ALGOMA CENTRAL CORPORATION REPORTS FINANCIAL PERFORMANCE FOR THE 2023 FIRST QUARTER

Company remains focused on investments in fleet improvements and growing a diverse vessel portfolio

St. Catharines, Ontario May 3, 2023 - Algoma Central Corporation (TSX: ALC) ("Algoma", the "Company") today reported its results for the three months ended March 31, 2023. Algoma reported revenues of $111,604, a 31% increase compared to the same period in 2022. The Company reported a net loss of $19,640 compared to a loss of $19,571 for the 2022 period. Due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Seaway, the majority of the Domestic Dry-Bulk fleet does not operate for most of the first quarter. All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.

"Algoma has proven year-over-year how resilient, adaptive and reliable we are, and how we can continue to thrive through shifting global markets," said Gregg Ruhl, President and CEO of Algoma. "Maintenance and dry-dock spending increased year-over-year in the first quarter, a reflection of our continued investments in the safety, efficiency, and longevity of our fleet. With the 2023 navigation season well underway, our strong North American roots, diverse vessel portfolio, and our expanding global presence will continue to serve us well in the coming months. I look forward to another busy year," continued Mr. Ruhl.

Financial Highlights: First Quarter 2023 Compared to 2022

- Net loss increased marginally to $19,640 compared to $19,571 last year and a basic loss per share of $0.51 compared to $0.52 in 2022.
- Revenue for Product Tankers increased 78% to $32,081 compared to $18,036 in 2022. This was mainly driven by higher customer demand, driving a 59% increase in revenue days. Segment operating earnings increased to $1,144 compared to a loss of $1,559 in 2022, reflecting the higher demand. Net earnings for the 2023 first quarter include a $4,736 gain on the sale of two tanker vessels.
- Domestic Dry-Bulk segment revenue increased 40% to $34,499 compared to $24,588 in 2022, reflecting 23% higher volumes, which drove a 14% increase in revenue days. Operating loss increased 24% to $33,643 compared to $27,220 for the prior year, mainly reflecting increased winter maintenance expenditures.
- Ocean Self-Unloaders segment revenue increased 10% to $44,385 compared to $40,321 driven by higher freight rates across several sectors and increased fuel cost recoveries, partially offset by increased off-hire days due to dry-dockings. Operating earnings decreased 19% to $4,952 compared to $6,108 in 2022, driven primarily by increased operating costs as a result of the dry-docking of two vessels during the period compared to none last year.
- Global Short Sea Shipping segment equity earnings decreased 20% to $1,998 compared to $2,500 for the prior year. Improved earnings in the mini-bulker and handy-size segments was offset by increased interest expense and a significant outage on one large cement vessel, which took the vessel temporarily out of service during the quarter.

Consolidated Statement of Earnings

For the periods ended March 31	**2023**	2022
(unaudited, in thousands of dollars, except per share data)		
Revenue	**$ 111,604**	$ 85,103
Operating expenses	**(117,560)**	(86,558)
Selling, general and administrative	**(10,387)**	(8,411)
Depreciation and amortization	**(15,996)**	(16,745)
Operating loss	**(32,339)**	(26,611)
Interest expense	**(5,125)**	(4,985)
Interest income	**965**	11
Gain on sale of vessels	**4,736**	—
Foreign currency gain (loss)	**370**	(607)
	(31,393)	(32,192)
Income tax recovery	**9,464**	10,157
Net earnings from investments in joint ventures	**2,289**	2,464
Net loss	**$ (19,640)**	$ (19,571)
Basic loss per share	**$ (0.51)**	$ (0.52)
Diluted loss per share	**$ (0.51)**	$ (0.52)

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 loss in accordance with GAAP to the non-GAAP EBITDA measure for the three months ended March 31, 2023 and 2022 and presented herein:

EBITDA[1]

For the periods ended March 31	**2023**	2022
Net loss	**$ (19,640)**	$ (19,571)
Depreciation and amortization	**20,947**	21,554
Interest and taxes	**(4,057)**	(4,627)
Foreign exchange (gain) loss	**(353)**	522
(Gain) loss on sale of vessels	**(4,736)**	2
EBITDA	**$ (7,839)**	$ (2,120)

Select Financial Performance by Business Segment

For the periods ended March 31	**2023**	2022
Domestic Dry-Bulk		
Revenue	**$ 34,499**	$ 24,588
Operating loss	**(33,643)**	(27,220)
Product Tankers		
Revenue	**32,081**	18,036
Operating earnings (loss)	**1,144**	(1,559)
Ocean Self-Unloaders		
Revenue	**44,385**	40,321
Operating earnings	**4,952**	6,108
Corporate and Other		
Revenue	**639**	2,158
Operating loss	**(4,792)**	(3,940)

The MD&A for the three months ended March 31, 2023 and 2022 includes further details. Full results for the three months ended March 31, 2023 and 2022 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]

Cargo demand in the Domestic Dry-Bulk segment heading into the second quarter is expected to be relatively steady through April and May, with some potential for minor softening in June, which is typically the start of the slowest season for grain shipments. Global iron ore prices do not currently support large additional export volume through the Seaway, which is often used as a replacement for grain during the summer months. In our Product Tankers 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 expect the newly acquired *Algoberta* to commence domestic operations early in the second quarter as 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-Unloaders segment. Aggregate volumes are expected to continue to be impacted by the closure of a quarry in Mexico and there is some weakness expected 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 (there were no dry docks in 2022). 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 joint ventures.

Normal Course Issuer Bid

Effective March 21, 2023, the Company renewed its normal course issuer bid (the "NCIB") with the intention to purchase, through the facilities of the TSX, up to 1,926,915 of its Common Shares ("Shares") representing approximately 5% of the 38,538,301 Shares which were issued and outstanding as at the close of business on March 7, 2023. Under the current NCIB, 16,484 common shares were purchased for the three months ending March 31, 2023.

Cash Dividends

Cash Dividends The Company's Board of Directors have authorized payment of a quarterly dividend to shareholders of $0.18 per common share. The dividend will be paid on June 1, 2023 to shareholders of record on May 18, 2023.

Notes

(1) Use of Non-GAAP Measures

The Company uses several financial measures to assess its performance including earnings before interest, income taxes, depreciation, and amortization (EBITDA), free cash flow, return on equity, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management's perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how management assesses performance. Further information on Non-GAAP measures please refer to page 2 in the Company's Management's Discussion and Analysis for the three months ended March 31, 2023.

(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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