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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