ALGOMA CENTRAL CORPORATION REPORTS FINANCIAL PERFORMANCE FOR FISCAL 2022

Strong market demand and a diversified vessel portfolio fuels strong performance for the year

St. Catharines, Ontario February 27, 2022 - Algoma Central Corporation (TSX: ALC) ("Algoma", the "Company") today reported its results for the year ended December 31, 2022. Algoma delivered strong fiscal 2022 results with revenues of $677,942, a 13% increase compared to 2021. The Company also reported a 46% increase in net earnings and an 8% increase in EBITDA[(1)]. All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.

"We have been busy this year and our results are reflective of strong markets, steady demand and optimal utilization of our growing vessel portfolio," said Gregg Ruhl, President and CEO of Algoma. "This year, our focused diversification efforts fueled our low carbon investments in fleet renewal, with the expansion of our product tanker fleet in Europe, replacement vessels within our Canadian fleet, and most recently, commitments for two new-build vessels in our ocean self-unloader fleet," continued Mr. Ruhl. "Algoma is nearly fully booked for the 2023 navigation season and our fleets are ready to continue to safely and efficiently meet customer demand delivering cargo for industries that keep the economy moving in Canada and around the world."

Financial Highlights: Full year 2022 Compared to 2021

- Net earnings increased 46% to $119,966 compared to $82,170 last year. Basic earnings per share were $3.17 compared to $2.17 and diluted earnings per share were $2.89 compare to $2.01. Earnings include a $9,977 gain on the sale of a shopping centre located in Sault Ste. Marie, Ontario and an impairment reversal of $10,848 within the Domestic Dry-Bulk segment.
- Global Short Sea Shipping segment equity earnings increased 72% to $31,712 compared to $18,457 for the prior year. Strong global markets and higher than normal freight rates continued to benefit the segment during 2022. Earnings during the year include a $7,814 gain on the sale of three vessels in 2022 compared to a gain of $4,972 on the sale of six vessels in 2021; this is an example of the flexibility we have built within this segment to take advantage of sale and purchase opportunities.
- Revenue for Product Tankers increased 26% to $118,686 compared to $94,535. This was mainly driven by higher fuel cost recoveries and improved customer demand. Market demand is returning to pre-pandemic levels after significantly reduced demand in 2021. Operating earnings decreased 5% to $13,109 compared to $13,738 driven by higher operating costs.
- Ocean Self-Unloader segment revenue increased 24% to $193,730 compared to $156,294 driven by higher freight rates, increased fuel cost recoveries and an increase in overall Pool volumes. Operating earnings increased 37% to $40,442 compared to $29,503 in 2021, driven primarily by improved freight rates and a modest increased in Pool volumes.
- Domestic Dry-Bulk segment revenue increased 6% to $360,139 compared to $338,661, reflecting increased fuel cost recoveries and improved overall base freight rates. Despite lower volumes during the year, higher freight rates more than offset the decrease in tonnage. Operating earnings of $65,373 include an impairment reversal of $14,759. Excluding the impact of this reversal, operating earnings were $50,614 compared to $64,970 in 2021. The decrease was driven by higher costs associated with increased layup spending and increased direct costs, specifically crew, supply and repair expenses.

Consolidated Statement of Earnings

For the years ended December 31	**2022**	2021
Revenue	**$ 677,942**	$ 598,873
Operating expenses	**(490,044)**	(402,967)
Selling, general and administrative	**(34,567)**	(32,551)
Other operating items	**14,395**	(2,196)
Depreciation and amortization	**(65,429)**	(67,852)
Operating earnings	**102,297**	93,307
Interest expense	**(20,450)**	(20,733)
Interest income	**1,736**	81
Gain on sale of properties	**13,913**	1,596
Foreign currency gain	**3,892**	1,326
	101,388	75,577
Income tax expense	**(16,917)**	(11,812)
Net earnings from investments in joint ventures	**35,495**	18,405
Net earnings	**$ 119,966**	$ 82,170
Basic earnings per share	**$ 3.17**	$ 2.17
Diluted earnings per share	**$ 2.89**	$ 2.01

EBITDA[1]

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

EBITDA[1]

For the years ended December 31	**2022**	2021
Net earnings	**$ 119,966**	$ 82,170
Depreciation and amortization	**85,423**	83,241
Impairment reversal	**(14,759)**	—
Interest and taxes	**40,053**	35,010
Foreign exchange gain	**(3,326)**	(1,491)
Investment gain on distribution	**(669)**	—
Gain on sale of properties	**(13,913)**	(1,596)
Gain on sale of vessels	**(7,814)**	(8,351)
EBITDA	**$ 204,961**	$ 188,983

Select Financial Performance by Business Segment

For the years ended December 31	**2022**	2021
Domestic Dry-Bulk		
Revenue	**$ 360,139**	$ 338,661
Operating earnings	**65,373**	64,970
Product Tankers		
Revenue	**118,686**	94,535
Operating earnings	**13,109**	13,738
Ocean Self-Unloaders		
Revenue	**193,730**	156,294
Operating earnings	**40,442**	29,503
Corporate and Other		
Revenue	**5,387**	9,383
Operating loss	**(16,627)**	(14,904)

The MD&A for the years ended December 31, 2022 and 2021 includes further details. Full results for the years ended December 31, 2022 and 2021 can be found on the Company's website at www.algonet.com/investor-relations and on SEDAR at www.sedar.com.

2023 Business Outlook[2]

Customer demand appears to be strong in the Domestic Dry-Bulk segment in 2023 and we are preparing for the fleet to be fully utilized for the year. Higher grain volumes are anticipated, driven by the return of Western Canada grain crop size and the continued demand for Eastern Canada export grain capacity. In our Product Tanker segment, we expect customer demand to be steady through 2023, although energy markets remain volatile due to on-going hostilities in Europe. Vessel utilization is anticipated to be strong and we currently expect the newly acquired *Algoberta* to commence domestic operations late in the first quarter when seasonal demand picks up.

In our international businesses, demand is expected to remain steady with tight vessel supply at the Pool level in our Ocean Self-Unloader segment. Aggregate volumes are expected to continue to be impacted by the closure of a quarry in Mexico and there is some weakness expected to remain in the US residential market but overall construction sector demand remains strong as infrastructure projects are picking up. Five vessels in the Algoma fleet will be dry docked in 2023. In our Global Short Sea Shipping joint venture, revenues from cement carriers are expected to be steady in 2023, with fleet utilization at high levels. On the other hand, mini-bulker and handy-size rates are expected to be at more normal levels over the course of the year, although volumes and utilization are not expected to be affected.

We are expecting operating expenses to continue to be impacted by inflation as increased costs work their way through our supply chains and global fuel prices will likely remain higher than normal, impacting both revenue and operating costs across all segments. Overall, earnings could be negatively impacted in the event of a prolonged recession and events in Ukraine and Europe can significantly impact ocean freight rates, which may negatively affect results in our global JV's.

Normal Course Issuer Bid

Effective March 21, 2022, the Company renewed its normal course issuer bid with the intention to purchase, through the facilities of the TSX, up to 1,890,457 of its Common Shares ("Shares") representing approximately 5% of the 37,800,943 Shares which were issued and outstanding as at the close of business on March 9, 2022 (the "NCIB"). Under the current NCIB, 26,525 common shares were purchased for the year ending December 31, 2022.

The Company intends to renew its NCIB upon receipt of the required approvals from regulatory authorities.

Notes

(1) Use of Non-GAAP Measures

The Company uses several financial measures to assess its performance including earnings before interest, income taxes, depreciation, and amortization (EBITDA), free cash flow, return on equity, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management's perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how management assesses performance. Further information on Non-GAAP measures please refer to page 2 in the Company's Management's Discussion and Analysis for the year ended December 31, 2022.

(2) Forward Looking Statements

Algoma Central Corporation's public communications often include written or oral forward-looking statements. Statements of this type are included in this document and may be included in other filings with Canadian securities regulators or in other communications. All such statements are made pursuant to the safe harbour provisions of any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2023 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price and the results of or outlook for our operations or for the Canadian, U.S. and global economies. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

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

Algoma owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Seaway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers. Since 2010 we have introduced 10 new build vessels to our domestic dry-bulk fleet, with two under construction and expected to arrive in 2024, making us the youngest, most efficient and environmentally sustainable fleet on the Great Lakes. Each new vessel reduces carbon emissions on average by 40% versus the ship replaced. Algoma also owns ocean self-unloading dry-bulk vessels operating in international markets and a 50% interest in NovaAlgoma, which owns and operates the world's largest fleet of pneumatic cement carriers and a global fleet of mini-bulk vessels serving regional markets. Algoma truly is *Your Marine Carrier of Choice*™. For more information about Algoma, visit the Company's website at www.algonet.com

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