ALGOMA CENTRAL CORPORATION REPORTS FINANCIAL PERFORMANCE FOR THE 2023 SECOND QUARTER

Strong growth and performance: continued success amidst changing markets and economic challenges

St. Catharines, Ontario August 4, 2023 - Algoma Central Corporation (TSX: ALC) ("Algoma", the "Company") today reported its results for the three and six months ended June 30, 2023. Algoma reported revenues during the 2023 second quarter of $202,406, a 10% increase compared to the same period in 2022. Net earnings for the 2023 second quarter were $33,144 compared to $47,045 for the same period in 2022; earnings in 2022 included a $10,563 gain from the sale of Station Mall. The Company reported 2023 second quarter EBITDA of $65,204 compared to $61,412 for the same period in 2022. All amounts reported below are in thousands of Canadian dollars, except for per share data and where the context dictates otherwise.

"This year we have focused on driving long-term value for our stakeholders by optimizing our diversified growth, while maintaining our operating vigilance in changing markets," said Gregg Ruhl, President and CEO of Algoma. "Historically, we know shifting market demand and economic challenges have not stopped Algoma's progress, but instead made us think differently in order to adapt and effectively move our strategic plan forward. In the second quarter, we advanced several incremental growth investments demonstrating our ability to find and execute on attractive opportunities to deploy capital," continued Mr. Ruhl.

Financial Highlights: Second Quarter 2023 Compared to 2022

- Domestic Dry-Bulk segment revenue increased 27% to $126,584 compared to $99,288 in 2022, reflecting 17% higher volumes, which drove a 24% increase in revenue days. Operating earnings increased 53% to $32,806 compared to $21,504 for the prior year, mainly reflecting full fleet utilization this quarter, partially offset by higher operating costs.
- Revenue for Product Tankers decreased 12% to $28,046 compared to $31,923 in 2022. This was mainly driven by higher off-hire days on two vessels which resulted in 7% fewer revenue days, and a decrease in fuel cost recovery. Segment operating earnings decreased to $1,078 compared to $3,683 in 2022, reflecting the higher off-hire days and increased operating costs.
- Ocean Self-Unloaders segment revenue decreased 6% to $47,120 compared to $50,292 as a result of higher scheduled dry-dockings driving 8% fewer revenue days, and lower fuel pass through charges. Operating earnings decreased 28% to $8,003 compared to $11,139 in 2022, mainly as a result of dry-dockings and lower daily earning rates.
- Global Short Sea Shipping segment equity earnings were $5,155 compared to $9,454 for the prior year; 2022 equity earnings include a $4,782 gain on the sale of two vessels; excluding this gain, earnings increased 10%. The higher earnings were driven by increased earnings in the cement fleet due to the larger fleet size this year and strong freight rates, partially offset by lower earnings in the mini-bulker and handy fleets as a result of a softening of freight rates and the smaller mini-bulker fleet this year.

Consolidated Statement of Earnings

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2023**	2022	**2023**	2022
(unaudited, in thousands of dollars, except per share data)				
Revenue	**$ 202,406**	$ 183,463	**$ 314,010**	$ 268,566
Operating expenses	**(138,997)**	(125,615)	**(256,557)**	(212,173)
Selling, general and administrative	**(10,715)**	(8,767)	**(21,102)**	(17,178)
Depreciation and amortization	**(16,495)**	(17,000)	**(32,491)**	(33,745)
Operating earnings	**36,199**	32,081	**3,860**	5,470
Interest expense	**(5,123)**	(5,048)	**(10,248)**	(10,033)
Interest income	**573**	28	**1,538**	39
Gain on sale of assets	**(123)**	14,372	**4,613**	14,372
Foreign currency gain	**3,619**	2,097	**3,989**	1,490
	35,145	43,530	**3,752**	11,338
Income tax recovery	**(7,747)**	(8,947)	**1,717**	1,210
Net earnings from investments in joint ventures	**5,746**	12,462	**8,035**	14,926
Net earnings	**$ 33,144**	$ 47,045	**$ 13,504**	$ 27,474
Basic earnings per share	**$ 0.86**	$ 1.24	**$ 0.35**	$ 0.73
Diluted earnings per share	**$ 0.79**	$ 1.12	**$ 0.35**	$ 0.69

EBITDA[1]

The Company uses EBITDA as a measure of the cash generating capacity of its businesses. The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure for the three and six months ended June 30, 2023 and 2022 and presented herein:

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2023**	2022	**2023**	2022
Net earnings	**$ 33,144**	$ 47,045	**$ 13,504**	$ 27,474
Depreciation and amortization	**21,201**	22,993	**42,148**	44,548
Impairment reversal	**—**	(2,783)	**—**	(2,783)
Interest and taxes	**14,289**	15,126	**10,232**	10,498
Foreign exchange (gain)	**(3,553)**	(1,815)	**(3,906)**	(1,293)
Gain on sale of property	**(25)**	(14,372)	**(25)**	(14,372)
Gain on disposal of vessels	**148**	(4,782)	**(4,588)**	(4,780)
EBITDA	**$ 65,204**	$ 61,412	**$ 57,365**	$ 59,292

Select Financial Performance by Business Segment

	Three Months Ended		Six Months Ended	
For the periods ended June 30	**2023**	2022	**2023**	2022
Domestic Dry-Bulk				
Revenue	**$ 126,584**	$ 99,288	**$ 161,083**	$ 123,876
Operating earnings (loss)	**32,806**	21,504	**(838)**	(5,715)
Product Tankers				
Revenue	**28,046**	31,923	**60,128**	49,959
Operating earnings	**1,078**	3,683	**2,223**	2,125
Ocean Self-Unloaders				
Revenue	**47,120**	50,292	**91,505**	90,613
Operating earnings	**8,003**	11,139	**12,956**	17,246
Corporate and Other				
Revenue	**656**	1,960	**1,294**	4,118
Operating loss	**(5,688)**	(4,245)	**(10,481)**	(8,186)

The MD&A for the three and six months ended June 30, 2023 and 2022 includes further details. Full results for the three and six months ended June 30, 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]

Looking ahead to the second half of 2023, typical seasonal weakness in grain shipments and a soft market for export iron ore has led to a brief summer layup on one vessel in the Domestic Dry-Bulk segment. Full fleet utilization is expected to resume in August and continue through the balance of the year, driven by strong demand for vessel capacity. Recent weather conditions in the Canadian prairies have resulted in some uncertainty about the 2023 grain harvest; however, demand in other sectors is expected to offset any weakness in agricultural products. Customer demand in the Product Tanker segment is projected to remain steady in the second quarter, although energy markets remain volatile due to ongoing hostilities in Europe. While vessel utilization is expected to be robust, inflation is anticipated to continue to impact costs going forward.

In our international businesses, vessel supply at the Ocean Self-Unloader Pool level appears to be fairly well balanced for the remainder of the year, although three Algoma vessels will be dry-docked. The aggregate industry experienced an anticipated volume decline in the second quarter, and the sector is expected to continue facing challenges throughout the year; however, volumes in other sectors are projected to remain steady. In our Global Short Sea Shipping segment, we anticipate steady revenues from the cement fleet, with strong fleet utilization. Rate pressure resulting from ongoing global economic and geopolitical situations is expected to impact the segment. Rate levels in the mini-bulker and handy-size fleets are projected to be lower over the course of the year, though volumes and utilization are not expected to be affected.

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, 442,395 Shares were purchased and cancelled for a weighted average purchase price of $15.25 for the six months ending June 30, 2023.

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 September 1, 2023 to shareholders of record on August 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 and six months ended June 30, 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 Central Corporation is a global provider of marine transportation that owns and operates dry and liquid bulk carriers, serving markets throughout the Great Lakes St. Lawrence Seaway and internationally. Algoma is aiming to reach a carbon emissions reduction target of 40% by 2030 and net zero by 2050 across all business units with fuel efficient vessels, innovative technology, and alternate fuels. Algoma truly is Your Marine Carrier of Choice™. Learn more at algonet.com.

Contacts:

Gregg A. Ruhl	**Peter D. Winkley**
President & CEO	E.V.P. & Chief Financial Officer
905-687-7890	905-687-7897