ALGOMA CENTRAL CORPORATION REPORTS FINANCIAL PERFORMANCE FOR THE 2023 THIRD QUARTER

Delivering steady results: meeting customer demand while maintaining operational efficiency in changing markets

St. Catharines, Ontario November 3, 2023 - Algoma Central Corporation (TSX: ALC) ("Algoma", the "Company") today reported its results for the three and nine months ended September 30, 2023. Algoma reported revenues during the 2023 third quarter of $205,888, a 3% increase compared to the same period in 2022. Net earnings for the 2023 third quarter were $35,745 compared to $42,533 for the same period in 2022. The Company reported 2023 third quarter EBITDA of $68,242 compared to $73,604 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.

"Strong customer demand and our focus on operational excellence continued to drive our steady results in the third quarter," said Gregg Ruhl, President and CEO of Algoma. "As cargo demand varies, we are committed to continually enhancing our fleet operations to provide the best possible service for our customers. The raw materials we transport on behalf of our customers are essential to North American and global markets, serving as a cornerstone in sustaining economic growth across the vital industries these markets support," concluded Mr. Ruhl.

Financial Highlights: Third Quarter 2023 Compared to 2022

- Domestic Dry-Bulk segment revenue increased 11% to $128,449 compared to $115,996 in 2022, reflecting higher base freight rates and 4% higher volumes, which drove a 12% increase in revenue days. Operating earnings increased 16% to $35,341 compared to $30,453 for the prior year, mainly reflecting additional customer demand this quarter, partially offset by higher operating costs.
- Revenue for Product Tankers increased 4% to $34,134 compared to $32,749 in 2022. This was mainly driven by higher freight rates and increased revenue generated by one vessel that entered domestic operations during the quarter. These items were partially offset by 4% fewer revenue days. Despite the higher revenue, segment operating earnings decreased to $1,759 compared to $5,888 in 2022, reflecting more vessels on dry-dock in the current year and increased operating costs.
- Ocean Self-Unloaders segment revenue decreased 15% to $42,469 compared to $49,927 and operating earnings decreased 39% to $4,773 compared to $7,856 in 2022, mainly as a result of a higher number of dry-dockings falling in the current year period.
- Global Short Sea Shipping segment equity earnings were $8,071 compared to $12,103 for the prior year; 2022 equity earnings include a $2,922 gain on the sale of two vessels; excluding this gain, earnings decreased 12%. Earnings were driven by increased earnings in the cement fleet and reduced mini-bulker and handy-size fleet earnings as a result of a softening of freight rates compared to the prior year period.

Consolidated Statement of Earnings

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2023**	2022	**2023**	2022
(unaudited, in thousands of dollars, except per share data)				
Revenue	**$ 205,888**	$ 199,327	**$ 519,898**	$ 467,893
Operating expenses	**(142,606)**	(133,439)	**(399,163)**	(345,612)
Selling, general and administrative	**(8,312)**	(7,764)	**(29,414)**	(24,942)
Depreciation and amortization	**(16,268)**	(17,361)	**(48,759)**	(51,106)
Operating earnings	**38,702**	40,763	**42,562**	46,233
Interest expense	**(4,789)**	(5,031)	**(15,037)**	(15,064)
Interest income	**797**	498	**2,335**	537
Gain on sale of assets	**169**	147	**4,782**	14,519
Foreign currency gain (loss)	**(971)**	2,172	**3,018**	3,662
	33,908	38,549	**37,660**	49,887
Income tax expense	**(6,892)**	(8,776)	**(5,175)**	(7,566)
Net earnings from investments in joint ventures	**8,729**	12,760	**16,764**	27,686
Net earnings	**$ 35,745**	$ 42,533	**$ 49,249**	$ 70,007
Basic earnings per share	**$ 0.93**	$ 1.13	**$ 1.28**	$ 1.85
Diluted earnings per share	**$ 0.85**	$ 1.01	**$ 1.20**	$ 1.70

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 nine months ended September 30, 2023 and 2022 and presented herein:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2023**	2022	**2023**	2022
Net earnings	**$ 35,745**	$ 42,533	**$ 49,249**	$ 70,007
Depreciation and amortization	**20,175**	21,872	**62,322**	66,419
Impairment provision (reversal)	**—**	139	**—**	(2,643)
Interest and taxes	**11,301**	14,504	**21,532**	25,002
Foreign exchange loss (gain)	**1,202**	(1,738)	**(2,705)**	(3,032)
Gain on sale of assets	**(181)**	(3,069)	**(4,794)**	(22,221)
EBITDA	**$ 68,242**	$ 73,604	**$ 125,604**	$ 132,895

Select Financial Performance by Business Segment

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2023**	2022	**2023**	2022
Domestic Dry-Bulk				
Revenue	**$ 128,449**	$ 115,996	**$ 289,532**	$ 239,872
Operating earnings	**35,341**	30,453	**34,502**	24,738
Product Tankers				
Revenue	**34,134**	32,749	**94,262**	82,708
Operating earnings	**1,759**	5,888	**3,982**	8,012
Ocean Self-Unloaders				
Revenue	**42,469**	49,927	**133,974**	140,540
Operating earnings	**4,773**	7,856	**17,729**	25,102
Corporate and Other				
Revenue	**836**	655	**2,130**	4,773
Operating loss	**(3,171)**	(3,434)	**(13,651)**	(11,619)

The MD&A for the three and nine months ended September 30, 2023 and 2022 includes further details. Full results for the three and nine months ended September 30, 2023 and 2022 can be found on the Company's website at www.algonet.com/investor-relations and on SEDAR at www.sedarplus.ca.

2023 Business Outlook[2]

On October 22nd, subsequent to the quarter, St. Lawrence Seaway workers, represented by UNIFOR, began a work stoppage that resulted in a full closure of the Seaway system. The parties reached a tentative contract deal on October 29th, and the Seaway re-opened on October 30th. During the 72-hour strike notice received prior to closure, and throughout the 8-day strike, the majority of the Domestic Dry-Bulk fleet was at anchor, in standby berths or arranging for changes to their course. Although the seaway has re-opened, the backlog created by this closure caused further delays before the fleet was able to fully resume trading. The full impact of the closure is unknown as we are in the process of assessing the repercussions of the delays. Our fleet was already fully booked for the fourth quarter given seasonally high demand to move the new grain harvest and build winter inventories of iron ore, salt, and construction inputs. Given the capacity lost due to the strike, although we will attempt to shift cargoes to next year, some volumes will be lost.

We expect customer demand in the Product Tanker segment to remain steady through the balance of the year, although energy markets are expected to remain volatile. Vessel utilization is expected to be strong; however, we do expect inflation to continue to impact costs going forward. The *Birgit Knutsen*, soon to be re-named the *Algoluna,* will enter service under Canadian flag during the fourth quarter, replacing the *Algosea* when she retires in November.

In our international businesses, vessel supply at the Ocean Self-Unloader Pool level is tight for the remainder of the year, with two additional Algoma vessels on dry-dock. Volumes in the aggregate industry are under pressure, while volumes in the coal and gypsum sectors are expected 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 anticipated to continue to impact the segment going forward, as mini-bulker and handy rates soften. Volumes and utilization are not expected to be affected by the lower rates.

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 nine months ending September 30, 2023.

Cash Dividends

The Company's Board of Directors authorized payment of a quarterly dividend to shareholders of $0.18 per common share. The dividend will be paid on December 1, 2023 to shareholders of record on November 17, 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 nine months ended September 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.

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