

1899



YOUR MARINE
CARRIER OF CHOICE.™

2024

RELIABLE, RESILIENT, SUSTAINABLE.

2024 ANNUAL REPORT



Certain statements in this document about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein, recognizing that all such forward information is based on assumptions about the future that may not ultimately be borne out and are subject to many risks and uncertainties, including those listed above. Furthermore, unless otherwise stated, the forward-looking statements contained in this document are made as of the date hereof (unless stated to be as of an earlier date), and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Management approved the forward-looking financial information as of February 27, 2025. Certain figures included herein are non-GAAP measures. Please see our MD&A for further discussion of non-GAAP disclosures.

ALL AMOUNTS IN C\$ THOUSANDS EXCEPT PER SHARE AMOUNTS AND UNLESS OTHERWISE NOTED.



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ABOUT US

YOUR MARINE CARRIER OF CHOICE™

Algoma Central Corporation is a leading Canadian marine transportation company, headquartered in St. Catharines, Ontario. We own and operate the largest fleet of dry and liquid bulk carriers on the Great Lakes - St. Lawrence Seaway. Algoma's domestic dry-bulk fleet serves diverse industrial sectors like steel production, agriculture, mining, and construction. The domestic product tanker fleet, with eight vessels in Canadian service, safely, reliably, and efficiently moves petroleum products throughout the Great Lakes - St. Lawrence Seaway and Atlantic Canada regions. Algoma also owns and operates ocean self-unloading dry-bulk vessels that operate as part of the world's largest pool of self-unloaders. Three ocean self-unloaders are currently under construction and are set to replace the oldest Algoma owned vessels in the pool.

In addition to these fleets, Algoma holds 50% interests in joint ventures that own diversified portfolios of dry and liquid bulk fleets. Our global short sea shipping segment focuses on niche marine transportation markets and operates a fleet of cement carriers, mini-bulkers, and handy-size vessels supporting agriculture, cement, construction, and steel industries worldwide. Two newbuild mini-bulkers and one pneumatic cement carrier are currently under construction. Our FureBear fleet is an international joint venture comprising ten tankers, six of which are under construction, and an interest in a foreign-flagged tanker operation comprising two product tankers. Customers include major oil refiners, leading wholesale distributors, and large consumers of petroleum products.

OUR VISION

For employees, both existing and potential, we work to foster a supportive, rewarding environment in which they choose to grow and develop their career until retirement.

For customers, we strive to be the go to provider for marine freight services. We do this by providing unsurpassed service and flexibility. When our customers succeed, we succeed.

For investors and other capital providers, investing in Algoma offers a rewarding opportunity for sustained growth in the marine sector. With a strategic focus on fleet renewal, innovative designs, partnerships, and environmental sustainability, Algoma emerges as the top choice for investors seeking a forward-thinking and resilient investment in the maritime industry.

For vendors and our business partners, we want them to value their relationship with Algoma because working together builds strength and mutual success.

For society, we provide safe, sustainable, secure, and cost-effective transportation of essential goods that North Americans and the world depend on everyday.

OUR VALUES



INTEGRITY

We are honest, we are courageous, and we always strive to make the right choice.



SUSTAINABILITY

We believe in our people, we care for our planet, and we work to ensure the prosperity of our stakeholders.



TEAMWORK

We are stronger together.



OWNERSHIP

We take accountability for our actions, and we are empowered to initiate change.



PASSION

We are committed in heart and mind, we are driven, and we are proud.



MESSAGE FROM **DUNCAN JACKMAN**

CHAIRMAN OF THE BOARD

I am honoured to be a part of this 125 year old organization, with a rich history of triumphs, challenges, and evolution. I would like to thank the entire Algoma team for their unwavering dedication to innovation and sustainability. Your expertise and commitment sets us apart as a carrier with the niche knowledge and diverse capacity to adapt to changing markets, seize new opportunities, and thrive in the industry we know best - short sea shipping.

MESSAGE FROM **GREGG RUHL**

PRESIDENT & CEO

Founded in 1899, Algoma began as a railway company transporting iron ore and timber across Northern Ontario. Today, we own and operate the largest fleet on the Great Lakes- St. Lawrence Seaway operating domestically and across our bi-national waterways, as well as a diverse portfolio of fleets that operate internationally. Our 125th year has been a testament to the teamwork and passion that continues to define us as the Marine Carrier of Choice. These qualities enable us to create positive impacts for our employees, customers, and suppliers across Canada and around the world, reinforcing our legacy of reliability, resiliency, and sustainability.



WHAT POWERS OUR JOURNEY

When I reflect on what has powered Algoma's journey for over 125 years, I think of the resilience, dedication, and passion that define our people and culture. Their commitment drives us forward, even in the face of adversity.

It is this unwavering dedication that makes it especially meaningful to announce that Algoma has been named one of Hamilton-Niagara's Top Employers for the third consecutive year. This achievement comes as Algoma continues to prioritize employee well-being through safety initiatives, competitive salaries, comprehensive benefits, training, development, and education opportunities.

SAFETY IS A SHARED RESPONSIBILITY

For years, our safety program has focused on helping our seafarers foster a sense of accountability and responsibility to protect each other, not just for their own safety, but for the families and friends they have waiting for them at home. At Algoma, we know this is not the responsibility of one person, but a collective effort. It requires strong communication, clear delegation of responsibilities, effective policies, and a commitment from every individual to prevent risks and injuries. As leaders, it is our duty to equip our crews with the necessary resources and support to excel in their roles, safeguarding their well-being, and encouraging a culture of shared successes.

In 2024, we continued to improve our online Learning Management System; expanding availability to our Ocean Self-Unloader fleet and upgrading our safety training videos. This system not only enables our seafarers and shoreside staff to access training from anywhere but is also a testament of our commitment to providing the resources needed to create a safe, supportive, and inclusive environment.

PREPARING FOR GROWTH

At the beginning of 2024, Algoma had 17 vessels on order or under construction, a first in our history and an exciting milestone. Today, we are seeing these investments yield results, with five vessels delivered and three more ordered by the end of 2024, and 15 vessels remaining and expected to begin operations between early 2025 and 2027. As we continue to strategically modernize and diversify our fleets, these new additions will enhance stability, reliability, efficiency, and sustainability - reinforcing our commitment to serve our customers and the critical industries they serve. With significant growth on the horizon, Algoma's leadership team dedicated five days across two planning sessions to develop our Strategic Roadmap to 2030. Since establishing our last five-year plan in 2019, it was time to set the course for the next chapter. I am proud of the collaborative efforts of our leaders and the insights and vision we developed together. Our key focus areas, outlined on page 12 of this report, will guide our strategic decisions, shape impactful projects for the next five years, and keep us accountable as we move forward.

OUR MARINE STORY IS A GREEN STORY

Algoma is committed to minimizing impacts to water, air, and land from our operations. Since launching our Equinox Class program in 2010, we have invested nearly \$1 billion in fleet renewal, enhancing fleet efficiency through the latest and best available technology. Although marine transportation is the most environmentally friendly way of transporting goods, marine shipping's full potential has

yet to be unlocked. Every day, Algoma, along with industry partners are researching solutions that have the potential to further drive efficiencies, including feasibility studies on wind propulsion, alternative fuels, shorepower, container shipping on the seaway, and the next generation of Lakers. These solutions will need to be tailored to our unique waterways of the Great Lakes region to ensure the seamless movement of essential goods that feed, fuel, and support North American communities, while also keeping marine competitive. Meaningful decarbonization requires collaboration across the entire industry, and Algoma urges both federal and provincial governments to continue supporting these efforts by streamlining regulations, continuing to provide funding for research, and accelerating the development of emerging and proven technologies. By working together, we can unleash the full potential of marine transportation, driving economic and sustainable growth.

LOOKING INTO 2025

Our two newbuild ice-class product tankers, *Algoma Acadian* and *Algoma East Coast*, our 12th and final Equinox Class vessel, *Algoma Endeavour*, and Ocean-Self Unloader newbuild vessel, *Algoma Legacy*, are set to arrive in 2025. The two tankers are expected to enter service in the second quarter of 2025 under contract with Irving Oil, servicing Canada and the U.S. east coasts. The *Algoma Endeavour* will arrive on the Great Lakes in April with the *Algoma Legacy* expected to enter service this fall. As we prepare for the season ahead, I would like to extend my best wishes to our crews for a safe and successful year. Your dedication and commitment to upholding Algoma's vision and values continues to build our reputation as the *Marine Carrier of Choice*.



Gregg Ruhl
President & CEO

AlgoCanada sailing down the St. Clair River, taken by Windsor Aerial Photography.

"Algoma's legacy is built on **125 years of passion, resilience, and dedication** to delivering essential goods that our communities rely on. Thank you to the Bear Family for being the driving force behind our successes and making us the **Marine Carrier of Choice.**"

- Gregg Ruhl
President & CEO

KEY MOMENTS IN OUR



ANNIVERSARY YEAR.



Algoma Chief Engineers at our 2024 Captain and Chief Engineers Conference.



The Algoberta sailing upbound the Welland Canal.



The Bear Family celebrates Algoma's 125th anniversary.



The Fure Vanguard being delivered in February, 2024



Captain Robert Loveless and Chief Engineer Stephane Gilbert are awarded the Top Hat and officially commence the 66th St. Lawrence Seaway Navigation Season at Lock 3 in St. Catharines, ON.



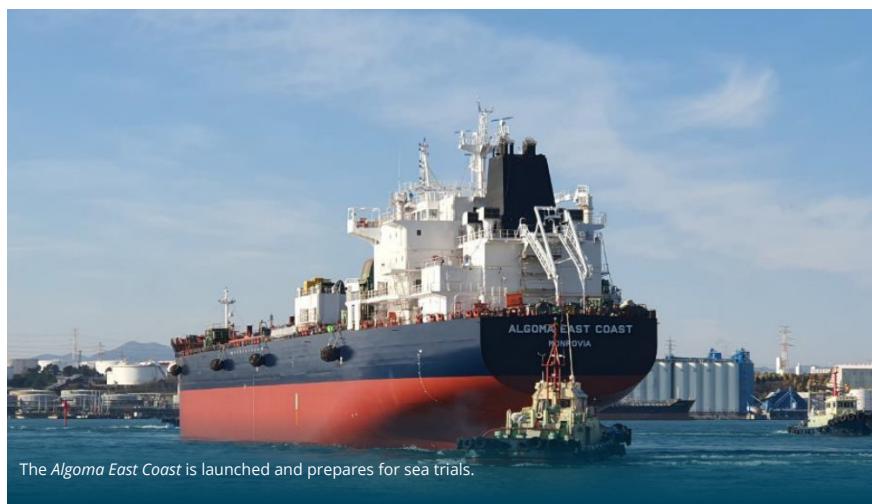
Algoma is awarded five grants from Transport Canada's Green Shipping Corridor Program. From L to R: MP Chris Bittle; President & CEO of Algoma Gregg Ruhl; and Parliamentary Secretary to the Minister of Transport, Vance Badawey.



Crew members celebrating as the *Algoma Conveyor* becomes the first downbound vessel of the 66th St. Lawrence Seaway navigation season at Lock 8 in St. Catharines, ON.



The *Algoma Bear* crew takes shoreside employees for a tour of the newly delivered vessel.



The *Algoma East Coast* is launched and prepares for sea trials.



Crew members provide the Bear Family a tour of the *Algoma Bear* during Algoma's 125th anniversary celebration.



The Bear Family celebrates Algoma's 125th anniversary.

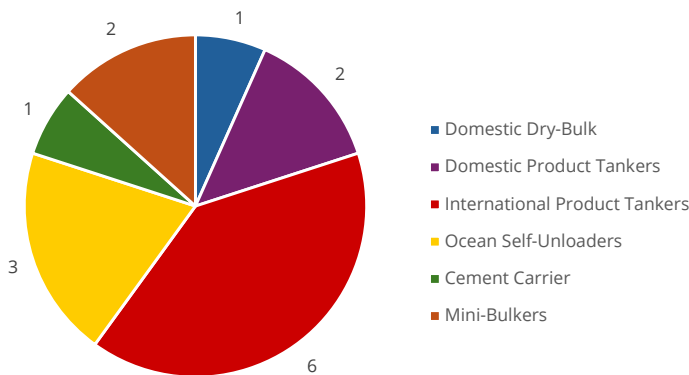


Fure Vanguard, the first of 10 newbuilds delivered to FureBear, bunkering LNG and making her first delivery in Rotterdam, Netherlands

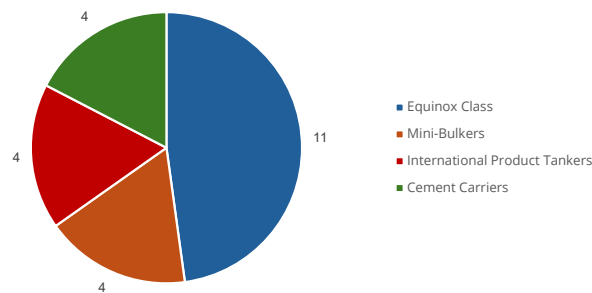
DIVERSIFICATION & STRATEGIC ADVANCEMENT

Our commitment to growth and market diversification strengthens our resilience, ensuring long-term value for our customers, employees, investors, and communities. By leveraging both our existing fleet and our strategic growth initiatives, we remain well-positioned to seize opportunities and navigate the challenges ahead.

NUMBER OF VESSELS ON ORDER/UNDER CONSTRUCTION
(AS OF DECEMBER 31, 2024 AND INCLUDES JOINT VENTURES)

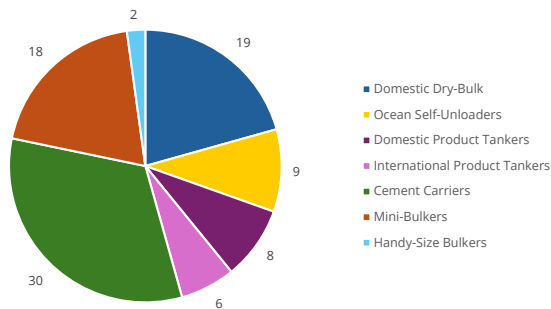


NUMBER OF NEWBUILD VESSELS DELIVERED*
(SINCE 2013 AND INCLUDES JOINT VENTURES)



*Equinox Class includes one vessel under management.

TOTAL NUMBER OF VESSELS*
(AS OF DECEMBER 31, 2024 AND INCLUDES JOINT VENTURES)



*Domestic Dry-Bulk includes one vessel under management.



The *Fure Vyl* departing the shipyard in early December, 2024 to serve Northern European markets.



5 VESSELS DELIVERED IN 2024

As of December 31, 2024 five vessels out of 20 on order or under construction were delivered. Algoma took delivery of the *Algoma Bear* in the second quarter of 2024. Throughout the year, Algoma took delivery of four newbuild FureBear vessels, the *Fure Vanguard*, *Fure Viken*, *Fure Viskar*, and *Fure Vyl*.

EQUINOX CLASS

Our domestic dry-bulk fleet renewal program received a new addition in 2024 with the delivery of the *Algoma Bear*, a 740 ft seawaymax self-unloader, in April. The last addition, the *Algoma Endeavor*, a 740 ft forward mounted self-unloader, is expected to be delivered early 2025. This will bring our Equinox Class vessels to a total of 12 in the Class, including one owned by G3 Canada Limited, since the first vessel was delivered in 2013.

DOMESTIC PRODUCT TANKERS

Two 37,000 DWT ice-class product tanker vessels are currently under construction at the Hyundai Mipo shipyard in South Korea. Both these vessels will be delivered in March, 2025. Vessels will be entered on long-term charters to Irving Oil under Canadian flag, servicing the company's refinery in Saint John, New Brunswick with deliveries to Canada and the U.S. east coasts.

OCEAN SELF-UNLOADERS

In 2023, Algoma placed a newbuild order for three methanol-ready Kamsarmax-based ocean self-unloaders. These vessels will operate as part of the world's largest pool of ocean-self unloaders, be replacements for the Company's oldest vessels in the pool, and become the model for the next generation. The three vessels are expected to be delivered between 2025 and 2027.

FUREBEAR PRODUCT TANKERS

Four out of 10 newbuild dual-fuel ice-class 17,999 DWT climate-friendly product tankers were delivered and are now servicing Northern European markets. The other six are expected to be delivered throughout 2025/2026.

NOVAALGOMA NEWBUILDS

The NovaAlgoma Short Sea Carriers new-build program anticipates the delivery of two 8,800 DWT mini-bulkers in 2025 and 2026. In July, NovaAlgoma placed an order for a 38,000 DWT methanol-ready pneumatic cement carrier. She will be the largest cement carrier in the world, and is expected to arrive in 2027.



1 EQUINOX CLASS
SELF-UNLOADER

LEGEND



VESSEL DELIVERED IN 2024



VESSEL ON ORDER OR
UNDER CONSTRUCTION IN 2024

15 VESSELS ON ORDER/UNDER CONSTRUCTION IN 2024

As of December 31, 2024 there were 15 vessels under construction in three countries. Four out of the 15 vessels are part of the Company's fleet renewal plan and the remaining 11 are growth opportunities.



**4 FUREBEAR
PRODUCT TANKERS**



**1 EQUINOX CLASS
SELF-UNLOADER**



**2 ICE-CLASS
PRODUCT TANKERS**



**3 OCEAN
SELF-UNLOADERS**

**6 DUAL-FUEL CLIMATE-FRIENDLY
PRODUCT TANKERS**

**2 SHORT SEA
MINI BULKERS**

**1 PNEUMATIC
CEMENT CARRIER**

CONTINUING TO EARN OUR TITLE AS **THE MARINE CARRIER OF CHOICE™**

As a leader in marine transportation, we embrace innovation, adaptability, and excellence in service. Our commitment to our vision and values drives our decisions, inspires our efforts, and strengthens our relationships with customers, employees, and stakeholders. Through ongoing growth and operational excellence, we reinforce our position as the trusted and preferred carrier in the marine industry.

A high-angle, rear-view photograph of a large red cargo ship sailing on a wide river. The ship's deck is visible, showing yellow markings and a central white structure. The river is a deep blue, and the far bank is lined with green trees and some buildings. The sky is filled with large, white and grey clouds, and a faint rainbow is visible on the right side of the horizon.

Algoma Intrepid sailing in the St. Clair River. Photo taken by Captain Costello.

OUR **ROADMAP TO 2030**

VISION

**YOUR MARINE
CARRIER OF CHOICE™**

VALUES



Integrity



Sustainability



Teamwork



Ownership



Passion

FOCUS AREAS

**Support our
people to
perform at
their best**

**Comply with
regulation and
shape public
policy**

**Achieve
efficiencies
in costs and
resources**

**Ensure
optimal
investment
management**

**Deliver
maximum
value to our
customers**

EMPLOYEE GROWTH & DEVELOPMENT

At Algoma, we target zero harm by creating a workplace where everyone has the knowledge and resources that help ensure their own safety and the safety of others, both physically and mentally. Every day, we work to foster an environment where learning, growth, and well-being are not just encouraged but embedded in our culture.

298,625
TRAINING HOURS
LOGGED ON LMS

\$688,000
DONATED
TO ALGOMA SCHOLARSHIP
RECIPIENTS SINCE 1993

Captain Jeremie Tessier and Kyle Fernandes, Wheelsman aboard the *Algoma Bear*. Photo taken by Kelly Noseworthy, HOPA

TRAINING AND MENTORSHIP

This year, Algoma significantly expanded its online Learning Management System (LMS). This is a centralized resource for learning and training materials that support the career and skills development of our employees. In June, 2024, we introduced the LMS to our Ocean Self-Unloader crew, with a goal to ensure consistency in knowledge and expertise provided across all fleets. This expansion is currently ongoing and expected to be fully completed by the first quarter of 2025. New and more interactive courses were also added to the system, ranging from health and safety training to environmental awareness, totalling 70 e-learning courses. Since its launch in 2022, our employees have completed 11,945 courses, totalling approximately 298,625 hours logged in the LMS.

Algoma also introduced new shipboard training courses and reinstated paused programs, modernizing them to reflect the latest industry innovations. From galley operations to ship handling and cargo maintenance, these courses ensure our crews are equipped with the skills needed to excel in their dynamic and evolving work environment.



A group of Algoma Chief Cooks and Second Cooks attending Galley Management training at Georgian College.

Early in the year, we hosted our second Leadership Training Course, designed to empower managers, both shipboard and shoreside, with the critical skills needed to lead with confidence. Led by two Dale Carnegie instructors, this program focused on key areas such as personal leadership, time management, building trust and rapport, and navigating disagreements with professionalism. By investing in our leaders, we're strengthening our teams, enhancing collaboration, and driving success across the organization.



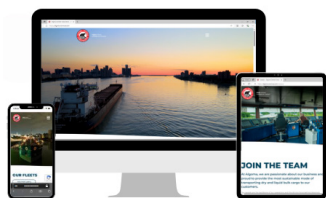
Algoma Captains and Chief Engineers listening to a session at our annual 2024 Captains and Chief Engineers Conference.

PROFESSIONAL DEVELOPMENT

As Algoma grows and evolves, we want our employees to grow and evolve with us. That's why we actively support and encourage our team in various ways to continue their education, both shipboard and shoreside. Looking forward into 2025, we have finalized a support program designed to help unlicensed employees pursue new Certificates of Competency, as well as help Officers upgrade their existing certifications. Algoma is proud to partner with 5 marine schools across Canada, providing cadets with hands-on experience for over 15 years. This year, we hosted 84 cadets, who collectively gained 7091 days of practical training aboard our vessels, helping to shape the next generation of officers. We annually support students in nautical science and marine engineering programs, and awarded scholarships to 10 cadets in 2024. Encouragement and support for post-secondary education also extends to the kin of Algoma employees, and has for over 30 years, totaling \$688,000 donated since 1993. This year we provided scholarships to 13 students.



"Your generosity will help me gain the educational skills and experience I need to become a successful Navigation Officer." - Megan F., scholarship recipient & Marine Institute student.



New year. New look.

EMPLOYEE ENGAGEMENT

Employee engagement is an essential part of our continuous efforts to improve company connection and in 2024, Algoma made significant strides in fostering a stronger connection for and between our shipboard and shoreside workers. A key focus was our 125th anniversary celebration, a fun-filled picnic, and an opportunity for employees and their families to experience life on board the *Algoma Bear*. To further cultivate open and honest dialogue between ship and shore workers, Algoma encourages staff at all levels to conduct ship visits and report back with personal experiences and key learnings from discussions with crew members.

In 2024, director level and above employees, conducted 17 visits with a purpose of building connections and coming together as one team. Every February, Algoma hosts its annual Captains and Chiefs conference, a three-day event packed with training, networking opportunities, and safety meetings. This initiative is another example of how we are committed to fostering growth and development opportunities.

We also revamped and enhanced our communication channels, including social media, the company website, and newsletters, keeping the Bear Family informed and connected. More than just updates, our refreshed communications create a space where employees can celebrate service milestones, honour retirees, share stories, and get to know their colleagues. Additionally, Algoma actively engages with its employees by conducting bi-annual employee engagement surveys and is preparing to conduct one in 2025. These surveys provide valuable feedback that helps shape a number of employee recommended initiatives.



TOP EMPLOYER AWARD

Algoma was proudly selected as one of Hamilton-Niagara's 2025 Top Employers. This marks the third year in a row Algoma has achieved this special recognition and highlights our continued commitment to creating an exceptional workplace, fostering a culture of inclusivity, investing in employees' well-being, and developing our workforce for the future.

This annual award program, organized by Canada's Top 100 Employers, evaluates companies that excel in several key areas, including the following:

- Work atmosphere
- Employee training & development
- Employee engagement & communications
- Compensation & benefits
- Health & wellness
- Community involvement



"After 28 years, I am still amazed at Algoma, our resilience, our ability to change and alter our course to ensure success. I'm proud to be an Algoma employee and celebrate 125 years."
- Gabe Ross, Director, Insurance.

Featured L to R: Gabe Ross, 28 years of service, and Brooke Cameron, Director, Fleet Personnel, 28 years of service, aboard the *Captain Henry Jackman* in 1996.



Crew members celebrating as the *Algoma Sault* officially commences the 66th St. Lawrence Seaway navigation season at Lock 3 in St. Catharines, ON.

ENSURING A SAFE & **HEALTHY WORKFORCE**

At Algoma, safety is a fundamental value ingrained in everything we do. We continually prioritize the well-being of our employees, customers, and communities. We believe that fostering a culture of safety protects lives, builds trust, and sustains long-term success.



Julien Caron, 3rd Engineer & Ponnappa Kademada, Chief Engineer aboard the *Algoma Bear*. Photo taken by Kelly Noseworthy, HOPA Ports.

INJURY PREVENTION

At Algoma, the safety and well-being of our employees remain our top priority. Last year, we went back to basics, focusing on the fundamentals of risk management and prevention. This year, we built on that foundation and remained focused on enhancing accessibility, quality, and diversity of safety resources across all fleets. We continue to promote both physical and mental wellness, expand access to training, and encourage proactive safety engagement. Our initiatives include rewarding the reporting of hazard identifications and near misses, ensuring regular circulation of safety alerts and Safety Management Manual reviews, and providing employees with the tools needed to maintain a safe working environment.



*Graph above shows Lost Time Injuries recorded for vessels under Algoma's technical management.



SAFETY MANAGEMENT SYSTEM

Our safety culture is built on our certified Safety Management System (SMS), meeting the global International Safety Management Code and OHSAS 45001 standards. These standards aim to enhance employee safety, mitigate risks, and foster safer working environments through systematic risk assessment and management. We have implemented various measures to ensure crew safety, actively encouraging and rewarding teamwork and the effective use of our safety tools.



TRAINING

To enhance our training efforts, we expanded our Learning Management platform to include our ocean crew, and expanded topics including indepth environmental practices, employee onboarding, as well as modernized our health and safety content. This online tool enables employees to access training anytime and from anywhere.



GOLD FLAG REWARDS

Algoma's Gold Flag program is designed to recognize and reward vessels that consistently uphold the highest operational standards for at least 12 consecutive months. This program aims to incentivize excellence in safety performance, incident reduction, and customer value delivery across our owned fleets, both internationally and domestically. As of December 2024, we had 10 gold flag flying ships, with 24 more in good standing.



STRIVE TOGETHER NEWSLETTER

2024 marks the second year of *Strive Together*, Algoma's monthly safety newsletter. It features crew submissions, off-the-job safety tips, safety alerts, and is now distributed monthly to both our ocean and domestic fleets. It effectively raises awareness and engagement across our operations.

HEALTH AND WELLNESS

Algoma is committed to supporting the health and wellness of our employees, ensuring they have access to the care and resources they need. In 2024, we expanded healthcare access in various ports, allowing crew members to receive timely medical attention. We also introduced an enhanced benefits program for our shoreside team that now empowers employees to choose a package that best suits their needs. Through virtual healthcare, employees have 24/7 access to medical professionals, mental health specialists, and prescription services, even in remote areas. Additionally, our Employee and Family Assistance Program (EFAP) continues to provide confidential support for mental health, family planning, financial counseling, and workplace challenges, with ongoing informational sessions to help employees navigate personal and professional well-being.

COMMUNITY IMPACT

Community has been a key part of Algoma's history and in 2024, the Bear Family once again demonstrated their incredible generosity and commitment to supporting those in need. Through a variety of fundraising events and employee pledges, Algoma employees raised \$55,250 for the United Way. With our Company match, we were able to donate a total of \$110,501. Every dollar raised contributes to critical programs and services provided to help improve lives in communities across Canada where our employees live and work.

The theme for Earth Day in 2024 was Planet vs Plastic and Algoma proudly joined the movement against plastic pollution at the Welland Canal during our annual clean-up. Together, a group of employees collected a bag of garbage each along locks two, three, and four of the Welland Canal.

In August, Algoma proudly celebrated our 125th anniversary with a special event at H.H. Knoll Park in Port Colborne, ON, bringing together nearly 400 employees and their

immediate family. As part of our commitment to support our local community, we proudly sourced from local vendors, from entertainment to catering, reinvesting into the local economy. To ensure everyone in the Bear Family could take part in this milestone celebration, employees at our Fort Lauderdale office enjoyed a special dinner, while our crews were treated to a meal of their choice aboard their vessels.

Later in August, Algoma partnered with United Way Niagara and Beatties to help equip Niagara students for the school year through the Backpack for Kids program, which provides essential school supplies to children and youth from low-income households. This year, Algoma volunteers filled 2,500 backpacks.

Starting in December, Algoma also participated in United Way's After School Matters program. The program organized a toy drive, where children shared their gift wishes. Algoma employees stepped up, purchasing 44 gifts for children aged 7-12.





The Figure Four performing at Algoma's 125th Anniversary celebration.



Algoma sponsors the Para Hockey Tournament in Port Colborne, ON.



Algoma volunteers pack 2500 backpacks for United Way's Backpack for Kids program.



Members of the Bear Family during their tour of the Algoma Bear.



Algoma celebrates 125 years with employees and loved ones.



Volunteers donate over 40 gifts to children during the holiday season for United Way's After School Matters program.



The Algoma Buffalo celebrating 125 years with a pizza party.



Volunteers collect a bag of garbage each along the Welland Canal.



Employees celebrate Halloween with a charity fundraising lunch.

MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

Our decarbonization strategy focuses on fleet renewal, energy efficiency, new technologies, and operational optimization. We continue to invest in solutions that will help us achieve our greenhouse gas reduction targets, with a goal of reducing emissions intensity 40% by 2030 and reaching net-zero by 2050.



NEARLY **\$600** MILLION
INVESTED IN EQUINOX CLASS
VESSELS SINCE 2010¹

40% REDUCTION IN
GHG INTENSITY ON

EQUINOX VESSELS
CLASS



76% REDUCTION IN GHG
LIFE CYCLE CARBON EMISSIONS
ACHIEVED WITH BIOFUEL*



*Compared to marine diesel fuel.



FLEET RENEWAL

A large component of our carbon reduction strategy thus far has been fleet renewal – investing nearly \$600 million in 11 new Equinox Vessels into our Domestic Dry-Bulk fleet since 2010. The final vessel in this class, the *Algoma Endeavour*, is nearing the end of construction as of this writing and is expected to be delivered in early 2025. These vessels were designed with advanced energy efficiency improvements, each achieving an average 40% reduction in carbon intensity compared to the ships they replaced. Our fleet renewal and growth efforts have expanded to focus on preparedness for alternative fuels as they become more readily available. We are currently building six ‘methanol-ready’ vessels: three for our Ocean Self-Unloader fleet; two domestic tankers on long-term charters to Irving Oil; and one cement carrier for our NovaAlgoma joint venture. We have also built four LNG and LBG (when possible), dual-fuel climate-friendly and shore power ready product tankers, with six more under construction, for our joint venture FureBear, in partnership with Furetank.



AQUATIC INVASIVE SPECIES

Algoma complies with ballast water and biofouling management requirements best practices and relevant Green Marine program indicators to mitigate the risk related to aquatic invasive species. We have installed ballast water treatment systems (BWTS) on 22 of our vessels - our entire Ocean Self-Unloader fleet of 8, as well as 14 in our domestic fleet. These systems represent a significant investment, and Algoma continues to work closely with researchers, regulatory agencies, and manufacturers to advance understanding of the widely acknowledged challenges related to the operation and efficacy of BWTS in the unique environment of the Great Lakes.



BIOFUEL TRIALS

In 2023, Algoma successfully trialed biofuels on five vessels. This fuel, sourced from crop wastes, results in a 76% reduction in life cycle GHG emissions compared to marine diesel fuel. Building on this success, Algoma continued its use in 2024 with the *Algoberta* becoming the first product tanker in our domestic fleet to bunker biofuel B19 and the *Tim S. Dool* continuing to operate on B100. Currently, Canadian regulations have not finalized the framework to allow the lifecycle benefits of biofuel to be recognized. Despite these regulatory challenges, Algoma remains committed to exploring biofuels as a potential short-term transition to net-zero marine emissions.



THE GREEN SHIPPING CORRIDOR PROGRAM

Under Transport Canada’s Green Shipping Corridor Program, Algoma received grant funding for five studies to support research on the feasibility of using alternative fuels and technologies in the Great Lakes region, including methanol and biofuel. The study on the feasibility of using methanol for Laker self-unloaders is nearly complete, confirming that a dual-fuel system (methanol and diesel) could be implemented with minimal cargo impact. Current cost is very high and availability is low for ‘green’ methanol, however, both these factors are forecasted to improve with more scaling and technology improvements. Studies on wind-assisted propulsion and shore power are also underway. Early modelling results demonstrate improved propulsion efficiency across certain wind conditions and locations, but also show that the carbon reduction opportunity may be limited in scope. Similarly, shore power could have potential to cut emissions in certain trades and locations, however, there are several barriers to overcome, including sourcing green electricity as well as aging ports and docks infrastructure. The studies for a container tug-barge and next generation Laker design are ongoing.

2024

FINANCIAL PERFORMANCE

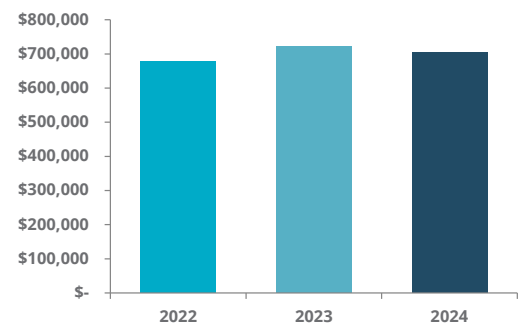
FINANCIAL RESULTS

Renewed market demand, stable growth, and increased capacity drove strong year-end results. Internationally, the Ocean Self-Unloaders segment saw strong earnings, benefiting from full fleet utilization and significantly fewer dry-dock days in 2024 compared to 2023. In the Global Short Sea Shipping segment, higher equity earnings included a \$13,015 net impairment reversal. Excluding this, earnings were slightly lower, impacted by reduced rates in the handy-size and mini-bulker fleets, though partially offset by improved cement fleet performance and the net addition of one new asset. Domestically, the Product Tankers segment experienced higher rates and demand, supported by an additional vessel in operation. Domestic Dry-Bulk segment revenue declined due to lower salt and construction material volumes, partially offset by higher rates. During the latter half of the year, domestic dry-bulk demand rebounded with iron ore spot cargoes and strong seasonal grain shipments. For full commentary, refer to our 2024 Management’s Discussion and Analysis, starting on page 1.

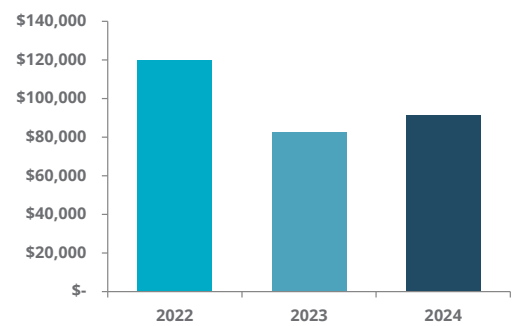
REPORTED REVENUES	\$703,444
FREIGHT REVENUES ⁽¹⁾	\$848,965
EBITDA	\$200,494
BASIC EPS	\$2.29

(1) Freight revenue includes our proportionate share of freight revenue from our respective joint ventures and excludes revenue

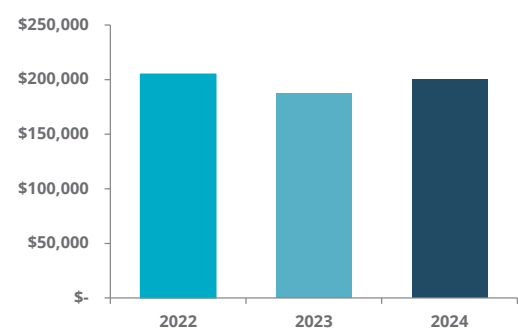
REPORTED REVENUES



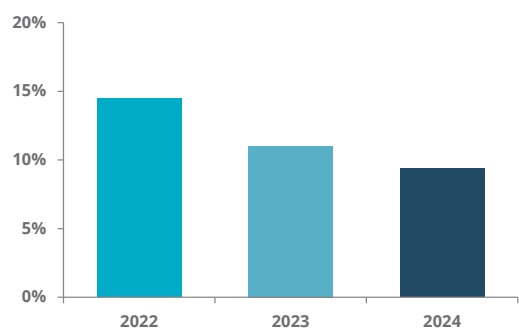
NET EARNINGS



EBITDA



ADJUSTED RETURN ON EQUITY (ROE)*



*Please refer to Adjusted Performance Measures on page 6 of the Management’s Discussion and Analysis for further details.

2024 VS. 2023

OPERATIONAL PERFORMANCE

OUTLOOK FOR 2025

Looking ahead to 2025, the Company remains optimistic yet cautious. While we are mindful of potential market disruptions and economic uncertainties, we anticipate stability and growth in most sectors. With nine new vessels entering service in 2025, three in Canada, and a continued focus on delivering value for our customers, we are well-positioned to navigate the opportunities and challenges ahead. For more details on the 2025 outlook, please refer to pages 7-11 of the Management's Discussion and Analysis.



The *Algoma Endeavour* conducting sea trials in late February, 2025.

Algoma transported **42 million** metric tonnes of dry and liquid cargo **41 billion** tonne - kilometres throughout the Great Lakes - St. Lawrence Seaway and internationally in 2024.

Figures above include the Domestic Dry-Bulk, Product Tanker, and Ocean Self-Unloader segments only.

DOMESTIC DRY-BULK

OPERATIONAL PERFORMANCE

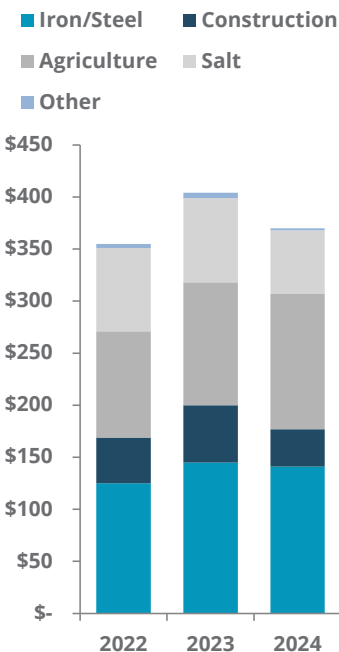
The Domestic Dry-Bulk segment serves a wide variety of major industrial sectors throughout the Great Lakes, St. Lawrence Seaway. This includes iron and steel manufacturers, construction aggregate producers, cement and building material suppliers, salt mining, and agricultural product distributors.

REPORTED REVENUES **\$375,159**

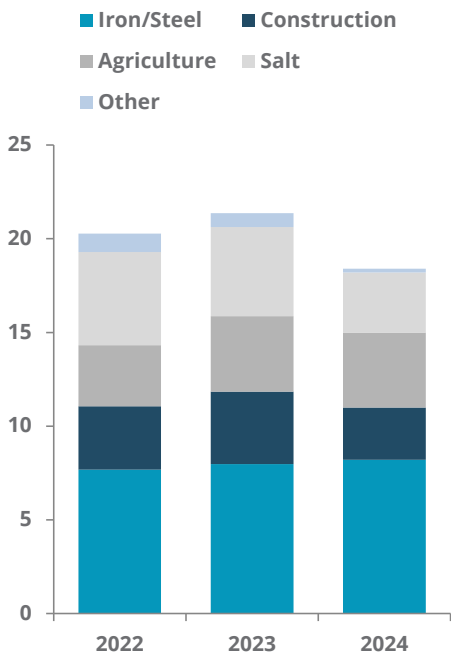
NET EARNINGS **\$31,696**

EBITDA **\$70,143**

FREIGHT REVENUE (MILLIONS)



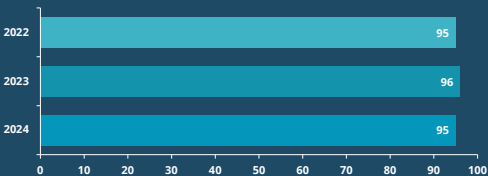
VOLUMES (MILLIONS METRIC-TONNES)



19

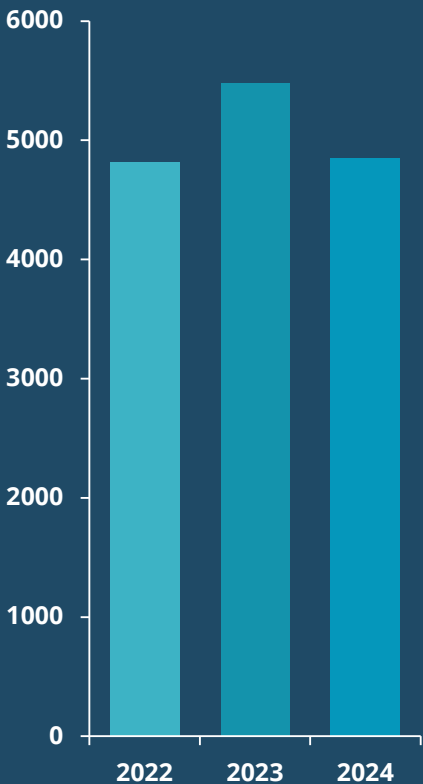
Number of vessels at the end of 2024 and includes one managed vessel.

VESSEL PRODUCTIVITY (%)*



*Total number of days that vessels earned revenue expressed as a percentage of available operating days.

REVENUE DAYS



PRODUCT TANKERS

OPERATIONAL PERFORMANCE

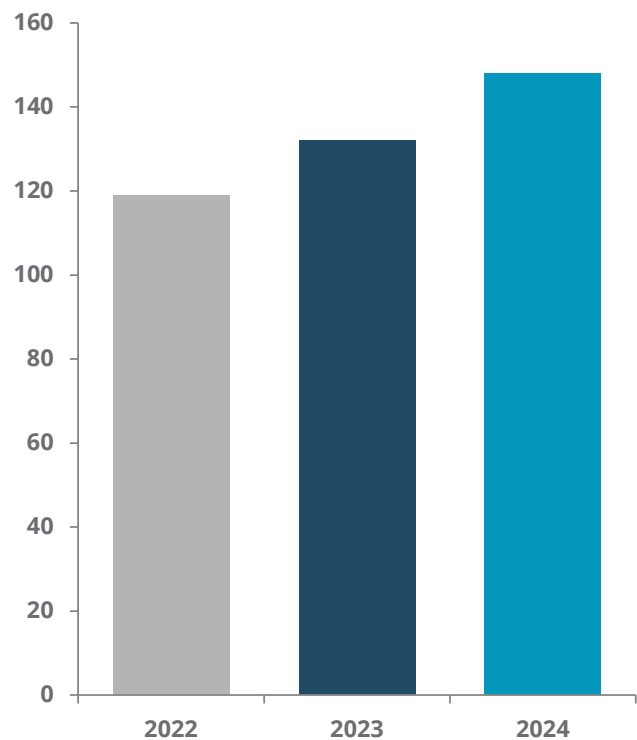
The Product Tankers fleet consists of eight domestic product tankers employed in Canadian flag service. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, six of which are under construction, and an interest in a foreign-flagged tanker operation comprising two product tankers. Customers include major oil refiners, leading wholesale distributors, and large consumers of petroleum products.

REPORTED REVENUES **\$148,347**

NET EARNINGS **\$11,658**

EBITDA **\$31,784**

FREIGHT REVENUE (MILLIONS)



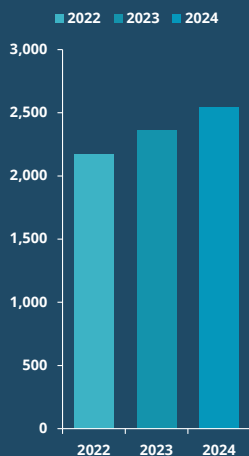
DOMESTIC

REVENUE DAYS

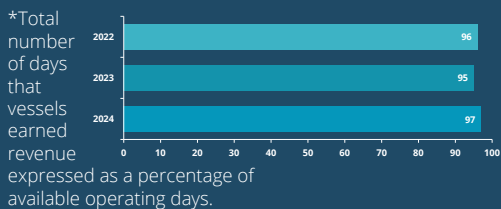


8

Number of vessels at the end of 2024.



VESSEL PRODUCTIVITY (%)*



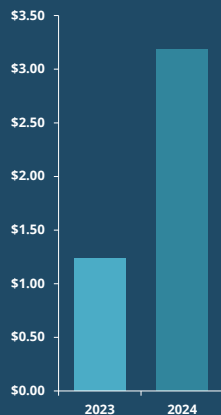
INTERNATIONAL JOINT VENTURE

NET EARNINGS (MILLIONS)



6

Number of vessels at the end of 2024.



OCEAN SELF-UNLOADER

OPERATIONAL PERFORMANCE

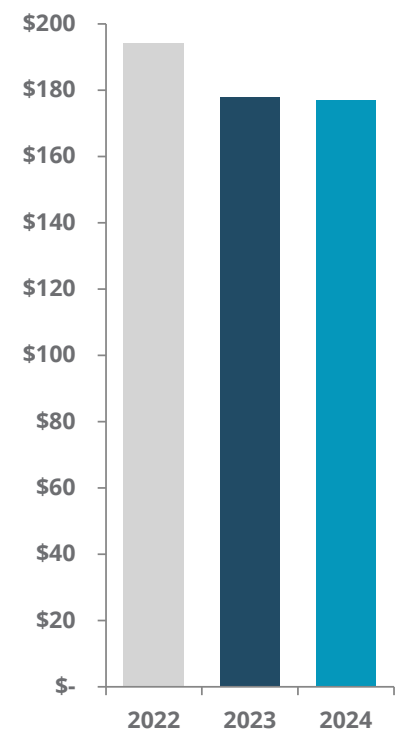
The Company's international Ocean Self-Unloader segment consists of eight ocean-going self-unloading vessels and a 25% interest in a ninth self-unloader. The eight wholly owned vessels are part of the world's largest pool of ocean-going self-unloaders, which at the end of 2024 totalled 18 vessels.

REPORTED REVENUES **\$177,185**

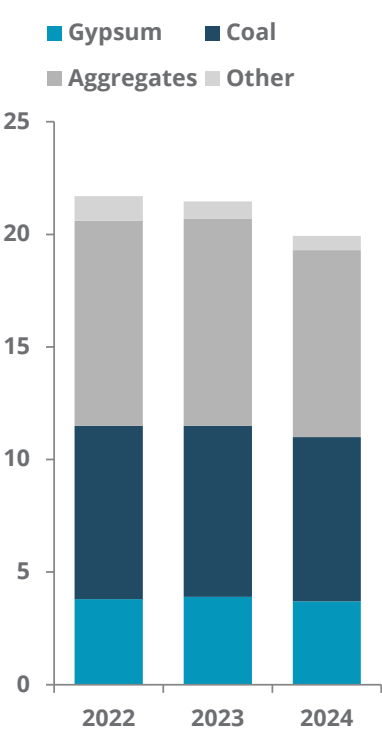
NET EARNINGS **\$39,378**

EBITDA **\$66,325**

REVENUE
(MILLIONS)



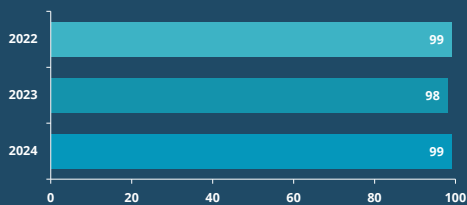
POOL VOLUMES
(MILLIONS METRIC-TONNES)



9

Number of vessels at the end of 2024

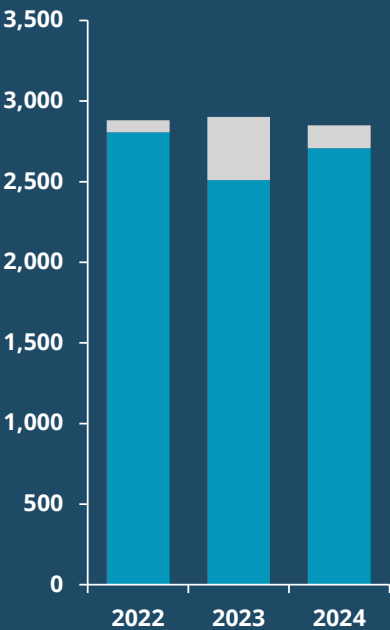
VESSEL PRODUCTIVITY (%)*



*Total number of days that vessels earned revenue expressed as a percentage of available operating days.

REVENUE & DRY-DOCK DAYS

■ Days on Dry-Dock
■ Revenue Days



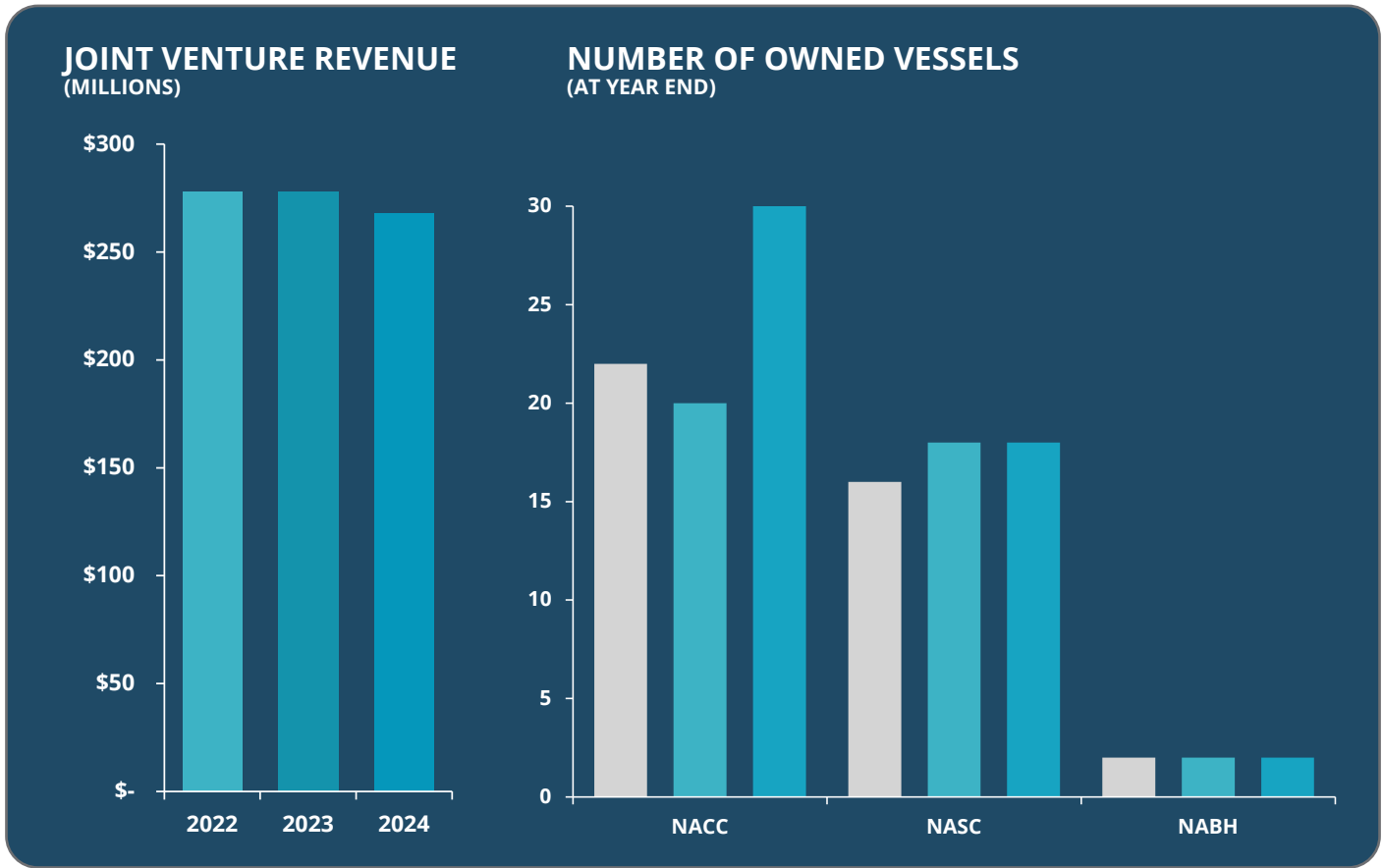
GLOBAL SHORT SEA SHIPPING

OPERATIONAL PERFORMANCE

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 (NACC) operates pneumatic cement carriers servicing large global cement manufacturers that support infrastructure projects. The short sea mini-bulker fleet (NASC) 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 (NABH) is an opportunistic vessel sales and purchase venture.

FREIGHT REVENUES ⁽¹⁾	\$268,391
EQUITY EARNINGS ⁽²⁾	\$32,822
EBITDA ⁽²⁾	\$45,004

(1) Revenue from the Global Short Sea segment is not included in our consolidated reported revenue figure. Freight revenues shown is 100% of joint venture revenue.
(2) Net earnings and EBITDA shown includes the Company's 50% share of net earnings, adjusted for amortization arising from vessel purchase price allocation and intangibles.



BOARD OF DIRECTORS

MATS H. BERGLUND⁽³⁾⁽⁵⁾

Gothenburg, Sweden
Corporate Director

RICHARD B. CARTY⁽¹⁾⁽²⁾⁽³⁾

Toronto, Ontario
Vice President, General Counsel & Corporate Secretary
E-L Financial Corporation Limited

JENS GRØNNING⁽³⁾⁽⁵⁾

Copenhagen, Denmark
Corporate Director

E.M. BLAKE HUTCHESON⁽¹⁾⁽³⁾

Toronto, Ontario
President & Chief Executive Officer
OMERS

DUNCAN N.R. JACKMAN⁽²⁾⁽⁴⁾⁽⁵⁾

Toronto, Ontario
Chairman, President & Chief Executive Officer
E-L Financial Corporation Limited

TRINITY O. JACKMAN⁽²⁾⁽³⁾

Toronto, Ontario
Professor of History
York University

MARK MCQUEEN⁽¹⁾

Toronto, Ontario
Business Executive

CLIVE P. ROWE⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾

Gulf Stream, Florida
Corporate Director

GREGG A. RUHL⁽⁴⁾

Buffalo, New York
President & CEO
Algoma Central Corporation

ERIC STEVENSON⁽²⁾⁽³⁾⁽⁵⁾

Toronto, Ontario
Venture Capitalist & Co-Founder
Perseverance Marine

COMMITTEES:

- (1) Member of the Audit Committee
- (2) Member of Corporate Governance Committee
- (3) Member of the Environment, Health & Safety Committee
- (4) Member of the Executive Committee

EXECUTIVE OFFICERS

DUNCAN N.R. JACKMAN

Chairman

GREGG A. RUHL

President & Chief Executive Officer

CHRISTOPHER A.L. LAZARZ CPA, CA

Chief Financial Officer

J. WESLEY NEWTON LLB

Executive Vice-President, Strategy & Business Development

STEVE WRIGHT

Executive Vice-President, Operations & Technical

JEFFREY M. DEROSARIO P.ENG

Senior Vice-President, Commercial



Algoterra sailing in the Detroit River. Taken by Windsor Aerial Photography.

Select Financial & Operational Statistics

For the years ended December 31

	2024	2023	2022
Financial Performance			
Total reported revenues	\$ 703,444	\$ 721,220	\$ 677,942
Freight revenues ⁽¹⁾	848,965	860,730	814,864
Operating earnings	75,145	74,532	102,297
Net earnings	91,638	82,870	119,966
Adjusted net earnings ⁽²⁾	78,623	82,870	98,931
Basic earnings per share	2.29	2.15	3.17
Adjusted basic earnings per share ⁽²⁾	1.97	2.15	2.61
Diluted earnings per share	2.29	2.00	2.89
Adjusted diluted earnings per share ⁽²⁾	1.97	2.00	2.40
Free cash flow ⁽³⁾	77,097	66,067	99,192
EBITDA ⁽⁴⁾	200,494	186,112	204,961
<i>As at December 31</i>			
Common shares outstanding	40,567,816	38,649,996	38,001,872
Total assets	1,523,953	1,344,156	1,365,697
Total long-term financial liabilities	334,084	377,021	402,354
Financial Ratios			
Profit margin	10.68 %	10.33 %	15.09 %
Adjusted profit margin	10.68 %	10.33 %	12.91 %
Debt to equity ratio	0.37	0.48	0.55
Return on equity (ROE) ⁽⁵⁾	10.92 %	11.02 %	17.56 %
Adjusted return on equity (adjusted ROE) ⁽²⁾	9.37 %	11.02 %	14.48 %
Domestic Operational Performance⁽⁶⁾⁽⁷⁾			
Statistical operating data			
Number of shipboard employees	1,519	1,551	1,492
Total distance travelled by vessels (nautical miles)	1,308,307	1,325,305	1,237,899
Total cargo carried (metric tonnes in thousands)	41,699	44,872	43,565
Tonne-kilometre travelled (in millions)	40,654	41,803	45,699
Deadweight tonnage (metric tonnes in thousands)	1,306	1,297	1,290
Number of vessels in total shipping fleet	35	34	34
Number of vessel port calls	2,844	3,021	2,836
Operating days	10,472	10,760	10,177
Vessel productivity			
Domestic Dry-Bulk	95%	96%	95%
Product Tankers	97%	95%	96%
Ocean Self-Unloaders	99%	98%	99%
Vessel capacity utilization			
Domestic Dry-Bulk	90%	98%	88%
Product Tankers	100%	100%	92%
Ocean Self-Unloaders	100%	100%	100%
Safety Indicators⁽⁸⁾			
Lost time injury frequency (per 200,000 hours worked)	1.18	0.77	0.70
Lost time injuries	14	11	10

(1) Please refer to the section entitled Select Financial and Operational Highlights - Financial Highlights for further explanation.

(2) Please refer to the section entitled Adjusted Performance Measures in the MD&A for an explanation of this non-GAAP measure.

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

(4) Please refer to the section entitled Select Financial and Operational Highlights - EBITDA for an explanation of this non-GAAP measure.

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

(6) Operational performance relates only to our Domestic Dry-Bulk, Product Tankers and Ocean Self-Unloaders segments and do not include the fleets in which we participate through joint ventures.

(7) Statistical operating data and safety indicators are unaudited and based on data available at such time and are subject to change as more complete information becomes available. Definitions of each measure are included within the Company's Management's Discussion & Analysis in the Select Financial and Operational Highlights section.

(8) Safety indicators include only the vessels that are under the Company's technical management.

General

This Management's Discussion and Analysis ("MD&A") of the Company should be read in conjunction with its Consolidated Financial Statements for the years ended December 31, 2024 and 2023 and related notes thereto and has been prepared as at February 27, 2025.

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 2024 Annual Information Form, is available on SEDAR's website at www.sedarplus.ca and 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 Seaway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers. Algoma also owns and operates ocean-going self-unloading dry-bulk vessels trading in international markets and holds a 50% interest in global joint ventures that own diversified portfolios of dry and liquid bulk fleets operating internationally. In addition to its owned vessels, the Company provides operational management for other vessels.

The Company reports the results of its operations for five 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 Tankers fleet consists of eight product tankers employed in Canadian flag service, with two more currently under construction. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, six of which are under construction, and an interest in a foreign-flagged tanker operation comprising two product tankers. 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 wholly owned self-unloaders are part of a Pool comprising the world's largest fleet of ocean-going self-unloaders, which at the end of the period totalled 18 vessels. Three ocean self-unloaders are currently under construction, with deliveries between 2025 and 2027, and are set to replace the oldest Algoma owned vessels in the pool.

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 operates pneumatic cement carriers servicing large global cement manufacturers that support construction and 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 vessel sales and purchase venture. Two newbuild mini-bulkers and one pneumatic cement carrier are currently under construction and are expected to be delivered between 2025 and 2027.

The Corporate segment consists of the Company's head office expenditures, third-party management services, other administrative functions of the Company, and earnings from a joint venture in a mechanical, machining, and fabrication shop. Effective from January 1, 2024, the Company has aggregated the remaining balances of the Investment Properties segment with the Corporate segment as Investment Properties no longer meets the definition of a reportable segment. The comparative information for the Investment Properties segment has been reclassified to conform to the current financial statement presentation.

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 Seaway, 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 2025 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:

- labour disputes that could affect the operations infrastructure upon which the Company relies;

- 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;
- 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;
- 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 the dates presented, our strategic priorities, and our objectives, and may not be appropriate for other purposes.

For more information, please see the discussion of risks and uncertainties in the Company's Annual Information Form for the year ended December 31, 2024, 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.sedarplus.ca.

Ocean Self-Unloaders

Algoma participates in the world's largest Pool of ocean-going self-unloaders (the "Pool"). The segment'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. 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.

Joint Ventures

Joint venture revenues from the Product Tankers, Ocean Self-Unloaders, Global Short Sea Shipping, and Corporate segments are not included in the consolidated revenue figure. The Company's share of net earnings, adjusted for amortization arising from vessel purchase price allocation and intangibles, is included in net earnings from joint ventures in the Company's 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, adjusted profit margin, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on IFRS[®] Accounting Standards 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*, *Return on Equity*, *Adjusted Performance Measures*, *Profit Margin*, *Adjusted Profit Margin*, and *Select Financial and Operational Performance*.

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 Accounting Standards. 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 is a similar metric 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.

Return on Equity

Return on equity is a profitability measure that presents the net earnings as a percent of average shareholders' equity.

Profit Margin

Profit margin is a financial metric that measures the ability to generate earnings relative to revenue and is a measure of net earnings as a percentage of net revenue.

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.

- Adjusted Return on Equity is calculated by dividing adjusted net earnings by unadjusted shareholders' equity.
- Adjusted profit margin is a measure of adjusted net earnings as a percentage of net revenue.

Select Financial and Operational Performance

Statistical operating data are unaudited and based on data available at such time and are subject to change as more complete information becomes available. Definitions of each measure are included within the Company's Management's Discussion & Analysis.

Select Financial and Operational Highlights

Financial Highlights

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Reported revenue	\$ 703,444	\$ 721,220	\$ 677,942	\$ (17,776)	\$ 43,278
Freight revenue ⁽¹⁾	848,965	860,730	814,864	(11,765)	45,866
Operating earnings	75,145	74,532	102,297	613	(27,765)
Net earnings	91,638	82,870	119,966	8,768	(37,096)
Basic earnings per share	2.29	2.15	3.17	0.14	(1.02)
Diluted earnings per share	2.29	2.00	2.89	0.29	(0.89)
EBITDA ⁽²⁾	200,494	186,112	204,961	14,382	(18,849)
Free Cash Flow ⁽³⁾	77,097	66,067	99,192	11,030	(33,125)
Dividends declared per share ⁽⁴⁾	0.76	0.72	2.03	0.04	(1.31)
Return on Equity (ROE) ⁽⁵⁾	10.92 %	11.02 %	17.56 %	(0.1pp)	(6.6pp)

As at	December 31		December 31	
	2024	2023	2024 vs 2023	
Common shares outstanding	40,567,816	38,649,996	1,917,820	
Total assets	\$ 1,523,953	\$ 1,344,156	\$ 179,797	
Total long-term financial liabilities	\$ 334,084	\$ 377,021	\$ (42,937)	

- Freight revenue from each segment includes our proportionate share of freight revenue from our respective joint ventures and excludes revenue from non-marine activities of the Company.
- See the section entitled Important Information About This MD&A - EBITDA for an explanation of this non-GAAP measure.
- See the section entitled Important Information About This MD&A - Free Cash Flow for an explanation of this non-GAAP measure.
- A special dividend of \$1.35 was declared in 2022. Not including the special dividend, dividends of \$0.68 were declared in 2022.
- See the section entitled Important Information About This MD&A - Return on Equity for an explanation of this non-GAAP measure.

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 Tankers, and Ocean Self-Unloaders segments, and do not include the fleets in which we participate through joint ventures.

For the years ended December 31	2024	2023	2022
Number of shipboard employees	1,519	1,551	1,492
Total distance travelled by vessels (nautical miles)	1,308,307	1,325,305	1,237,899
Total cargo carried (metric tonnes in thousands) ⁽¹⁾	41,699	44,872	43,565
Tonne-kilometres travelled (in millions) ⁽²⁾	40,654	41,803	45,699
Deadweight tonnage (metric tonnes in thousands) ⁽³⁾	1,306	1,297	1,290
Number of vessels in total shipping fleet	35	34	34
Number of vessel port calls	2,844	3,021	2,836
Operating days ⁽⁴⁾	10,472	10,760	10,177
Vessel productivity ⁽⁵⁾			
Domestic Dry-Bulk	95 %	96 %	95 %
Product Tankers	97 %	95 %	96 %
Ocean Self-Unloaders	99 %	98 %	99 %
Vessel capacity utilization ⁽⁶⁾			
Domestic Dry-Bulk	90 %	98 %	88 %
Product Tankers	100 %	100 %	92 %
Ocean Self-Unloaders	100 %	100 %	100 %

- (1) Total quantity of cargo in metric tonnes transported during the reporting period.
- (2) Total cargo tonne-kilometres travelled in the reporting period. Calculated as cargo quantity multiplied by the distance in kilometres that the cargo quantity was transported.
- (3) Deadweight tonnage is the sum, for the Company's vessels as noted above, of the difference in displacement in deadweight tonnes between the light displacement and the actual loaded displacement.
- (4) Operating days are calculated as the number of available days in the reporting period minus the aggregate number of days that the vessels are off-hire due to unforeseen circumstances.
- (5) Total number of days that vessels earned revenue expressed as a percentage of available operating days.
- (6) Total number of operating days expressed as a percentage of the total number of days the vessels were available for use.

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 years ended December 31, 2024, 2023, and 2022 and presented herein:

For the years ended December 31	2024	2023	2022
Net earnings	\$ 91,638	\$ 82,870	\$ 119,966
<i>Adjustments to net earnings, excluding joint ventures:</i>			
Depreciation and amortization	73,780	66,680	66,038
Impairment reversal	(14,891)	—	(14,759)
Interest expense, net	17,507	16,249	18,714
Gain on sale of assets	(1,404)	(9,286)	(13,913)
Foreign exchange loss (gain)	2,278	(3,044)	(3,892)
Investment gain on distribution	—	—	(669)
Income tax expense	2,886	11,360	16,917
<i>Joint venture adjustments:</i>			
Interest expense, net	5,306	4,134	3,350
Foreign exchange loss (gain)	447	(43)	566
Depreciation and amortization	20,455	17,152	19,385
Income tax expense	2,823	599	1,072
Gain on sale of assets	(331)	(559)	(7,814)
EBITDA⁽¹⁾	\$ 200,494	\$ 186,112	\$ 204,961

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

Revenues

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Reported Revenue	\$ 703,444	\$ 721,220	\$ 677,942	\$ (17,776)	\$ 43,278
Freight revenue ⁽¹⁾					
Domestic Dry-Bulk	\$ 374,100	\$ 407,083	\$ 359,141	\$ (32,983)	\$ 47,942
Product Tankers	160,284	132,166	118,686	28,118	13,480
Ocean Self-Unloaders	180,385	182,468	197,951	(2,083)	(15,483)
Global Short Sea Shipping	134,196	139,013	139,086	(4,817)	(73)
Total freight revenue	\$ 848,965	\$ 860,730	\$ 814,864	\$ (11,765)	\$ 45,866

- (1) Freight revenue from each segment includes our proportionate share of freight revenue from our respective joint ventures and excludes revenue from non-marine activities of the Company.

Stock Market Highlights

Common Shares

The common shares of the Company are listed on The Toronto Stock Exchange under the symbol of ALC. The price ranges and volume of common shares of the Company traded on the TSX on a monthly basis for 2024 were as follows:

Month	High	Low	Number of Trades	Volume Traded (000's)	Value Traded (000's)
January	\$15.37	\$14.72	1,402	339	\$ 5,065
February	\$15.58	\$14.85	941	203	\$ 3,072
March	\$15.04	\$14.26	774	279	\$ 4,124
April	\$15.08	\$14.45	657	199	\$ 2,940
May	\$14.83	\$14.10	1,045	312	\$ 4,501
June	\$14.37	\$14.08	917	329	\$ 4,662
July	\$15.20	\$14.07	888	185	\$ 2,655
August	\$15.03	\$14.10	937	208	\$ 3,021
September	\$14.95	\$14.03	629	122	\$ 1,756
October	\$15.60	\$14.74	953	219	\$ 3,322
November	\$15.50	\$14.80	863	203	\$ 3,059
December	\$15.14	\$14.25	861	199	\$ 2,943

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, return on equity, and basic and diluted earnings per share in accordance with GAAP as reported for the years ended December 31, 2024, 2023, and 2022, to the adjusted non-GAAP performance measures presented herein:

For the years ended December 31	2024	2023	2022
Net earnings	\$ 91,638	\$ 82,870	\$ 119,966
Adjustments:			
Impairment reversal, net	(13,015)	—	(10,848)
Gains on sale of properties	—	—	(10,187)
Adjusted net earnings	\$ 78,623	\$ 82,870	\$ 98,931
Return on equity	10.92 %	11.02 %	17.56 %
Adjusted return on equity ⁽¹⁾	9.37 %	11.02 %	14.48 %
Basic earnings per share	\$ 2.29	\$ 2.15	\$ 3.17
Impact of adjustments per share	(0.32)	—	(0.56)
Adjusted basic earnings per share	\$ 1.97	\$ 2.15	\$ 2.61
Diluted earnings per share	\$ 2.29	\$ 2.00	\$ 2.89
Impact of adjustments per share	(0.32)	—	(0.49)
Adjusted diluted earnings per share	\$ 1.97	\$ 2.00	\$ 2.40

(1) Adjusted return on equity is calculated by dividing adjusted net earnings by unadjusted average shareholders' equity.

- The \$13,015 adjustment during the year ended December 31, 2024 relates to an impairment reversal, net of related amortization, within the Company's investment in the Global Short Sea Shipping segment.
- The \$10,848 adjustment during the year ended December 31, 2022 relates to an impairment reversal within the Company's investment in the Domestic Dry-Bulk segment.
- The \$10,187 adjustment during the year ended December 31, 2022 relates to the sale of Station Mall in Sault Ste. Marie.

The following table provides a reconciliation of operating earnings in accordance with GAAP as reported for the years ended December 31, 2024, 2023, and 2022, to the adjusted non-GAAP performance measures presented herein:

For the years ended December 31	2024	2023	2022
Revenue	\$ 703,444	\$ 721,220	\$ 677,942
Operating earnings	\$ 75,145	\$ 74,532	\$ 102,297
Adjustments:			
Impairment reversal	—	—	(14,759)
Adjusted operating earnings	\$ 75,145	\$ 74,532	\$ 87,538
Profit margin	10.68 %	10.33 %	15.09 %
Impact of adjustments on profit margin	— %	— %	(2.18)%
Adjusted profit margin ⁽²⁾	10.68 %	10.33 %	12.91 %

(2) Adjusted profit margin is a measure of adjusted operating profit as a percentage of revenues.

Domestic Dry-Bulk Segment

Financial Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Revenue	\$ 375,159	\$ 408,170	\$ 360,139	\$ (33,011)	\$ 48,031
Operating expenses	(290,696)	(308,132)	(271,233)	17,436	(36,899)
Selling, general and administrative	(14,320)	(14,997)	(11,919)	677	(3,078)
Other operating item	—	—	14,395	—	(14,395)
Depreciation and amortization	(27,465)	(25,662)	(26,009)	(1,803)	347
Operating earnings	42,678	59,379	65,373	(16,701)	(5,994)
Gain on sale of vessel	438	—	—	438	—
Income tax expense	(11,420)	(15,760)	(17,396)	4,340	1,636
<i>Net earnings</i>	\$ 31,696	\$ 43,619	\$ 47,977	\$ (11,923)	\$ (4,358)

Operational Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Volumes (metric tonnes in thousands)					
Power Generation	20	75	99	(55)	(24)
Iron and steel	8,243	7,975	7,684	268	291
Construction	2,780	3,867	3,379	(1,087)	488
Agriculture	4,023	4,032	3,256	(9)	776
Salt	3,179	4,749	4,970	(1,570)	(221)
<i>Total volumes</i>	18,245	20,698	19,388	(2,453)	1,310
Revenue Days	4,852	5,480	4,814	(628)	666
Operating Days	5,115	5,688	5,058	(573)	630

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the years ended December 31, 2024, 2023, and 2022, and presented herein:

For the years ended December 31	2024	2023	2022
Net earnings	\$ 31,696	\$ 43,619	\$ 47,977
<i>Adjustments to net earnings:</i>			
Depreciation and amortization	27,465	25,662	26,009
Income tax expense	11,420	15,760	17,396
Impairment reversal	—	—	(14,759)
Gain on sale of vessel	(438)	—	—
EBITDA⁽¹⁾	\$ 70,143	\$ 85,041	\$ 76,623

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

2024 Compared to 2023

The decrease in revenue was mainly driven by a 12% reduction in overall volumes, leading to a 12% decline in revenue days. The decrease was partially offset by improved freight rates as a result of inflation-related pricing adjustments.

Cargo volumes declined primarily due to reduced demand for de-icing salt and construction materials. As a result, three ships remained in layup during the first half of the year. Salt volumes dropped significantly after several mild winters, including an exceptionally warm 2023, leading to full depots of road salt and production cuts by a key customer throughout 2024. A downturn in the construction market led to reduced aggregate shipments. With new spot business in iron ore and strong seasonal demand for grain shipments, all fleet vessels were eventually activated to return to service during the third quarter.

Operating days were 10% lower year-over-year due to the reduced demand, driving lower costs. Operating days were also impacted by increased vessel out-of-service time on three vessels, as a result of incidents experienced during the year. Lower operating costs were partially offset by higher layup costs, particularly as a result of hull repairs coupled with the higher price of replacement steel and the dry-docking of the *Algoma Compass*. Supplies, repair, and crew costs were also higher reflecting inflationary increases to food, equipment, shore services, and wages.

In the second quarter of 2024, the *Algoma Bear* joined the fleet, replacing the *Algoma Transport* which was retired and sold for recycling in January, 2024. The *Algoma Bear*, a self-unloader, is the eleventh Equinox Class vessel to be delivered. In the fourth quarter of 2024, a new refund guarantee was put in place for the *Algoma Endeavour*, another new self-unloader, and the twelfth Equinox Class vessel, currently under construction in Croatia.

Outlook

In 2025, fleet utilization is expected to be much higher with the addition of significant new domestic steel industry business and more typical winter conditions driving an anticipated recovery in salt volumes. Shipments in the agriculture sector are expected to be strong, while the construction market is likely to remain flat. The new *Algoma Endeavour* is expected to begin service in early April, serving a variety of market sectors and driving improvements in fleet efficiency and environmental sustainability.

Product Tankers Segment

Financial Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Revenue	\$ 148,347	\$ 132,166	\$ 118,686	\$ 16,181	\$ 13,480
Operating expenses	(116,993)	(104,038)	(86,825)	(12,955)	(17,213)
Selling, general and administrative	(5,986)	(5,306)	(4,739)	(680)	(567)
Depreciation and amortization	(15,962)	(14,593)	(14,013)	(1,369)	(580)
Operating earnings	9,406	8,229	13,109	1,177	(4,880)
Gain on sale of vessels	966	9,092	—	(8,126)	9,092
Income tax expense	(1,900)	(3,377)	(2,696)	1,477	(681)
Net earnings from investment in joint venture	3,186	1,238	—	1,948	1,238
Net earnings	\$ 11,658	\$ 15,182	\$ 10,413	\$ (3,524)	\$ 4,769

Operational Performance⁽¹⁾

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Volume (metric tonnes in thousands)					—
Petroleum products	3,492	2,729	2,399	763	330
Total volume	3,492	2,729	2,399	763	330
Revenue days	2,545	2,366	2,175	179	191
Operating days	2,629	2,502	2,274	127	228
Outside charter days	—	—	6	—	(6)

(1) The vessels which operate under international joint ventures and bareboat arrangements are 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 years ended December 31, 2024, 2023, and 2022, and presented herein:

For the years ended December 31	2024	2023	2022
Net earnings	\$ 11,658	\$ 15,182	\$ 10,413
<i>Adjustments to net earnings:</i>			
Depreciation and amortization	15,962	14,593	14,013
Income tax expense	1,900	3,377	2,696
Gain on sale of vessels	(966)	(9,092)	—
<i>Joint venture:</i>			
Interest, net	1,851	—	—
Depreciation and amortization	1,453	—	—
Foreign exchange gain	(78)	—	—
Income tax expense	4	—	—
EBITDA⁽¹⁾	\$ 31,784	\$ 24,060	\$ 27,122

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

2024 Compared to 2023

The revenue increase was driven by improved rates and 8% higher revenue days, supported by a larger domestic fleet size this year with the addition of

the *Algosolis* in August, 2024, following an international bareboat charter.

In January, the Company acquired two 2009-built, 16,600 dwt product tankers from Norway's Knutsen OAS Shipping. With the completion of their bareboat charters and dry-dockings, the first vessel, renamed *Algosolis*, joined the Company's Canadian fleet in early August, 2024. In late August, the second vessel renamed *Fure Spear*, began trading in Northern Europe in FureBear's joint venture, joining the *Fure Skagen* in that fleet.

Operating costs were higher this quarter due to a 5% increase in operating days, driven by the larger fleet and higher layup spending. In 2024, three vessels underwent dry-docking, compared to two in 2023. Supply costs, including those related to dry-dockings, have risen due to inflation. Additionally, crew expenses increased due to higher onboarding and training costs for new vessels. Inflation-related wage adjustments further contributed to the rise in operating costs during the year.

Joint venture earnings increased due to the addition of four vessels during the year, the *Fure Vanguard*, *Fure Viken*, *Fure Viskär*, and *Fure Vyl*, operating under FureBear. The *Fure Vanguard* joined the fleet in the first quarter of 2024, followed by the *Fure Viken* in the third quarter, then the *Fure Viskär* and *Fure Vyl* in the fourth quarter. These vessels are the first four of ten newbuild product tankers set to enter operations. Additionally, joint venture earnings benefited from having the *Fure Spear* and *Fure Skagen* operating in an international pool.

The \$966 gain on sale of vessels relates to the sale of the *Liv Knutsen*, during the 2024 third quarter, to FureBear's joint venture where it has been renamed the *Fure Spear*. During 2023, the *Algoma Hansa*, the *Algonorth*, and the *Algosea* were sold, resulting in a \$9,092 gain. The sale of the *Algonorth*, now named the *Fure Skagen*, was to FureBear's joint venture.

Outlook

We expect customer demand in the segment to remain steady in 2025 and for fuel distribution patterns within Canada to support strong vessel utilization for the vessels trading under Canadian flag. The fleet is expected to be in full deployment with all eight Canadian vessels in operation.

With the delivery of the first four FureBear newbuilds in 2024, six new tankers remain on order for the joint venture, with delivery expected between early 2025 and 2026. The Company is anticipating a continued steady rate environment for these tankers. Two additional product tankers will also enter service in early 2025 for our domestic fleet, with the first expected in April followed by the second in May. These vessels will be entered on long-term charters to Irving Oil under Canadian flag, servicing the company's refinery in Saint John, New Brunswick.

Ocean Self-Unloaders Segment

Financial Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
<i>Average foreign exchange rate (USD/CAD)</i>	1.3700	1.3495	1.3017	0.0205	0.0478
Revenue	\$ 177,185	\$ 178,031	\$ 193,730	\$(846)	\$(15,699)
Operating expenses	(109,506)	(125,840)	(128,044)	16,334	2,204
Selling, general and administrative	(1,873)	(2,207)	(1,394)	334	(813)
Depreciation and amortization	(26,315)	(24,261)	(23,850)	(2,054)	(411)
Operating earnings	39,491	25,723	40,442	13,768	(14,719)
Net earnings from investment in joint venture	288	1,241	3,783	(953)	(2,542)
<i>Net earnings</i>	\$ 39,779	\$ 26,964	\$ 44,225	\$ 12,815	\$ (17,261)

Operational Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Pool Volumes (metric tonnes in thousands) ⁽¹⁾					
Gypsum	3,743	3,903	3,801	(160)	102
Aggregates	8,252	9,152	9,174	(900)	(22)
Coal	7,338	7,633	7,739	(295)	(106)
Other	629	757	1,064	(128)	(307)
<i>Total volumes</i>	19,962	21,445	21,778	(1,483)	(333)
Algoma Vessels					—
Revenue days	2,707	2,509	2,806	198	(297)
Operating days	2,728	2,570	2,845	158	(275)
Off-hire days for dry-docking	142	392	74	250	(318)

(1) Pool volumes exclude volumes carried on vessels that were under time charter arrangements and under joint venture in the year.

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the years ended December 31, 2024, 2023, and 2022, and presented herein:

For the years ended December 31	2024	2023	2022
Net earnings	\$ 39,779	\$ 26,964	\$ 44,225
<i>Adjustments to net earnings:</i>			
Depreciation and amortization	26,315	24,261	23,850
<i>Joint venture:</i>			
Depreciation and amortization	280	169	589
Interest income	(48)	(14)	—
Investment gain on distribution	—	—	(669)
Foreign exchange loss (gain)	(1)	2	1
EBITDA⁽¹⁾	\$ 66,325	\$ 51,382	\$ 67,996

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

2024 Compared to 2023

The Ocean Self-Unloaders segment experienced strong earnings this year, driven by full fleet utilization as a result of significantly fewer dry-dockings as only two vessels underwent dry-dock in 2024 compared to four in 2023.

Reduced operating costs in 2024 were mainly attributable to lower dry-dock spending resulting from the reduced number of vessels undergoing a dry-dock this year and reduced fuel expenditures. The decrease was partially offset by a 6% increase in operating days driven by the higher on-hire days.

In December 2024, the keel for the first of three ocean self-unloaders currently on order was laid at the Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd in China. These new ships will replace the Pool's oldest vessels and become the model for its next generation of ocean self-unloaders.

Outlook

Five vessels in the Algoma fleet are scheduled for dry-docking throughout 2025, which is expected to have a significant impact on available days. Demand for aggregate, gypsum, and salt is expected to increase, while coal shipments are projected to decline. Steel cutting for the hull of the second of three newbuild ocean self-unloaders took place in January, 2025. The first vessel in this series is expected to be delivered in the third quarter of 2025.

Global Short Sea Shipping Segment

Financial Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
<i>Average foreign exchange rate (USD/CAD)</i>	1.3700	1.3495	1.3017	0.0205	0.0478
Revenue	\$ 268,391	\$ 278,026	\$ 278,172	\$ (9,635)	\$ (146)
Operating expenses	(172,707)	(184,113)	(172,258)	11,406	(11,855)
Selling, general and administrative	(7,421)	(7,134)	(6,569)	(287)	(565)
Depreciation and amortization	(37,079)	(33,825)	(37,593)	(3,254)	3,768
Operating earnings	51,184	52,954	61,752	(1,770)	(8,798)
Gain on sale of vessels	662	1,089	15,628	(427)	(14,539)
Interest expense	(7,018)	(8,304)	(6,701)	1,286	(1,603)
Foreign exchange gain (loss)	(1,105)	89	(1,130)	(1,194)	1,219
Earnings before undernoted	43,723	45,828	69,549	(2,105)	(23,721)
Income tax expense	(4,758)	(1,293)	(2,144)	(3,465)	851
Net earnings of joint ventures	4,329	4,609	5,827	(280)	(1,218)
Net earnings attributable to non-controlling interest	(2,587)	(5,340)	(8,591)	2,753	3,251
Net earnings	\$ 40,707	\$ 43,804	\$ 64,641	\$ (3,097)	\$ (20,837)
<i>Company share of net earnings above</i>	\$ 20,354	\$ 21,902	\$ 32,321	\$ (1,548)	\$ (10,419)
Impairment reversal of investment in joint venture	14,891	—	—	14,891	—
Amortization of vessel purchase price allocation and intangibles	(2,423)	(631)	(609)	(1,792)	(22)
Company share included in net earnings from investments in joint ventures	\$ 32,822	\$ 21,271	\$ 31,712	\$ 11,551	\$ (10,441)

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the years ended December 31, 2024, 2023, and 2022, and presented herein:

For the years ended December 31	2024	2023	2022
Company share of net earnings from investments in joint ventures	\$ 20,354	\$ 21,902	\$ 32,321
<i>Adjustments to net earnings (company's share):</i>			
Depreciation and amortization	18,540	16,913	18,796
Interest expense	3,509	4,152	3,350
Income tax expense	2,379	647	1,072
Foreign exchange loss (gain)	553	(45)	565
Gain on sale of vessel	(331)	(545)	(7,814)
<i>Company share of EBITDA⁽¹⁾</i>	<i>\$ 45,004</i>	<i>\$ 43,024</i>	<i>\$ 48,290</i>

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

2024 Compared to 2023

Revenues in this segment, which consist of our NACC (cement), NASC (mini-bulker) and NABH (handy-size) joint ventures, were down in 2024, primarily due to lower freight rates in the mini-bulker and handy-size fleets compared to the previous year as both are exposed to market conditions to varying degrees. The cement fleet, largely employed on longer term time charter contracts, saw its revenues increase versus the prior year due to improved contract terms across the fleet and the addition of one vessel over the course of the year. In the mini-bulker fleet, rates remained steady for the smaller 8K deadweight tonne (dwt) vessels; however, lower rates for the larger mini-grabber vessels drove the reduced revenue. The handy-size fleet was impacted by lower market rates and a vessel undergoing dry-docking at the start of the year.

Operating expenses decreased mainly as a result of increased vessel off-hire due to dry-dockings on three vessels within the mini-bulker fleet, while costs in the handy-size fleet remained flat year-over-year. The lower expenditures were partially offset by higher operating costs in the cement fleet which included an additional vessel.

Depreciation was higher in 2024 mainly due to the increase in the size of the cement fleet and the delivery of a fourth newbuild asset in the mini-bulker fleet.

In September 2024, a newbuild contract became effective for a 38,000 dwt methanol-ready pneumatic cement vessel. The vessel will be the world's largest pneumatic cement carrier, the first cement carrier with a methanol-ready designation, and is scheduled to be delivered in the first quarter of 2027.

In accordance with our policies, the Company performs periodic reviews of its investments in joint ventures. During the review period, it was noted that positive earnings for NASC had been sustained over the five years since an impairment was recorded in 2019. The review indicated that the recoverable amount of the net investment subsequently increased and new-build vessels contracts were entered into in 2024 due to sustained economic performance of the venture over time.

As a result of the review, the Company determined that the carrying value of its investment in NASC warranted an impairment reversal and recognized a reversal of \$14,891 in net earnings from investments in joint ventures. The impairment reversal was calculated as the amount by which the estimated net recoverable value exceeded the carrying value.

Outlook

In 2025, we anticipate steady earnings from the cement fleet, with most assets committed to long-term time charter contracts. The handy-size segment, together with the mini-bulk segment are expected to perform at levels similar to 2024.

The two newbuild 8k dwt mini-bulkers are expected to be delivered in late 2025 and early 2026. These vessels will bring the newbuilds added to the mini-bulk fleet to six since 2020.

Corporate Segment

Financial Performance

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Revenue	\$ 2,753	\$ 2,853	\$ 5,387	\$ (100)	\$ (2,534)
Operating expenses	(895)	(1,079)	(3,942)	184	2,863
Selling, general and administrative	(16,673)	(19,040)	(16,515)	2,367	(2,525)
Depreciation	(1,615)	(1,533)	(1,557)	(82)	24
Operating loss	(16,430)	(18,799)	(16,627)	2,369	(2,172)
Gain on sale of property	—	194	13,913	(194)	(13,719)
Foreign exchange gain (loss)	(2,278)	3,044	3,892	(5,322)	(848)
Interest expense, net	(17,507)	(16,249)	(18,714)	(1,258)	2,465
Income tax recovery	10,434	7,777	3,175	2,657	4,602
Net earnings (loss) from investment in joint venture	1,464	(133)	—	1,597	(133)
Net loss	\$ (24,317)	\$ (24,166)	\$ (14,361)	\$ (151)	\$ (9,805)

The Corporate segment consists of revenue from management services provided to third parties, head office expenditures, other administrative expenses of the Company, and earnings from a joint venture in a mechanical, machining, and fabrication shop called Allied Marine & Industrial ("AMI"). The Company purchased a 49% interest in AMI in the third quarter of 2023 and also purchased the land and buildings occupied by AMI. The land and buildings generate rental income for the Corporate segment. AMI's primary business supports the Canadian marine industry and is therefore impacted by that industry's seasonality, generating its earnings predominantly in the first half of the year.

Revenues in the segment 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.

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 mortgage for \$18,000, secured by a first lien against the shopping centre. The principal repayment was due June 30, 2024 and is now in default. The Company commenced legal action to collect the principal amount on the secured mortgage. A court order imposed a deadline of January 16, 2025 for the full mortgage amount, including accrued interest, to be paid. The repayment deadline was not met and the court has ordered commencement of receivership proceedings to recoup the mortgage.

Consolidated

Interest Expense

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Interest expense on borrowings	\$ 21,374	\$ 18,297	\$ 18,127	\$ (3,077)	\$ (170)
Amortization of financing costs	984	1,707	1,632	723	(75)
Interest on employee future benefits, net	236	260	1,011	24	751
Capitalized interest	(2,522)	(1,160)	(320)	1,362	840
	\$ 20,072	\$ 19,104	\$ 20,450	\$ (968)	\$ 1,346

Income Taxes

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Combined federal and provincial statutory income tax rate	26.5 %	26.5 %	26.5 %	— %	— %
Net earnings before income tax and net earnings from investments in joint ventures	\$ 56,764	\$ 70,613	\$ 101,388	\$ (13,849)	\$ (30,775)
Expected income tax expense	\$ (15,042)	\$ (18,712)	\$ (26,868)	\$ 3,670	\$ 8,156
Tax effects resulting from:					
Foreign tax rates different from Canadian statutory rate	11,417	7,104	10,957	4,313	(3,853)
Effect of items that are non-taxable	538	166	(132)	372	298
Non-recoverable withholding taxes	(367)	(362)	(387)	(5)	25
Deferred tax items recognized	263	856	(116)	(593)	972
Adjustments to prior period provision	490	(42)	(697)	532	655
Other	(185)	(370)	326	185	(696)
Actual tax expense	\$ (2,886)	\$ (11,360)	\$ (16,917)	\$ 8,474	\$ 5,557
Effective tax rate excluding net earnings from investments in joint ventures	5.1 %	16.1 %	16.7 %	(11.0)%	(.6)%

Earnings from the Company's foreign subsidiaries are taxed in jurisdictions which have nil income tax rates. 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. The Company is not subject to OECD Pillar Two taxes as its consolidated revenues fall below levels at which such taxes apply.

Summary of Quarterly Financial Results

	2024 Quarters				2023 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Revenues	\$ 208,618	\$ 204,644	\$ 180,968	\$ 109,214	\$ 201,322	\$ 205,888	\$ 202,406	\$ 111,604
Operating earnings (loss)	44,602	43,172	15,924	(28,553)	31,970	38,702	36,199	(32,339)
Net earnings (loss)	51,513	39,914	17,464	(17,253)	33,621	35,745	33,144	(19,640)
Basic earnings (loss) per share	1.27	0.98	0.44	(0.44)	0.87	0.93	0.86	(0.51)
Diluted earnings (loss) per share	1.27	0.98	0.44	(0.44)	0.80	0.85	0.79	(0.51)
Dividends per share	0.19	0.19	0.19	0.19	0.18	0.18	0.18	0.18

Revenues generated by the Company during the year are influenced by seasonal weather patterns, general economic conditions, cyclical demand for marine transportation and competition in the transportation sector. Operating expenses reflect the impact of customer demand, fuel prices, and repair and labour costs. Fluctuations in the Canadian dollar relative to the U.S. dollar have also affected the conversion of the Company's U.S. dollar-denominated revenues and expenses and resulted in fluctuations in net earnings in the eight quarters presented above.

Contingencies

For information on contingencies, please refer to Note 29 of the Consolidated Financial Statements for the years ending December 31, 2024 and 2023. There have been no significant changes in the items presented since December 31, 2024.

Capital Resources

The Company has cash on hand of \$3,545 at December 31, 2024. Available credit facilities along with projected cash from operations for 2025 are expected to be 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 \$125 million Canadian dollar and a \$75 million U.S. dollar senior secured revolving bank credit maturing 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 adjusted SOFR, CORRA, 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. As of December 31, 2024, \$78,267 had been withdrawn from the Facility.

The Company is subject to certain covenants under the terms of the Facility and the senior secured notes, including ones with respect to maintaining defined financial ratios and other conditions. As at December 31, 2024, 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 these related parties for the year ended December 31, 2024.

Financial Condition, Liquidity and Capital Resources

Cash Flows

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Net cash generated from operating activities	\$ 155,389	\$ 124,207	\$ 133,130	\$ 31,182	\$ (8,923)
Net cash used in investing activities	(183,752)	(127,779)	(65,872)	(55,973)	(61,907)
Net cash used in financing activities	(5,550)	(105,757)	(42,368)	100,207	(63,389)
Net change in cash	(33,913)	(109,329)	24,890	75,416	(134,219)
Effects of exchange rate changes on cash held in foreign currencies	4,627	192	8,136	4,435	(7,944)
Cash, beginning of year	32,831	141,968	108,942	(109,137)	33,026
Cash, end of year	\$ 3,545	\$ 32,831	\$ 141,968	\$ (29,286)	\$ (109,137)

Operating Activities

Higher net cash from operating activities in 2024 primarily relates to timing of working capital cash flows.

Investing Activities

Higher net cash used in investing activities in 2024 reflects the significant investments in new tankers, vessels under construction, and investment in joint ventures.

Financing Activities

Changes in cash used in financing activities in 2024 reflects borrowing used for investment purposes, net redemption of convertible debentures.

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 years ended December 31, 2024, 2023, and 2022, and presented herein:

For the years ended December 31	Favourable/(Unfavourable)				
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Net cash generated from operating activities	\$ 155,389	\$ 124,207	\$ 133,130	\$ 31,182	\$ (8,923)
Net debt service repayments	(54,525)	(23,087)	(18,103)	(31,438)	(4,984)
Capital required for maintenance of existing assets	(23,767)	(35,053)	(15,835)	11,286	(19,218)
Free cash flow ⁽¹⁾	\$ 77,097	\$ 66,067	\$ 99,192	\$ 11,030	\$ (33,125)

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

Free cash flow for 2024 reflects typical winter maintenance and dry-dock expenditures. During 2023, the Company made significant environmental investments in fleet upgrades such as carbon reducing fuel efficiency technology, ballast water treatment system installations, and closed-loop exhaust gas scrubber upgrades.

Normal Course Issuer Bid

Effective March 21, 2024, the Company renewed its normal course issuer bid (the "2024 NCIB") to purchase up to 1,975,857 of its common shares ("Shares"), representing approximately 5% of the 39,517,144 Shares issued and outstanding as of the close of business on March 7, 2024.

Under the 2024 NCIB, the Company may purchase up to 2,201 Shares per day, representing 25% of the average daily trading volume for the previous six months. The Company may buy back Shares anytime during the twelve-month period beginning on March 21, 2024 and ending on March 20, 2025. The stated capital of \$1.41 per share equals the approximate paid-up capital amount of the Shares for purposes of the Income Tax Act.

Under the 2024 NCIB, no Shares were purchased and cancelled for the period ended December 31, 2024.

Under the previous NCIB, which began on March 21, 2023 and concluded on March 20, 2024, the Company purchased and cancelled 568,267 Shares, including 52,806 Shares purchased and cancelled during the first three months of 2024.

The Company intends to renew its normal course issuer bid upon receipt of the required approvals from regulatory authorities.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at December 31, 2024 that affect the Company's liquidity and capital resource needs.

	2025	2026	2027	2028	2029	2030 and Beyond	Total
Short-term borrowings	\$ 78,267	\$ —	\$ —	\$ —	\$ —	\$ —	78,267
Long-term debt	49	53	28,836	35	—	310,740	339,713
Vessel purchase commitments	217,919	83,355	55,859	—	—	—	357,133
Vessel purchase commitments through joint ventures (Algoma share) ⁽¹⁾	110,242	54,857	—	—	—	—	165,099
Interest payments on long-term debt	12,888	12,886	12,881	11,907	11,906	54,966	117,434
AMI share purchase	—	—	—	—	—	5,757	5,757
	\$ 419,365	\$ 151,151	\$ 97,576	\$ 11,942	\$ 11,906	\$ 371,463	\$ 1,063,403

(1) The joint venture commitments above include the construction of six product tankers, two general cargo ships, and a cement carrier. The joint ventures have financing arrangements under which and subject to certain conditions, they can access funding for up to 70% of the outstanding commitments upon delivery of the vessels.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Company's material accounting policies are described in Note 3 to the Consolidated Financial Statements. Some of these accounting policies require Management to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about matters that are uncertain at the time the estimates and assumptions are made. Management believes that the estimates are reasonable; however, different estimates could potentially have a material impact on the Company's reported financial position or results of operations.

Employee Future Benefits

The Company provides pensions and post-employment benefits including health care, dental care and life insurance to certain employees. The determination of the obligations and expense for the employee future benefits is dependent on the selection of certain assumptions used by the Company in calculating such amounts. Those assumptions are disclosed in Note 22 to the Company's Consolidated Financial Statements, the most significant of which are the discount rate, the rate of increase in compensation, expected rates of return on plan assets, the rate of increase in the cost of health care and the estimated average remaining service lives of employees, some of which are defined by regulation. The assumptions are reviewed annually and the impact of any changes in the assumptions is reflected in actuarial gains or losses as disclosed in Note 22 to the Consolidated Financial Statements. The significant accounting assumptions adopted are internally consistent and reflect the long-term nature of employee future benefits. Significant changes in assumptions could materially affect the Company's reported employee future benefit obligations and future expense.

For 2024, the Company's assumed rate of compensation increases for purposes of calculating the current service cost that is included in the net benefit cost incurred was 4.0%.

Property, Plant, Equipment and Impairment

For information on property, plant and equipment please refer to Note 14 of the Consolidated Financial Statements for the years ending December 31, 2024 and 2023. The Company reviews the depreciation periods of property, plant, and equipment on a regular basis for changes in estimated useful lives. The Company also reviews for impairment indicators on a quarterly basis, and at a minimum on an annual basis, whether there are any signs of impairment or a reversal of a previously recognized impairment in accordance with the Company's accounting policy.

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, has evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2024. 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 December 31, 2024.

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 Accounting Standards. 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 December 31, 2024.

Changes in Internal Controls over Financial Reporting

During the period ended December 31, 2024, 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.

Derivative Financial Instruments

The Company's exposure to foreign currency fluctuations is related to its unhedged cash balances and unhedged net investment in foreign subsidiaries. The Company has hedged part of its investment in the subsidiaries and joint ventures against its foreign-denominated long-term debt. At December 31, 2024 and 2023, the net investment in U.S. dollar foreign subsidiaries and joint ventures was U.S. \$390,161 and \$401,312, respectively. The net investment in SEK-denominated joint ventures at December 31, 2024 was SEK 1,331,375 (2023 - 374,698). The amount hedged at both December 31, 2024 and 2023 was U.S. \$147,000.

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.

At December 31, 2024, the Company did not have any foreign exchange forward contracts outstanding. At December 31, 2023, one contract was outstanding with a notional principal of \$26,280 and a fair value gain of \$2,765.

Risks and Uncertainties

The following section describes both general and specific risks that could affect the Company's financial performance. The risks described below are not the only risks facing the Company. Additional risks and uncertainties that are not currently known or that are currently considered immaterial may also materially and adversely affect the Company's business operations.

Tariffs

Global, as well as North American trade conditions, including trade barriers such as the imposition of tariffs on certain commodities or fees pertaining to vessels, may interfere with the free circulation of goods across Canada and the U.S. or the cost associated therewith. There can be no assurance that trade actions will not materially adversely affect the volume of marine shipments and/or revenues from commodities carried by the Company, and thus materially and negatively impact earnings and/or cash flow.

Availability of Qualified Personnel

The long-term challenge of recruiting and retaining skilled crews in the marine industry continues to be an area of focus. The challenge of recruiting new employees into the marine industry, competition for skilled labour from other sectors, competitors, or other entities operating in the marine industry is a growing challenge. The limited number of cadet berths is also a factor that needs to be addressed by the marine industry as a whole. A lack of properly skilled shipboard employees could lead to service delays and interruptions as the ability of the Company to fully utilize its domestic vessels could be affected. The Company continues to work with industry groups, its unions, and educators to develop and enhance training programs to ensure an adequate supply of labour is available to meet its future needs.

Competitive Markets

Marine transportation is competitive in both domestic and international markets. Marine transportation is subject to competition from other forms of transportation such as road and rail. Competition may decrease the profitability associated with any particular contract and may increase the cost of acquisitions. The Company strives to differentiate itself from the competition with superior customer service, having vessels suited to each customer's needs and maintaining a compliant, safe, efficient, and reliable fleet.

Changes in general economic conditions or conditions specific to a particular customer may affect the demand for vessel capacity. The Company believes that due to the long-term nature of its service contracts, vessel configurations, and geographic diversity, it is well positioned in the market place and is able to withstand fluctuations in market conditions.

The geographic and operational diversity of the Company will help to mitigate negative economic impact to the sectors in which it operates.

Contractual Nature of the Business

The overwhelming majority of the Company's revenues are a result of long-term contracts with large industrial customers, many of which have been customers for many years. Contracts typically have terms of three to five years and can have terms of ten years or longer in some instances. Such contractual commitments result in the Company dedicating vessel capacity to customers over long periods of time. Failure to renew a significant contract could result in a reduction in revenue and prevent profitable deployment of vessel capacity.

Environmental Matters

Environmental protection continues to be a dominant topic on the world legislative agenda and is a primary focus of the Company throughout its operations. Environmental issues such as greenhouse gases (GHGs), pollutant air emissions (SOx and NOx), aquatic invasive species, underwater noise and marine protected areas continue to be scrutinized and regulated worldwide. A change in environmental legislation could have a significant impact on the Company's future operations and profitability; in particular, the imposition of a carbon tax or other pricing mechanism for carbon emissions and requirements for additional environmental control equipment on vessels. Reduction of GHGs by the global marine industry is the most prominent topic on the marine industry's environmental agenda; however, there is significant uncertainty as to how to achieve low or zero emissions operations in future.

The Company's fleets monitor fuel sulphur levels in accordance with Emission Control Area (ECA) requirements and remain in compliance with all requirements. Domestically, the Company's highly efficient Equinox Class ships are equipped with closed-loop exhaust gas scrubbers designed to meet the stringent ECA SOx limits. Vessels equipped with scrubbers are able to meet emission standards while burning higher sulphur fuels. The availability of these fuels may be impacted by future demand for this fuel or environmental regulations. The Company's other vessels, including its ocean-going vessels,

use lower sulphur fuels to satisfy ECA standards and the global fuel sulphur cap that came into effect in 2020. In the future, the cost and availability of low carbon and/or low sulphur fuels may present a risk. In addition, there is no certainty the full cost of such fuels or cost related to converting to such fuels can be recovered from all customers, particularly in international markets.

Canada is a signatory to the IMO Ballast Water Convention. In 2021 the Canadian government brought in new ballast water regulations to implement the international ballast water discharge standard for Canadian waters. These requirements, already in place in the United States (with the exception of lakers), require installation of ballast water treatment systems on the Company's vessels, except for older vessels that operate exclusively in the Great Lakes, which are not required to comply until 2030. Installation of treatment systems on the Company's vessels will have an impact on operating costs.

Nature of the Shipping Industry

The cyclical nature of the Great Lakes dry-bulk shipping industry may lead to decreases in shipping rates, which may reduce Algoma's revenue and earnings. The shipping business, including the dry-bulk market, has been cyclical in varying degrees, experiencing fluctuations in charter rates, profitability and volumes shipped. Algoma anticipates that the future demand for the Company's vessels and freight revenues will be dependent upon continued demand for commodities, economic growth in the United States and Canada, seasonal and regional changes in demand, and changes to the capacity of the Great Lakes fleet which cannot be predicted. Adverse economic, political, social or other developments could decrease demand and growth in the shipping industry and thereby reduce revenue and earnings.

Fluctuations, and the demand for vessels, in general, have been influenced by, among other factors:

- 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;
- general economic and market conditions in the countries in which we operate;
- 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;
- developments in international and Great Lakes trade;
- changes in seaborne and other transportation patterns, such as port congestion and canal closures;
- weather, water levels and crop yields;
- political developments; and,
- embargoes and strikes.

The Company's domestic dry-bulk vessels and product tankers operate primarily in the Great Lakes and the St. Lawrence River. Winter conditions during the December to March period and changing water levels in ports in which the vessels load and unload have the effect of increasing or reducing operating days and cargo sizes, and this could affect the profitability of these vessels. Lower water levels can impact cargo sizes by reducing available draft while high water levels can limit access in certain waterways by restricting clearance above a ship.

Fees and Tolls

Certain critical aspects of the Great Lakes – St. Lawrence Seaway transportation system are managed by government and quasi-government agencies. These agencies typically charge fees or tolls for use of the system or for access to services that are required in order to use the system. Some of these agencies face the same shortage of qualified staff that is faced by the Company and in response, these entities have begun to compete more aggressively for staff. This is creating cost increases for companies in the industry both to retain qualified staff and in the form of high fees passed through by the agencies. The Company has attempted to mitigate the impact of these fees by hiring qualified staff; however, this may have the effect of increasing the Company's costs. The ability of the Company to recover these cost increases from customers is uncertain.

Costs of Incidents

Operating vessels that weigh tens of thousands of tonnes when fully loaded and which carry materials that may be harmful to the environment is inherently risky. The potential costs that could be incurred by the Company because of these risks include damages caused to property owned by others, the cost of environmental contamination including fines and clean-up costs, costs associated with damage to our own assets, and the impact of injuries sustained by our employees or by others. The Company has in place a system designed to guide its employees in the management of all of these risks and is focused on a process of learning and continuous improvement after any incident. The Company also carries insurance designed to provide financial mitigation of costs incurred as the result of an incident; however, there is no guarantee that the insurance coverage will be sufficient to provide full reimbursement of all costs, nor is there any assurance that such insurance will continue to be available in the future at a reasonable cost.

Foreign Exchange

The Company operates internationally and is exposed to risk from changes in foreign currency rates. The foreign currency exchange risk to the Company results primarily from changes in exchange rates between the Company's reporting currency, the Canadian dollar, the U.S. dollar, and the Swedish Krona. The Company's exchange risk on earnings of foreign subsidiaries is diminished due to both cash inflows and outflows being denominated in the same currency.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from its customers. The Company believes that the credit risk for accounts receivable is limited due to the tight credit terms given to customers, minimal bad debts experience and a customer base that consists of a relatively few, large industrial concerns in diverse industries.

Regulations

A change in governmental policy could impact the ability to transport certain cargoes or increase the cost of doing so. A policy change could threaten the Company's competitive position and its capacity to offer efficient programs or services. Often, several different jurisdictions are able to exercise authority over marine transportation and vessel operations, for example, within the Great Lakes – St. Lawrence Seaway, there are eight U.S. state governments and two Canadian provincial governments plus both federal governments. The Company expects sufficient warning of a policy change, providing it time to adjust and minimize the impact on the organization. Any such regulatory change would have a similar impact on the Company's waterborne competitors.

The Company has employees participating in a number of industry associations that advise and provide feedback on potential regulatory change and to ensure we maintain current knowledge of the regulatory environment.

Judicial and Other Proceedings

From time to time, the Company is a party to judicial, arbitration, or similar proceedings either as claimant or as respondent. Although the Company will take any actions it deems necessary to represent its interests in these proceedings, the ultimate outcomes of such proceedings are outside of the control of the Company. The realizable value of any assets and the exposure to liabilities associated with such proceedings may be different than the carrying value of those assets or liabilities on the financial statements of the Company.

Climate Change

The Company's domestic dry-bulk vessels and product tankers operate primarily in the Great Lakes and the St. Lawrence Seaway. Winter conditions during the December to March period and rising or changing water levels in ports in which the vessels load and unload have the effect of increasing or reducing operating days and cargo sizes, respectively, and this could affect the profitability of these vessels. Harsh winter conditions may also result in more severe ice coverage on the Great Lakes and the St. Lawrence Seaway, resulting in operating delays and delays in the opening of the canals in the system and the movement of cargo.

Drops or significant increases in water levels on the Great Lakes - St. Lawrence Seaway, which the Company has no control over, could have a significant impact on the future operations and profitability of the domestic dry-bulk vessels and product tankers. Water levels tend to go through cycles that have included both unusual highs and unusual lows in the past decade. This volatility will continue and may increase with climate change.

The geographic diversity of the Company helps to mitigate the potential impact that could result from adverse effects due to lowering water levels and, in addition, a significant number of the domestic dry-bulk and product tanker customer contracts have freight rate adjustment clauses that provide partial financial protection for the impact of changing water levels.

The expectation is that climate change could result in more extreme weather events in the future, which could include increased frequency and severity of gales and storms with longer duration and stronger wind forces. An overall trend towards less ice on the Great Lakes could result in the opportunity of a longer shipping season but with the propensity of more/greater storms, greater overall evaporation due to more open water and increased snowfall. Climate change theory and experience states that there could be more extremes in both temperature and rainfall. High water and low water levels both can negatively effect operations. Further concerns would be older marine infrastructure's ability to withstand more extreme weather.

Labour Update

Employees and Unions

The normal complement of employees is approximately 1,600, the majority of whom are unionized. The status of the various union agreements is provided below:

Captains and Chief Engineers

All Captains and Chief Engineers of the Company are non-unionized.

Navigation and Engineering Officers

Navigation and Engineering Officers consist of seven separate bargaining units, all of which are represented by the Canadian Merchant Service Guild (CMSG). Each of these seven agreements are current. The NACC agreement expires on April 30, 2025. The four Domestic Dry Bulk agreements expire on May 31, 2027. The two Algoma Tankers Limited agreements expire on July 31, 2028.

Unlicensed Employees

There are four bargaining units for unlicensed shipboard employees. The Seafarers' International Union (SIU) represents three unlicensed employee bargaining units and Unifor the fourth. Each of the unlicensed agreements are current. The Algoma Tankers Limited agreement was renewed in 2024 with an expiry of July 31, 2029. For Domestic Dry-Bulk, the Unifor agreement expires on March 31, 2027, and SIU agreement on August 31, 2028. The NACC agreement expires on June 30, 2027.

Adoption of New and Amended Accounting Pronouncements

Amendments to IAS 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current

In October 2022, the International Accounting Standards Board ("IASB") finalised issuance of Classification of Liabilities as Current or Non-Current, which made amendments to IAS 1 *Presentation of Financial Statements*. The Company adopted these amendments effective January 1, 2024. The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Classification is unaffected by the expectations that the Corporation will exercise its right to defer settlement of a liability. Lastly, the amendment clarifies that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company's financial disclosure is not materially affected by the application of the amendments.

Accounting Pronouncements Issued But Not Yet Effective

The company has not early adopted any standard or amendment that has been issued but is not yet effective. The Company is assessing the impacts to the consolidated financial statements.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*. The amendments are effective for reporting periods beginning on or after January 1, 2026.

IFRS 18 *Presentation and Disclosures in Financial Statements*

In April, 2024, the IASB issued the new standard IFRS 18 *Presentation and Disclosure in Financial Statements* that will replace IAS 1 *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted.

Responsibility for Financial Statements

The Consolidated Financial Statements of Algoma Central Corporation and its subsidiaries, and all information in this annual report, are the responsibility of Management and have been approved by the Board of Directors.


The financial statements were prepared by Management in accordance with IFRS[®] Accounting Standards and necessarily include some amounts that are based on estimates and judgements. Information used elsewhere in this annual report is consistent with that in the financial statements.

Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss and that financial statements principally through its Audit Committee, which consists solely of outside directors. The Audit Committee meets periodically with Management and the auditors to review results of audit examinations and financial reporting matters. The independent auditors appointed by the shareholders have full access to the Audit Committee, with and without Management present.

The Audit Committee reviewed the financial statements in this report and recommended that they be approved by the Board of Directors.



Gregg A. Ruhl
President and Chief Executive Officer
February 27, 2025



Christopher A.L. Lazarz, CPA, CA
Chief Financial Officer
February 27, 2025

Independent Auditor's Report

To the Shareholders of
Algoma Central Corporation

Opinion

We have audited the consolidated financial statements of Algoma Central Corporation (the "Company"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of earnings, comprehensive earnings, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition – Revenue from marine operations - Refer to Notes 3 and 7 to the Financial Statements

Key Audit Matter Description

Revenues from marine operations are recognized pro-rata over the term of a voyage and are measured at the fair value of consideration received or receivable. Revenue is only recognized when the amount and stage of completion can be measured reliably, it is probable that economic benefits will flow to the Company, and the costs incurred and costs to complete the transaction can be measured reliably. Revenue from marine operations is a key audit matter due to the significant audit effort required in performing audit procedures related to the Company's revenue recognition.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue recognition included the following, among others:

- Evaluated the operating effectiveness of internal controls relating to the revenue recognition process in Domestic Dry Bulk and Product Tankers segments.
- On a sample basis, evaluated the revenue recognition by performing a test of details, which included obtaining and inspecting a combination of audit evidence, such as confirmations from customers, supplementary billings, invoices, bill of ladings, contracts, and cash receipts.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Robyn Kimberley Graveline.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
February 27, 2025

Consolidated Statement of Earnings

For the years ended December 31 (in thousands of dollars, except per share data)	Notes	2024	2023
Revenue	7	\$ 703,444	\$ 721,220
Operating expenses		(518,090)	(539,089)
Selling, general and administrative expenses		(38,852)	(41,550)
Depreciation and amortization		(71,357)	(66,049)
Operating earnings		75,145	74,532
Interest expense	9	(20,072)	(19,104)
Interest income		2,565	2,855
Gain on sale of assets	14	1,404	9,286
Foreign exchange gain (loss)	10	(2,278)	3,044
		56,764	70,613
Income tax expense	11	(2,886)	(11,360)
Net earnings from investments in joint ventures	8	37,760	23,617
Net earnings		\$ 91,638	\$ 82,870
Basic earnings per share	24	\$ 2.29	\$ 2.15
Diluted earnings per share	24	\$ 2.29	\$ 2.00

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Comprehensive Earnings

For the years ended December 31 (in thousands of dollars)	2024	2023
Net earnings	\$ 91,638	\$ 82,870
Other comprehensive earnings (loss):		
Items that may be subsequently reclassified to net earnings:		
Unrealized gain (loss) on translation of financial statements of foreign operations	48,113	(13,195)
Unrealized gain (loss) on hedging instruments, net of income tax	(16,915)	4,175
Foreign exchange gain (loss) on purchase commitment hedge reserve, net of income tax, transferred to:		
Vessels under construction	752	(58)
Net earnings	—	(92)
Items that will not be subsequently reclassified to net earnings:		
Employee future benefits actuarial gain, net of income tax	3,233	1,690
	35,183	(7,480)
Comprehensive earnings	\$ 126,821	\$ 75,390

See accompanying notes to the consolidated financial statements.

Consolidated Balance Sheet

As at December 31 (in thousands of dollars)	Notes	2024	2023
Assets			
Current			
Cash		\$ 3,545	\$ 32,831
Accounts receivable	12	89,492	79,091
Income taxes recoverable		2,552	3,275
Mortgage receivable	16	18,000	18,000
Other current assets	13	25,756	28,194
		139,345	161,391
Property, plant, and equipment	14	867,481	808,752
Investments in joint ventures	8	360,463	260,915
Goodwill	15	7,910	7,910
Employee future benefits	22	26,169	22,151
Other assets	17	122,585	83,037
		\$ 1,523,953	\$ 1,344,156
Liabilities			
Current			
Accounts payable and accrued charges	18	\$ 106,109	\$ 82,739
Short-term borrowings	19	78,267	—
Current portion of long-term debt	23	49	60,663
Income taxes payable		1,097	385
Other current liabilities	20	4,159	3,400
		189,681	147,187
Long-term debt	23	334,035	316,358
Employee future benefits	22	19,319	19,456
Deferred income taxes	11	78,892	80,620
Other long-term liabilities	21	2,178	2,226
		624,105	565,847
Commitments	28		
Shareholders' Equity			
Share capital	24	57,093	29,175
Contributed surplus		3,357	—
Convertible debentures	23	—	2,218
Accumulated other comprehensive earnings (loss)	25	5,966	(22,467)
Retained earnings		833,432	769,383
		899,848	778,309
		\$ 1,523,953	\$ 1,344,156

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

(in thousands of dollars)	Share Capital	Contributed Surplus and Convertible Debentures	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings	Total Equity
	(Note 24)	(Note 23)	(Note 25)		
Balance at January 1, 2023	\$ 11,732	\$ 2,852	\$ (8,105)	\$ 719,545	\$ 726,024
Net earnings	—	—	—	82,870	82,870
Dividends	—	—	—	(27,106)	(27,106)
Repurchase and cancellation of common shares	(355)	(865)	—	(7,616)	(8,836)
Debenture conversions	17,798	(52)	—	—	17,746
Share-based compensation	—	283	—	—	283
Reclassified to earnings	—	—	(3,494)	—	(3,494)
Reclassified to vessels under construction	—	—	(1,698)	—	(1,698)
Other comprehensive earnings (loss)	—	—	(9,170)	1,690	(7,480)
Balance at December 31, 2023	\$ 29,175	\$ 2,218	\$ (22,467)	\$ 769,383	\$ 778,309
Balance at January 1, 2024	\$ 29,175	\$ 2,218	\$ (22,467)	\$ 769,383	\$ 778,309
Net earnings	—	—	—	91,638	91,638
Dividends	—	—	—	(29,969)	(29,969)
Repurchase and cancellation of common shares	(41)	—	—	(748)	(789)
Debenture conversions	27,959	(35)	—	—	27,924
Tax impact on equity component of debentures	—	785	—	—	785
Share-based compensation	—	389	—	(105)	284
Reclassified to vessels under construction	—	—	(3,517)	—	(3,517)
Other comprehensive earnings	—	—	31,950	3,233	35,183
Balance at December 31, 2024	\$ 57,093	\$ 3,357	\$ 5,966	\$ 833,432	\$ 899,848

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the years ended December 31 (in thousands of dollars)

Notes

2024

2023

Net Inflow (Outflow) of Cash Related to the Following Activities

Operating

Net earnings		\$	91,638	\$	82,870
Net earnings from investments in joint ventures	8		(37,760)		(23,617)
Items not affecting cash					
Depreciation and amortization			71,357		66,049
Gain on sale of assets	14		(1,404)		(9,286)
Other non-cash items	26		24,355		25,616
Net change in non-cash working capital	26		11,592		(5,982)
Income taxes paid			(2,996)		(9,466)
Employee future benefits paid			(1,393)		(1,977)
Net cash generated from operating activities			155,389		124,207

Investing

Additions to property, plant, and equipment	26		(101,722)		(44,510)
Distributions received from joint ventures	8		8,933		7,959
Investment in joint ventures	8		(46,747)		(42,646)
Additions to vessels under construction			(63,883)		(74,739)
Net proceeds on sale of assets	14		19,667		26,157
Net cash used in investing activities			(183,752)		(127,779)

Financing

Interest paid			(21,186)		(17,890)
Interest received			2,648		3,267
Net proceeds from short-term borrowings			76,438		—
Repayment of long-term debt	23		(33,339)		(5,197)
Proceeds from long-term debt	23		411		—
Repurchase of shares for cancellation	24		(789)		(8,835)
Dividends paid			(29,733)		(77,102)
Net cash used in financing activities			(5,550)		(105,757)

Net change in cash			(33,913)		(109,329)
Effects of exchange rate changes on cash held in foreign currencies			4,627		192
Cash, beginning of year			32,831		141,968

Cash, end of year

\$ 3,545 \$ 32,831

See accompanying notes to the consolidated financial statements.

Notes to the 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 Consolidated Financial Statements of the Company for the years ended December 31, 2024 and 2023 comprise the Company, its subsidiaries and the Company's interests in 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 Holding Limited (50%) and FureBear AB (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 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 Seaway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers. Algoma also owns and operates ocean-going self-unloading dry-bulk vessels trading in international markets and holds a 50% interest in global joint ventures that own diversified portfolios of dry and liquid bulk fleets operating internationally. In addition to its owned vessels, the Company provides operational management for other vessels.

The Company reports the results of its operations for five 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 Tankers fleet consists of eight product tankers employed in Canadian flag service, with two more currently under construction. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, six of which are under construction, and an interest in a foreign-flagged tanker operation comprising two product tankers. 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 wholly owned self-unloaders are part of a Pool comprising the world's largest fleet of ocean-going self-unloaders, which at the end of the period totalled 18 vessels. Three ocean self-unloaders are currently under construction, with deliveries between 2025 and 2027, and are set to replace the oldest Algoma owned vessels in the pool.

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 operates pneumatic cement carriers servicing large global cement manufacturers that support construction and 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 vessel sales and purchase venture. Two newbuild mini-bulkers and one pneumatic cement carrier are currently under construction and are expected to be delivered between 2025 and 2027.

The Corporate segment consists of the Company's head office expenditures, third-party management services, other administrative functions of the Company, and earnings from a joint venture in a mechanical, machining, and fabrication shop. Effective from January 1, 2024, the Company has aggregated the remaining balances of the Investment Properties segment with the Corporate segment as Investment Properties no longer meets the definition of a reportable segment. The comparative information for the Investment Properties segment has been reclassified to conform to the current financial statement presentation.

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 Seaway, 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.

2. Statement of Compliance

The Company has prepared the Consolidated Financial Statements in accordance with IFRS[®] Accounting Standards. The accounting policies have been applied consistently within the Consolidated Financial Statements.

The presentation currency used is the Canadian dollar and all amounts are reported in thousands of Canadian dollars, except for share data, unless otherwise noted.

The Consolidated Financial Statements were approved by the Board of Directors on February 26, 2025 and authorized for issue.

3. Material Accounting Policies

The Consolidated Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the material accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets acquired.

The material accounting policies adopted are set out below.

Basis of Consolidation

The Consolidated Financial Statements include the financial position, financial performance and cash flows of the Company, its subsidiaries, its interest in joint ventures and its share of assets, liabilities, revenues and expenses related to its interest in a joint operation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

Intercompany balances, transactions, income and expenses, profits and losses, including gains and losses relating to subsidiaries and the joint operation have been eliminated on consolidation.

Interests in Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control.

The Company has assessed its interests in joint arrangements in order to classify them as either joint operations or joint ventures. The Company considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances when making the assessment. The Company has an interest in a joint operation through its participation in an ocean-going self-unloader pool, which is accounted for by consolidating the Company's share of the assets, liabilities, revenues and expenses of the joint operation. The Company also has interests in joint arrangements that were determined to be joint ventures. It accounts for these joint venture interests using the equity method which reflects the Company's share of the increase or decrease of the post-acquisition earnings and other movements in the joint venture's equity.

Materials, Fuel and Supplies

Materials, fuel and supplies consist primarily of fuel on board vessels and other consumables which are recorded at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

Property, Plant, and Equipment

Vessels

Vessels include dry-bulk carriers and product tankers. Vessels are measured at cost less accumulated depreciation and accumulated impairments, if any. Cost includes expenditures that are directly attributable to the acquisition up to the time the asset is ready for use and includes installation costs, mobilization costs to the operating location, and borrowing costs on qualifying assets. All major components of the vessels, except for the dry-docking costs (see below), are depreciated on a straight-line basis to the estimated residual value over the useful lives of the vessel, which the Company initially estimates to be 25 to 30 years.

Depreciation is based on cost less residual value. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the estimated scrap value per tonne less costs incurred to ready the vessel for disposal. The remaining useful life and residual value of the vessels are reviewed at least annually and depreciation for remaining future periods is adjusted accordingly.

Dry-docking

From time to time, vessels are required to be dry-docked for inspection and re-certification, at which time replacement of certain components, major repairs and maintenance of other components, which cannot be carried out while the vessels are afloat, are performed. These dry-docking costs are capitalized and depreciated on a straight-line basis over the estimated period until the next dry-docking, which may vary from two and a half to six years. The residual value of such components is estimated at nil. The useful lives of the dry-docking costs are reviewed at least annually based on market conditions, regulatory requirements and the Company's business plans.

A portion of the cost of acquiring a vessel is allocated to the components expected to be replaced or refurbished at the next dry-docking. For new vessels, the initial dry-docking asset is estimated based on the expected costs related to the first dry-docking. The estimate is based on experience and history for similar vessels.

At subsequent dry-dockings, the costs comprise the actual costs incurred. Dry-docking costs may include the labour cost to effect replacements and repairs, the cost of parts and materials used, cost of travel, lodging and supervision of the Company's personnel, and the cost of third-party personnel to oversee a dry-docking, netted with any revenue which may be earned during the dry-docking period.

Vessels Under Construction

Vessels under construction are measured at cost less accumulated impairments, if any. Cost includes progress payments to the shipyard for construction, other directly attributable expenses and borrowing costs. Vessels under construction are transferred from other assets to property, plant, and equipment when it is probable that future economic benefits associated with the vessel will flow to the Company from its use. Progress payments made on vessel construction contracts are backed by refund guarantees in the event that the shipyard defaults on the contract. Vessels under construction are assessed for indicators of impairment in accordance with the Company's policy for Impairment of Long-Lived Assets.

Impairment of Long-Lived Assets

At the end of each reporting period, the Company reviews its long-lived assets to determine whether there is any indication that those assets have suffered impairment.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying value, the carrying value of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in net earnings.

Where an impairment loss subsequently reverses in whole or in part, the carrying value of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, not to exceed the carrying value that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in net earnings.

Goodwill

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying value, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit to nil and then to the other assets of the unit on a pro-rata basis based on the carrying value of each asset in the unit. Any impairment loss for goodwill is recognized directly in earnings in the Consolidated Statement of Earnings. An impairment loss recognized for goodwill cannot be reversed in subsequent periods.

Intangible Assets

Intangible assets are recorded at cost. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives.

Operating Segments

The Company's operating segments are organized around the markets it serves and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The President and Chief Executive Officer has authority for resource allocation and assessment of the Company's performance and is therefore the chief operating decision-maker.

Revenue Recognition

The Company earns revenues from marine operations through contracts of affreightment, time charters, and pool revenue. In a contract of affreightment, the Company provides cargo transportation services for a base freight rate and variable consideration on a voyage basis. Time charter contracts give a customer access to a vessel during the contract term to ship their own cargoes in exchange for a fixed daily hire fee, with adjustments. Pool revenue is earned through the Company's participation in the ocean self-unloader pooling arrangement. Revenues from marine operations are recognized pro-rata over the term of a voyage and are measured at the fair value of consideration received or receivable. Other revenues from marine operations include vessel management fees, which are based on either a fixed monthly charge or a percentage of revenues and are accrued on a monthly basis.

Revenue is only recognized when the amount and stage of completion can be measured reliably, it is probable that economic benefits will flow to the Company, and the costs incurred and costs to complete the transaction can be measured reliably.

Revenues from real estate rental operations with contractual rent increases are recognized on a straight-line basis over the terms of the respective leases.

Contract modifications

The Company's contracts are amended occasionally for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue in one of the following ways:

- a. prospectively as an additional separate contract;
- b. prospectively as a termination of the existing contract and creation of a new contract;
- c. as part of the original contract using a cumulative catch up; or
- d. as a combination of b) and c).

For contracts for which the Company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognized over time, the modification will always be treated under either a) or b). Option d) may arise when a contract has a partial termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end, as Management needs to determine if a modification has been approved, and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognized may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, Management uses its judgement to estimate the change to the total transaction price. Importantly, any variable consideration is only recognized to the extent that it is highly probable that no revenue reversal will occur.

Principal versus agent

The Company has arrangements with some of its customers whereby it is required to determine if it acts as a principal or an agent as more than one party is involved in providing the services to the customer. The Company acts as a principal if it controls a promised service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service.

This assessment of control requires judgement; in particular in relation to certain service contracts. The Company may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent, revenue is recorded at a net amount reflecting the margin earned. The difference between these amounts is typically the fuel and voyage costs incurred to fulfill the contract obligation.

Initial recognition of contract fulfilment assets

Contract fulfilment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Company first considers any other applicable standards. If those other standards preclude capitalization of a particular cost, then an asset is not recognized under IFRS 15.

If other standards are not applicable to contract fulfilment costs, the Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

Under certain circumstances, the Company may incur costs to deliver its voyage or charter service in a more efficient way. The most common type of such cost is vessel modification for specific needs in contracts with customers.

Foreign Currency

The individual financial statements of each group entity are maintained in the currency of the primary economic environment in which the entity operates (its functional currency). For purposes of the Consolidated Financial Statements, the results and financial position of each group entity are expressed in Canadian dollars, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

Transactions in currencies other than the Canadian dollar are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognized in earnings or other comprehensive earnings in the period in which they arise.

The assets and liabilities of the Company's foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Earnings and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive earnings and accumulated in equity.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of assets that take a substantial period of time to prepare for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in earnings in the period in which they are incurred.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying value is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee Future Benefits

The Company maintains funded and unfunded pension plans, which include defined benefit and defined contribution provisions, and other, unfunded post-employment benefit plans including retirement obligations, life insurance and health care.

The asset or liability recognized in the balance sheet is the present value of the obligation of the plans at the balance sheet date less the fair value of plan assets, if any. The liability includes the present value of the obligations as determined by discounting the estimated future required payments using interest rates of high-quality long-term corporate bonds. All actuarial gains and losses that arise in calculating the present value of the obligations and the fair value of plan assets are recognized immediately in comprehensive earnings.

The cost of defined benefit and defined contribution pensions and other post-retirement benefits that relate to employees' current service is charged to earnings. The cost for the defined benefit plans is computed on an actuarial basis using the projected unit credit method prorated on services and Management's best estimate of salary escalation, retirement ages of employees and expected future health care costs.

Net interest consists of the interest cost on the defined benefit obligation and the expected return on defined benefit plan assets, if any. Net interest is determined by applying the discount rate to the net benefit obligation or asset. The net interest income/expense is included in interest expense in the Consolidated Statement of Earnings.

Actuarial gains and losses arising from the employee future benefit plans are recognized immediately in other comprehensive earnings. Past service costs are recognized in earnings at the earlier of when a plan amendment or curtailment occurs or when the Company recognizes the related restructuring costs.

The Company's portion of the cost of defined contribution pensions is expensed as earned by employees.

Asset Ceiling under IAS® Standards as Clarified by IFRIC® Interpretations 14

The Company has adopted Ruling 14 of the IFRIC Interpretations which clarifies how the asset ceiling defined under IAS Standards should be applied, particularly how it interacts with minimum funding rules. Under the revised IAS Standards, any variation in the asset ceiling will be recognized in other comprehensive income (as opposed to profit and loss). The impact of the asset limit on the funded plans has been applied based on Management's interpretation of IAS Standards, as clarified by IFRIC Interpretations. The interpretation is summarized as follows:

- The asset limit is not applicable for the unfunded plans;
- Each of the funded plans has been considered separately in determining the asset limit;
- For each of the registered plans, the Company assumed that it does not have an unconditional right to a refund of surplus;
- The Company may take defined benefit funding contribution holidays based on past practice, plan rules and legislative restrictions;
- The minimum funding requirement has been determined based on the funding requirements of the most recently filed actuarial valuation report prepared for funding purposes. Such minimum funding requirements may reflect the potential to use letter of credit funding of solvency deficiencies.

It has been assumed that no economic benefit is available from a reduction in future contributions if the plan is underfunded on either a going concern basis or solvency basis and is not in a position to take a contribution holiday at the measurement date.

Share-based Compensation

The Company grants share options to certain employees as compensation for services provided. The Company uses a Black-Scholes valuation option pricing model to estimate fair value for all share option compensation awards. The cost of the share options is based on the fair value estimated at the grant date and is recognized as compensation expense and contributed surplus over the service period required for employees to become fully entitled to the awards. This period is generally equal to the vesting period in addition to a period prior to the grant date. For the Company's share options, this period is generally equal to five years. When options are exercised, the amount initially recognized in the contributed surplus balance is reduced, with a corresponding increase in common shares.

The Company has various other share-based compensation plans where certain employees are awarded share units equivalent to the Company's common shares as compensation for services provided. The obligation related to share units is included in other liabilities. Compensation expense is recognized based on the fair value of the share units at the grant date, adjusted for changes in fair value between the grant date and the vesting date, over the service period required for employees to become fully entitled to the awards. For the Company's share units, this vesting period is generally equal to three years.

Income Taxes

Income tax expense represents the sum of the current and deferred tax.

Current tax

Current tax is based on taxable earnings for the period at the applicable income tax rate for the associated jurisdiction. Taxable earnings may differ from earnings as reported in the Consolidated Statement of Earnings because of items of income and expenses that are taxable or deductible in other years and items that will never be taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying values of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Convertible Debentures

Convertible notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

The Company is required to classify all financial assets as either fair value through profit or loss, fair value through other comprehensive income, or amortized cost based on the Company's business model and the nature of the associated cash flows. Financial liabilities are required to be classified as either fair value through profit or loss or amortized cost using the effective interest method.

The Company takes its own credit risk into account and that of the relevant counterparties when determining the fair value of financial assets and financial liabilities, including derivative instruments.

Financial assets

All financial assets, excluding derivative assets, are measured at amortized cost, less any impairment. Derivative assets are measured at fair value through profit and loss.

Financial liabilities

All financial liabilities, excluding derivative liabilities, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Derivative liabilities are measured at fair value through profit and loss.

Impairment of financial assets

Financial assets, other than those recorded at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Transaction costs

Transaction costs related to financial assets and liabilities measured at fair value through profit and loss are recorded directly to net earnings and are included in financial expense. Transaction costs related to held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are amortized over the expected life of the instrument using the effective interest method.

Derivative Financial Instruments

The Company may enter into a variety of derivative financial instruments to manage its exposure to changing fuel prices, interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured and adjusted to their fair value at the end of each reporting period. The resulting gain or loss is recognized in net earnings immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in net earnings depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in other financial instruments or contracts are separated from their host contracts and accounted for as derivatives when their economic characteristics and risks are not closely related to those of the host contracts, the terms of the embedded derivative are the same as those of a free standing derivative, and the combined instrument or contract is not measured at fair value, with changes in fair value recognized in net earnings.

Hedges

The Company has elected to apply IAS 39 hedge accounting to its net investment in foreign subsidiaries with foreign-denominated debt and its purchase commitments for shipbuilding contracts with foreign-denominated cash and forward currency contracts.

At inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting the changes in cash flows of the hedged item attributable to the hedged risk.

The hedge gains or losses are recognized in other comprehensive earnings to the extent the hedging relationship is effective. The hedging gain or loss relating to the ineffective portion is recognized immediately in net earnings.

Comprehensive Earnings

Other comprehensive earnings includes unrealized gains and losses on foreign currency translation of the net investment in foreign operations having a functional currency other than Canadian dollars, changes in the fair market value of derivative instruments designated as cash flow hedges net of amounts transferred out of comprehensive earnings, unrealized gains and losses on the foreign currency hedges, and the actuarial gains or losses on employee benefit plans. The components of comprehensive earnings are disclosed in the Consolidated Statement of Comprehensive Earnings.

The net investment hedge reserve represents the cumulative exchange differences on translation of long-term debt held in foreign currency. The Company has elected to hedge a portion of its net investment in foreign subsidiaries with its foreign-denominated debt. Exchange differences accumulated will be reclassified to earnings in the event of a disposal of a foreign operation.

The purchase commitment hedge reserve represents the changes in the fair market value of derivative instruments, net of amounts transferred out of comprehensive earnings, which the Company has elected to designate as a hedge of future U.S. dollar commitments. Exchange differences accumulated in the purchase commitment reserve are reclassified to property, plant, and equipment when the payments to the shipyard are made or to earnings when a hedge is deemed to be ineffective.

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (Canadian dollars) are recognized directly in other comprehensive earnings and accumulated in the foreign exchange translation reserve. Exchange differences accumulated in the reserve are reclassified to earnings on the disposal of the foreign operation or on a pro-rata basis when cash held in the foreign subsidiary is repatriated to Canada as a return of the net investment.

Accumulated other comprehensive earnings (loss) is included in the equity section of the Consolidated Balance Sheet.

Earnings Per Share

Basic earnings per share are calculated using the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the consolidated earnings or loss available to common shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive shares. Such potentially dilutive common shares are excluded when the effect would be to increase earnings per share or reduce a loss per share.

Related Party Transactions

The Company's related parties include any person or entity having control, joint control, or significant influence over the entity as well as any entities over which the Company has control, joint control, or significant influence. Transactions with related parties are valued on an arm's length basis.

Leases

The Company may from time to time lease property in the form of offices, equipment, and warehouses. Rental contracts are typically for fixed periods from five years, but may have extension options. Where the Company is reasonably certain to extend the option, it is included in the term of the lease. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

The Company may also occasionally enter into short-term leases of vessels which are limited to a maximum of twelve months. Payments associated with short-term leases are recognized on a straight-line basis as an expense in the Consolidated Statement of Earnings.

Leases are recognized on the Consolidated Balance Sheet as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to earnings over the lease period, producing a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities include the net present value of fixed payments and any variable payments which are based on an index, discounted using the Company's incremental borrowing rate. Right-of-use assets are measured at the amount of the initial lease liability and adjusted for prepaid lease payments, initial direct costs and restoration costs, if applicable.

Some property leases contain variable payment terms for common area maintenance which is recorded directly as incurred to the Consolidated Statement of Earnings.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Consolidated Financial Statements in conformity with IFRS Accounting Standards requires Management to make judgements (other than those involving estimations) that have a material impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below.

Recoverability of Assets and Useful Lives

The Company evaluates the carrying values of the long-lived assets which include property, plant, and equipment (made up primarily of vessels), investment in joint ventures, and goodwill to determine if events have occurred that would require a modification of their carrying values. The valuation of long-lived assets is reviewed quarterly based on events and changes in circumstances that could indicate that the carrying value of the assets might not be recovered. In assessing the recoverability of the long-lived assets, the Company reviews certain indicators of potential impairment such as reported sale and purchase prices, market demand, and general market conditions. Goodwill is tested for impairment annually.

Judgement is used in grouping assets as cash-generating units (CGUs) for the purposes of testing for impairment. The Company has determined that the appropriate levels for CGU groupings for assessing impairment are as follows:

1. At the self-unloader and gearless bulker fleet levels for the domestic dry-bulk segment.
2. At the fleet level for the product tanker segment.

3. At the fleet level for the ocean shipping segment.
4. Each individual investment in joint ventures.
5. The group of corporate assets supporting overhead activities.

Goodwill is tested for impairment at the lowest level within the entity at which the goodwill is monitored, being the operating segment level.

The review for potential impairment indicators and projection of future undiscounted and discounted cash flows related to the property, plant, and equipment is complex and requires the Company to make various estimates including future freight rates, volumes, costs and discount rates. The carrying values of the Company's property, plant, and equipment may not represent their fair market value at any point in time as market prices of second-hand vessels to a certain degree tend to fluctuate with changes in charter rates and the cost of new vessels; however, if the estimated future cash flow or related assumptions about the future experience change, an impairment of property, plant, and equipment may be indicated.

Market valuations from leading independent and internationally recognized shipbrokers could be part of the review for potential impairment indicators. If an indication of impairment is identified, the need for recognizing an impairment loss is assessed by comparing the carrying value of the long-lived asset to the higher of the fair value less costs of disposal and the value-in-use.

Judgement is required to determine the useful lives and residual values of long-lived assets. Depreciation on long-lived assets is based on cost less estimated residual value. Residual value for vessels is estimated as the lightweight tonnage of each vessel multiplied by the scrap value per tonne less any costs expected to be incurred to prepare the vessel for scrapping. The useful lives and residual value of the vessels are reviewed at least each financial year end.

Provisions

The Company recognizes provisions when it has a present obligation, legal or constructive. The amount recognized is the Company's best estimate of the consideration required to settle the obligation at the end of a reporting period taking into account the risks and uncertainty related to the obligation.

Taxation

Income taxes are accrued by applying the annual effective income tax rates for each taxing jurisdiction to the pre-tax earnings in those jurisdictions. Estimates of income taxes include evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire.

The Company is subject to taxation in several jurisdictions. Significant judgement is required in determining the total provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company may maintain provisions for uncertain tax positions that it believes appropriately reflect its risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. The provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at each balance sheet date. Where the final tax outcome of these matters differs from the amount provided, it will be recorded in the period in which that final determination arises.

Employee Future Benefits

Management considers a number of factors in developing the pension and non-pension assumptions, including regulatory requirements, an evaluation of relevant discount rates, expected long-term returns on plan assets, plan asset allocations, mortality, expected changes in wages and retirement benefits, analysis of current market conditions, and input from actuaries and other consultants.

Costs of the program are based on actuarially determined amounts and are accrued over the period from the date of hire to the full eligibility date of employees who are expected to qualify for these benefits.

5. Adoption of New and Amended Accounting Pronouncements

Amendments to IAS 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current

In October 2022, the International Accounting Standards Board ("IASB") finalised issuance of Classification of Liabilities as Current or Non-Current, which made amendments to IAS 1 *Presentation of Financial Statements*. The Company adopted these amendments effective January 1, 2024. The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Classification is unaffected by the expectations that the Corporation will exercise its right to defer settlement of a liability. Lastly, the amendment clarifies that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company's financial disclosure is not materially affected by the application of the amendments.

6. Accounting Pronouncements Issued But Not Yet Effective

The company has not early adopted any standard or amendment that has been issued but is not yet effective. The Company is assessing the impacts to the consolidated financial statements.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*. The amendments are effective for reporting periods beginning on or after January 1, 2026.

IFRS 18 Presentation and Disclosures in Financial Statements

In April, 2024, the IASB issued the new standard IFRS 18 *Presentation and Disclosure in Financial Statements* that will replace IAS 1 *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted.

7. Revenue

Disaggregated revenue by segment is as follows:

For the years ended December 31 (in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Total
2024					
Contract of Affreightment	\$ 362,226	\$ 8,048	\$ —	\$ —	\$ 370,274
Time Charter	11,874	140,299	—	—	152,173
Pool Revenue Share	—	—	177,185	—	177,185
Other	1,059	—	—	2,753	3,812
	\$ 375,159	\$ 148,347	\$ 177,185	\$ 2,753	\$ 703,444
2023					
Contract of Affreightment	\$ 394,002	\$ 41,792	\$ —	\$ —	\$ 435,794
Time Charter	13,081	90,374	—	—	103,455
Pool Revenue Share	—	—	178,031	—	178,031
Other	1,087	—	—	2,853	3,940
	\$ 408,170	\$ 132,166	\$ 178,031	\$ 2,853	\$ 721,220

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

As at December 31 (in thousands of dollars)	2024	2023
Unbilled revenue (included in accounts receivable)	\$ 23,585	\$ 24,631
Deferred revenue (included in accounts payable and accrued charges)	1,914	1,525

8. Investments in Joint Ventures

The Company has interests in domestic and global joint ventures. Details of the holdings are presented below.

For the years ended December 31			2024	2023
Name of Joint Venture	Principal Activity	Place of Incorporation and Principal Place of Business	Ownership Interest	
Product Tankers Segment:				
FureBear AB ("FureBear")	Owns and operates product tankers within Northern European markets, and holds a 67% interest in a foreign tanker operation	Sweden/Sweden	50%	50%
Ocean Self-Unloaders Segment:				
Marbulk Canada Inc. ("Marbulk")	Holds a 50% interest in a specialized self-unloader	Canada/Europe	50%	50%
Corporate Segment:				
Allied Marine & Industrial ("AMI")	Provides mechanical, machining, and fabrication services to the marine and other industrial sectors throughout Southern Ontario	Canada/Canada	49%	49%
Global Short-Sea Shipping Segment:				
NovaAlgoma Cement Carriers Limited ("NACC")	Owns and operates pneumatic cement carriers to support infrastructure projects worldwide	Bermuda/ Switzerland	50%	50%
NovaAlgoma Short-Sea Holding Ltd. ("NASC")	Owns and manages a fleet of short sea mini-bulkers operating in global markets	Bermuda/ Switzerland	50%	50%
NovaAlgoma Bulk Holdings Ltd. ("NABH")	Participates in the trade of purchasing and selling handy-size vessels	Bermuda/ Switzerland	50%	50%

On July 25, 2023, the Company purchased a 49% interest of AMI for a purchase price of \$5,531. The agreement also includes a commitment for the Company to purchase the remaining shares of AMI for a total purchase price approximating \$5,737 at a future date not later than seven years from closing.

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

For the year ended December 31, 2024 (in thousands of dollars)		Product Tankers		Ocean Self-Unloaders		Corporate		Global Short Sea Shipping
Revenue	\$	23,873	\$	6,400	\$	26,014	\$	268,391
Operating expenses		(12,579)		(4,788)		(18,907)		(172,707)
General and administrative		(950)		(574)		(2,919)		(7,421)
Depreciation and amortization		(2,906)		(560)		(371)		(37,079)
Operating earnings		7,438		478		3,817		51,184
Interest income (expense)		(3,701)		96		13		(7,018)
Foreign exchange gain (loss)		155		2		55		(1,105)
Gain on sale of asset		—		—		—		662
Earnings before undernoted		3,892		576		3,885		43,723
Net earnings of joint ventures		2,488		—		—		4,329
Net earnings attributable to non-controlling interest		—		—		—		(2,587)
Income tax expense		(8)		—		(898)		(4,758)
Net earnings	\$	6,372	\$	576	\$	2,987	\$	40,707
Company share of net earnings	\$	3,186	\$	288	\$	1,464	\$	20,354
Impairment reversal of investment in joint venture		—		—		—		14,891
Amortization of vessel purchase price allocation and intangibles		—		—		—		(2,423)
Company share included in net earnings of joint ventures	\$	3,186	\$	288	\$	1,464	\$	32,822

For the year ended December 31, 2023 (in thousands of dollars)		Product Tankers		Ocean Self-Unloaders		Corporate		Global Short Sea Shipping
Revenue	\$	—	\$	8,873	\$	6,324	\$	278,026
Operating expenses		—		(5,525)		(5,357)		(184,113)
General and administrative		—		(552)		(1,231)		(7,134)
Depreciation and amortization		—		(338)		(143)		(33,825)
Operating earnings (loss)		—		2,458		(407)		52,954
Interest income (expense)		—		27		9		(8,304)
Foreign exchange gain (loss)		—		(3)		—		89
Gain on sale of assets		—		—		28		1,089
Earnings (loss) before undernoted		—		2,482		(370)		45,828
Net earnings of joint ventures		2,475		—		—		4,609
Net earnings attributable to non-controlling interest		—		—		—		(5,340)
Income tax recovery (expense)		—		—		98		(1,293)
Net earnings (loss)	\$	2,475	\$	2,482	\$	(272)	\$	43,804
Company share of net earnings (loss)	\$	1,238	\$	1,241	\$	(133)	\$	21,902
Amortization of vessel purchase price allocation and intangibles		—		—		—		(631)
Company share included in net earnings of joint ventures	\$	1,238	\$	1,241	\$	(133)	\$	21,271

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

For the years ended December 31 (in thousands of dollars)		2024		2023
Product Tankers	\$	3,186	\$	1,238
Ocean Self-Unloaders		288		1,241
Corporate		1,464		(133)
Global Short Sea Shipping		32,822		21,271
	\$	37,760	\$	23,617

Impairment reversal

In accordance with our policies, the Company performs periodic review of its investments in joint ventures. During the review period, it was noted that positive earnings for NASC had been sustained over the five years since an impairment was recorded in 2019. The review indicated that the recoverable amount of the net investment subsequently increased and new-build vessels contracts were entered into in 2024 due to sustained economic performance of the venture over time.

As a result of the review, the Company determined that the carrying value of its investment in NASC warranted an impairment reversal and recognized a reversal of \$14,891 in net earnings from investments in joint ventures. The impairment reversal was calculated as the amount by which the estimated net recoverable value exceeded the carrying value. The Company used Level 2 inputs, including market values from a leading independent and internationally recognized shipbroker, in determining the fair value for the vessel assets.

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

As at December 31, 2024 (in thousands of dollars)		Product Tankers		Ocean Self- Unloaders		Corporate		Global Short Sea Shipping
Cash	\$	15,990	\$	1,556	\$	3,055	\$	15,594
Other current assets		4,572		1,154		3,432		53,447
Income taxes recoverable		6		54				652
Property, plant, and equipment		207,835		4,158		1,686		471,868
Investment in joint ventures		24,520		—				61,148
Other assets		70,051		—				33,288
Current liabilities		(8,302)		(1,702)		(2,112)		(42,893)
Income taxes payable		—		—		(46)		—
Current portion of long-term debt		(7,138)		—		(309)		(25,655)
Long-term debt		(133,923)		—		(740)		(53,175)
Other long-term liabilities		—		—		—		(6,597)
Non-controlling interest		—		—		—		(17,831)
Net assets of joint ventures	\$	173,611	\$	5,220	\$	4,966	\$	489,846
Company share of net assets	\$	86,806	\$	2,610	\$	2,433	\$	244,923
Goodwill and other purchase price adjustments		—		—		4,048		19,643
Company share of joint ventures	\$	86,806	\$	2,610	\$	6,481	\$	264,566

As at December 31, 2023 (in thousands of dollars)		Product Tankers		Ocean Self- Unloaders		Corporate		Global Short Sea Shipping
Cash	\$	315	\$	2,268	\$	2,237	\$	17,996
Other current assets		—		375		3,429		54,440
Income taxes recoverable		—		50		—		552
Assets held for sale		—		—		—		7,933
Property, plant, and equipment		—		1,694		1,747		408,276
Investment in joint ventures		6,209		—		—		52,234
Other assets		87,937		—		—		23,442
Current liabilities		(12)		(171)		(2,686)		(54,849)
Income taxes payable		—		—		(505)		—
Current portion of long-term debt		—		—		(223)		(28,129)
Long-term debt		—		—		(827)		(64,214)
Other long-term liabilities		—		—		—		(3,921)
Non-controlling interest		—		—		—		(13,890)
Net assets of joint ventures	\$	94,449	\$	4,216	\$	3,172	\$	399,870
Company share of net assets	\$	47,225	\$	2,108	\$	1,554	\$	199,935
Goodwill and other purchase price adjustments		—		—		3,861		6,232
Company share of joint ventures	\$	47,225	\$	2,108	\$	5,415	\$	206,167

The Company's net investments in the joint ventures by segment are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Product Tankers	\$ 86,806	\$ 47,225
Ocean Self-Unloaders	2,610	2,108
Corporate	6,481	5,415
Global Short Sea Shipping	264,566	206,167
	\$ 360,463	\$ 260,915

The Company has related party transactions with its joint ventures with respect to administrative management services, technical management services, property lease and vessel repair work. Additionally, the Company guarantees certain loans of the joint ventures. Amounts relating to transactions with joint ventures are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Revenue	\$ 1,287	\$ 1,343
Repair work payments	(13,383)	(1,738)

As at December 31 (in thousands of dollars)	2024	2023
Accounts receivable	\$ 5,822	\$ 7,232
Accounts payable	(277)	(404)
Loans guaranteed by the Company	42,253	6,269

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

For the years ended December 31 (in thousand of dollars)	2024		2023	
	Distributions received	Investment in joint ventures	Distributions received	Investment in joint ventures
Product Tankers	\$ —	\$ (32,414)	\$ —	\$ (29,492)
Ocean Self-Unloaders	—	—	1,928	—
Corporate	586	(187)	—	(5,549)
Global Short Sea Shipping	8,347	(14,146)	6,031	(7,605)
	\$ 8,933	\$ (46,747)	\$ 7,959	\$ (42,646)

Certain comparative figures in this disclosure have been reclassified to conform to the current year presentation.

9. Interest Expense

The components of interest expense are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Interest expense on borrowings	\$ 21,374	\$ 18,297
Amortization of financing costs	984	1,707
Interest expense on employee future benefits, net	236	260
Capitalized interest	(2,522)	(1,160)
	\$ 20,072	\$ 19,104

10. Foreign Exchange Gain (Loss)

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

For the years ended December 31 (in thousands of dollars)	2024	2023
Gain (loss) on foreign-denominated cash and debt	\$ (2,278)	\$ 305
Gain on foreign exchange forward contracts	—	2,739
	\$ (2,278)	\$ 3,044

11. Income Taxes

The components of the income tax expense are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Current tax expense	\$ 4,802	\$ 2,086
Deferred tax expense	(1,916)	9,274
	\$ 2,886	\$ 11,360

A reconciliation comparing income taxes calculated at the Canadian statutory rate to the amount provided in the Consolidated Financial Statements is as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Combined federal and provincial statutory income tax rate	26.5 %	26.5 %
Net earnings before income tax expense and net earnings from investments in joint ventures	\$ 56,764	\$ 70,613
Expected income tax expense	\$ (15,042)	\$ (18,712)
Decrease (increase) in expense resulting from:		
Foreign tax rates different from Canadian statutory rate	11,417	7,104
Effect of items that are not taxable	538	166
Non-recoverable withholding taxes	(367)	(362)
Deferred tax items recognized	263	856
Adjustments to prior period provision	490	(42)
Other	(185)	(370)
Actual tax expense	\$ (2,886)	\$ (11,360)
Effective tax rate excluding net earnings from investments in joint ventures	5.1 %	16.1 %

Current and deferred income tax expense recognized in other comprehensive earnings is as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Unrealized gains (losses) on hedging instruments	\$ (182)	\$ 50
Actuarial gains on employee future benefits	1,166	610
	\$ 984	\$ 660

An analysis of the net deferred income tax liability is as follows:

Liabilities (assets) as at December 31, 2024 (in thousands of dollars)	Opening balance	Recognized in equity	Recognized in earnings	Recognized in other comprehensive earnings	Closing balance
Property, plant, and equipment	\$ 81,144	\$ —	\$ 5,427	\$ —	\$ 86,571
Employee future benefits	715	—	(64)	1,166	1,817
Foreign exchange differences	(76)	—	—	(180)	(256)
Losses for tax purposes	(3,599)	—	(4,156)	—	(7,755)
Convertible debentures	2	(798)	796	—	—
Tax allowances, provisions and other	2,434	—	(3,919)	—	(1,485)
	\$ 80,620	\$ (798)	\$ (1,916)	\$ 986	\$ 78,892

Liabilities (assets) as at December 31, 2023 (in thousands of dollars)	Opening balance	Recognized in equity	Recognized in earnings	Recognized in other comprehensive loss	Closing balance
Property, plant, and equipment	\$ 77,258	\$ —	\$ 3,886	\$ —	\$ 81,144
Assets held for sale	(1,064)	—	1,064	—	—
Employee future benefits	(144)	—	249	610	715
Foreign exchange differences	(126)	—	—	50	(76)
Losses for tax purposes	(10,171)	—	6,572	—	(3,599)
Convertible debentures	223	(95)	(126)	—	2
Tax allowances, provisions and other	4,805	—	(2,371)	—	2,434
	\$ 70,781	\$ (95)	\$ 9,274	\$ 660	\$ 80,620

12. Accounts Receivable

The components of accounts receivable are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Due from customers	\$ 54,980	\$ 44,041
Unbilled revenue (Note 18)	23,585	24,631
Government related	985	4,614
Other	9,942	5,805
	\$ 89,492	\$ 79,091

13. Other Current Assets

The components of other current assets are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Materials, fuel and supplies	\$ 15,681	\$ 15,789
Prepaid expenses	10,075	9,640
Derivative asset	—	2,765
	\$ 25,756	\$ 28,194

14. Property, Plant, and Equipment

Details of property, plant, and equipment are as follows:

Cost (in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Total
Balance at January 1, 2023	\$ 672,009	\$ 254,445	\$ 412,201	\$ 21,042	\$ 1,359,697
Additions	6,792	14,472	17,214	6,192	44,670
Disposals	—	(57,162)	—	—	(57,162)
Transferred from held for sale	—	57	—	—	57
Fully depreciated assets no longer in use	(1,035)	(3,907)	(11,204)	(153)	(16,299)
Adjustment to presentation of previously recognized impairment	4,652	—	—	—	4,652
Effect of foreign currency exchange differences	—	—	(10,171)	—	(10,171)
Balance at December 31, 2023	\$ 682,418	\$ 207,905	\$ 408,040	\$ 27,081	\$ 1,325,444
Additions	43,019	49,962	6,550	360	99,891
Transfer from vessels under construction	29,267	—	—	—	29,267
Disposals	(9,510)	(18,446)	—	—	(27,956)
Fully depreciated assets no longer in use	(1,182)	(3,321)	(5,517)	—	(10,020)
Effect of foreign currency exchange differences	27	—	36,260	—	36,287
Balance at December 31, 2024	\$ 744,039	\$ 236,100	\$ 445,333	\$ 27,441	\$ 1,452,913

Accumulated depreciation (n thousands of dollars)		Domestic Dry-Bulk		Product Tankers		Ocean Self- Unloaders		Corporate		Total
Balance at January 1, 2023	\$	201,788	\$	120,990	\$	172,658	\$	13,723	\$	509,159
Depreciation expense		25,655		14,593		24,261		1,367		65,876
Disposals		—		(42,131)		—		—		(42,131)
Transferred from held for sale		—		39		—		—		39
Fully depreciated assets no longer in use		(1,035)		(3,907)		(11,204)		(153)		(16,299)
Adjustment to presentation of previously recognized impairment		4,652		—		—		—		4,652
Effect of foreign currency exchange differences		—		—		(4,604)		—		(4,604)
Balance at December 31, 2023	\$	231,060	\$	89,584	\$	181,111	\$	14,937	\$	516,692
Depreciation expense		27,465		15,962		26,315		1,440		71,182
Disposals		(9,005)		(688)		—		—		(9,693)
Fully depreciated assets no longer in use		(1,182)		(3,321)		(5,517)		—		(10,020)
Effect of foreign currency exchange differences		—		—		17,271		—		17,271
Balance at December 31, 2024	\$	248,338	\$	101,537	\$	219,180	\$	16,377	\$	585,432

Net Book Value (in thousands of dollars)		Domestic Dry-Bulk		Product Tankers		Ocean Self- Unloaders		Corporate		Total
December 31, 2024										
Cost	\$	744,039	\$	236,100	\$	445,333	\$	27,441	\$	1,452,913
Accumulated depreciation		248,338		101,537		219,180		16,377		585,432
	\$	495,701	\$	134,563	\$	226,153	\$	11,064	\$	867,481
December 31, 2023										
Cost	\$	682,418	\$	207,905	\$	408,040	\$	27,081	\$	1,325,444
Accumulated depreciation		231,060		89,584		181,111		14,937		516,692
	\$	451,358	\$	118,321	\$	226,929	\$	12,144	\$	808,752

Net book value at December 31, 2024 includes capitalized dry-docking costs of \$54,796 (2023 - \$44,707) and related accumulated depreciation of \$28,497 (2023 - \$24,267).

In accordance with our policies, the Company conducts periodic review of residual values. Following the most recent review, it was determined that the residual values of the Product Tanker fleet had increased requiring adjustment. The adjustment resulted in a \$1,932 increase to the fleet's net book value in the year and \$16,023 over the remaining useful lives of the respective vessels.

In the first quarter of 2024, a domestic dry-bulk self-unloader, at the end of its useful life, was sent for environmental recycling for a gain on sale of \$438. In the same quarter, the Company took delivery of the first of two domestic dry-bulk self-unloaders under construction. The second new-build vessel is expected to join the fleet in the first quarter of 2025.

Also, in the first quarter of 2024, the Company purchased two second-hand product tankers for a total purchase price of \$36,783. One vessel joined the Canadian fleet in July and the second was sold to FureBear's joint venture for \$18,724 resulting in a gain on sale of \$966. The two new ice-class product tankers, currently under construction, are expected to join the fleet in the first half of 2025.

During 2023, three product tanker vessels were sold. Two vessels were sold to unrelated third parties for net proceeds of \$11,478, generating gains on disposal of \$7,304. A third tanker was sold to FureBear's joint venture for net proceeds of \$14,485, generating a gain of \$1,788. Miscellaneous small parcels of land were also sold for proceeds and gains of \$194.

Also in 2023, the Company purchased the land and building occupied by the new industrial machining joint venture, AMI, for a total purchase price of \$5,117. The land and building generate rental income for the Corporate segment.

15. 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.

Goodwill is tested annually for impairment using the value-in-use model at the operating segment level. The operating segment level is the lowest level within the entity at which the goodwill is monitored.

An impairment charge is recognized to the extent that the carrying value exceeds the recoverable amount. The recoverable amount of the group of cash-generating units to which the goodwill has been allocated exceeds its carrying amount, inclusive of goodwill, and accordingly no impairment loss has been recognised as at December 31, 2024 or 2023. No impairment losses have been recorded against the value of goodwill since its acquisition.

16. 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 for \$18,000, secured by a first lien against the shopping centre. The VTB mortgage bore interest-only payments at 5.5% for a 24 month term and was fully open for prepayment of any part of the principal outstanding at any time. The first payment of interest was received on June 30, 2023 and interest-only payments were received monthly thereafter, until December 24, 2024.

The principal repayment was due June 30, 2024 and is now in default. The Company commenced legal action to collect the principal amount on the secured mortgage. A court order imposed a deadline of January 16, 2025 for the full mortgage amount, including accrued interest, to be paid. The repayment deadline was not met and the court has ordered commencement of receivership proceedings to recoup the mortgage. A recent appraisal of the shopping centre indicates there is sufficient security to fully support the mortgage.

17. Other Assets

Other assets consist of the following:

As at December 31 (in thousands of dollars)	2024	2023
Vessels under construction (see below)	\$ 122,368	\$ 82,578
Right-of-use assets	207	368
Other	10	91
	\$ 122,585	\$ 83,037

The components of vessels under construction are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Progress payments	\$ 114,914	\$ 73,578
Supervision and other	5,362	7,359
Capitalized interest	2,092	1,641
	\$ 122,368	\$ 82,578

The interest rate used for the capitalization of interest was based on the Company's effective rate on long-term debt of 4.41% (2023 - 4.50%).

18. Accounts Payable and Accrued Charges

The components of accounts payable and accrued charges are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Due to suppliers and accrued charges	\$ 88,750	\$ 70,301
Deferred revenue (Note 7)	1,914	1,525
Government taxes payable	15,445	10,913
	\$ 106,109	\$ 82,739

A provision in the amount \$14,006 (2023 - \$10,887) for environmental taxes resulting from federal regulations is included in government taxes payable. The Company is uncertain as to the timing and final amount of these outflows due to ongoing negotiations with the federal government. As standard customer contract terms include recovery of new or additional charges or taxes, a receivable in the amount of \$10,785 (2023 - \$8,385) has also been recorded as unbilled revenue.

19. Short-term borrowings

Short-term borrowings comprise the following:

As at December 31 (in thousands of dollars)	2024	2023
Draws under Bank Facility, expiring October 11, 2027		
Prime rate loan, interest at 7.70%, payable on demand	\$ 4,000	\$ —
Base rate loan, U.S. \$12,000, interest at 10.25%, payable on demand	17,267	—
CORRA loans, interest at 6.50%, due within the year	57,000	—
	\$ 78,267	\$ —

The Company's bank credit facility (the "Facility") comprises a \$125 million Canadian dollar (2023 - \$75 million) and a \$75 million U.S. dollar (2023 - \$75 million) senior secured revolving bank credit. 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 adjusted SOFR, CORRA, 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.

Under the terms of the Facility the Company is subject to certain covenants, including ones with respect to maintaining defined financial ratios and other conditions. As at December 31, 2024 and December 31, 2023, the Company was in compliance with all of its covenants.

20. Other Current Liabilities

The components of other current liabilities are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Accrued interest	\$ 1,187	\$ 681
Dividends payable	2,823	2,588
Lease obligations	149	131
	\$ 4,159	\$ 3,400

21. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

As at December 31 (in thousands of dollars)	2024	2023
Deferred compensation	\$ 2,091	\$ 2,005
Lease obligations	87	221
	\$ 2,178	\$ 2,226

22. Employee Future Benefits

Plan Descriptions

The Company maintains one funded and one unfunded pension plan, which together cover all of its non-union employees and certain unionized employees. Both plans contain both a defined benefit and a defined contribution provision. The majority of shipboard employees belong to pension plans not maintained by the Company, but to which the Company contributes under the terms of its collective agreements covering the affected employees.

The defined benefit plans provide retirement income based on length of service and final average earnings or an amount per month for each year of credited service. The Company also provides other unfunded post-retirement benefits including life insurance and health care to certain employees.

The plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk. The Company is not aware of any specific concentrations of risk to which it is exposed.

The Company measures its accrued benefit obligations and the fair value of the plan assets for accounting purposes at December 31 of each year.

The most recent actuarial valuations of the obligations for the defined benefit plans for funding purposes were as of January 1, 2024 for the Employee Pension Plan of Algoma Central Corporation (the "Employee Plan") and January 1, 2020 for the The Union Employee Pension Plan for Algoma Ship Repair (the "ASR Plan"). The ASR Plan was wound up with an effective date of August 31, 2022 and the surplus distribution was approved by the regulator in the summer of 2024. Both the members and the Company have since been paid their respective share of the surplus. As of December 31, 2024, the ASR Plan has no assets or liabilities. The next required valuation for the Employee Plan will be as of January 1, 2027.

The significant actuarial assumptions adopted in measuring the Company's accrued benefit assets and obligations for pension plans and other benefit plans are as follows:

	Pension Plans		Other Benefit Plans	
	2024	2023	2024	2023
Discount rate used for estimating accrued benefit obligation	4.8%	4.8%	4.8%	4.8%
Discount rate used for estimating net interest cost included in net benefit cost incurred	4.8%	5.3%	4.8%	5.3%
Rate of compensation increases	4.0%	2.5%	2.5%	2.5%
Mortality assumption	90% CPM 2014 Private, Scale CPM-B	CPM 2014 Private, Scale CPM-B	CPM 2014 Private, Scale CPM-B	CPM 2014 Private, Scale CPM-B

Defined benefit obligations have been determined in accordance with IAS Standards, including the determination of discount rates. The discount rate assumption is selected with reference to market interest rates on high-quality corporate debt instruments with cash flows that match the timing and amount of expected benefit payments.

The Company's growth rate of health care costs was estimated at 4.71% (2023 – 4.80%), with the rate trending to 4.0% per annum to 2040. Increasing or decreasing the assumed health care rate cost trend rates by one percentage point would change the accrued benefit obligation by \$467 and (\$639) respectively.

The accumulated actuarial gains (losses), net of income tax, recognized in other comprehensive earnings are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Opening balance	\$ (744)	\$ (2,434)
Gains recognized during year, net of income tax	3,233	1,690
	\$ 2,489	\$ (744)

The components of the actuarial gains recognized in other comprehensive earnings during the year are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Return on plan assets	\$ 6,548	\$ 2,972
Actuarial losses arising from changes in demographic assumptions	(755)	—
Actuarial losses arising from changes in financial assumptions	(988)	(577)
Actuarial losses arising from experience adjustments	(597)	(231)
Actuarial losses arising from administration expenses	(372)	(181)
Adjustments for restrictions on the defined benefit asset	563	317
	4,399	2,300
Income tax expense	(1,166)	(610)
	\$ 3,233	\$ 1,690

Information, in aggregate, regarding the effect of the asset ceiling for the Company's pension plans for the years 2024 and 2023 is presented below.

As at December 31 (in thousands of dollars)	2024	2023
Effect of asset ceiling at beginning of year	\$ 537	\$ 806
Interest on the effect of the asset ceiling	22	48
Other changes in the effect of asset ceiling	(559)	(317)
Effect of asset ceiling at end of year	\$ —	\$ 537

Information, in aggregate, regarding the Company's reconciliation of the net asset (liability) arising from employee future benefits for the years 2024 and 2023 is presented below.

As at December 31, 2024 (in thousands of dollars)	Pension Plans	Other Benefit Plans	Total
Present value of benefit obligation	\$ (41,020)	\$ (9,369)	\$ (50,389)
Fair value of plan assets	57,239	—	57,239
Net asset (liability)	\$ 16,219	\$ (9,369)	\$ 6,850

As at December 31, 2023 (in thousands of dollars)	Pension Plans	Other Benefit Plans	Total
Present value of benefit obligation	\$ (37,777)	\$ (9,322)	\$ (47,099)
Effect of asset ceiling	(537)	—	(537)
Fair value of plan assets	50,387	—	50,387
Other	(56)	—	(56)
Net asset (liability)	\$ 12,017	\$ (9,322)	\$ 2,695

The presentation on the Consolidated Financial Statements of the net asset (liability) is as follows:

As at December 31 (in thousands of dollars)	2024	2023
Employee future benefit liabilities	\$ (19,319)	\$ (19,456)
Employee future benefit assets	26,169	22,151
	\$ 6,850	\$ 2,695

The movements in the present value of the fair value of the plan assets and defined benefit obligations are as follows:

As at December 31, 2024 (in thousands of dollars)	Pension Plans		Other Benefit Plans		Total
Employee Future Benefit Assets					
Fair value, beginning of year	\$	50,387	\$	—	\$ 50,387
Expected return on plan assets		2,294		—	2,294
Return on plan assets in excess of expected return		6,548		—	6,548
Benefits paid		(2,349)		(666)	(3,015)
Administrative expenses		(672)		—	(672)
Employer contributions to plans		717		482	1,199
Employee contributions to plans		335		—	335
Retiree contributions to plans		—		184	184
Assets distributed on settlements (see below)		648		—	648
Assets distributed to CRA for company surplus withholding tax		(69)		—	(69)
Other		(600)		—	(600)
Fair value, end of year	\$	57,239	\$	—	\$ 57,239
Employee Future Benefit Obligations					
Obligations, beginning of year	\$	37,777	\$	9,322	\$ 47,099
Employer current service cost		918		101	1,019
Employee current service cost		335		—	335
Interest cost		1,797		436	2,233
Benefits paid		(2,349)		(666)	(3,015)
Retiree contributions		—		184	184
Actuarial losses (gains)		2,361		(21)	2,340
Past service cost		181		—	181
Other		—		13	13
Obligations, end of year	\$	41,020	\$	9,369	\$ 50,389

As at December 31, 2023 (in thousands of dollars)	Pension Plans		Other Benefit Plans	Total
Employee Future Benefit Assets				
Fair value, beginning of year	\$	140,445	\$ —	\$ 140,445
Expected return on plan assets		6,437	—	6,437
Return on plan assets in excess of expected return		2,972	—	2,972
Benefits paid		(9,563)	(658)	(10,221)
Administrative expenses		(681)	—	(681)
Employer contributions to plans		1,537	483	2,020
Employee contributions to plans		339	—	339
Retiree contributions to plans		—	176	176
Assets distributed on settlements (see below)		(91,064)	—	(91,064)
Other		(35)	(1)	(36)
Fair value, end of year	\$	50,387	\$ —	\$ 50,387

Employee Future Benefit Obligations				
Obligations, beginning of year	\$	131,384	\$ 8,810	\$ 140,194
Employer current service cost		789	88	877
Employee current service cost		339	—	339
Interest cost		5,667	454	6,121
Benefits paid		(9,563)	(658)	(10,221)
Retiree contributions		—	176	176
Actuarial losses		342	466	808
Liabilities extinguished on settlements (see below)		(91,181)	—	(91,181)
Other		—	(14)	(14)
Obligations, end of year	\$	37,777	\$ 9,322	\$ 47,099

During 2023, the Company entered into an agreement with a major Canadian life insurance company (the "Insurer") to purchase annuities and to convert liabilities associated with retired and deferred members of the Employee Plan, transferring both the assets and related liabilities for those members to the Insurer.

The surplus position of the defined benefit pension plans consists of the following:

As at December 31 (in thousands of dollars)	2024	2023
The Employee Pension Plan of Algoma Central Corporation	\$ 26,169	\$ 22,151

The deficit position of the employee future benefit plans consists of the following:

As at December 31 (in thousands of dollars)	2024	2023
Supplementary Employee Retirement Plan	\$ 9,950	\$ 10,134
Other benefit plans	9,369	9,322
	\$ 19,319	\$ 19,456

The Company's net expense for the employee future benefit plans is as follows:

For the year ended December 31, 2024 (in thousands of dollars)	Pension Plans	Other Benefit Plans	Total
Current service cost	\$ 918	\$ 101	\$ 1,019
Interest cost on plan obligations	1,797	436	2,233
Interest on effect of asset ceiling	22	—	22
Expected return on plan assets	(2,293)	—	(2,293)
Past service cost	181	—	181
Gain on curtailments and settlements	(648)	—	(648)
Administrative expenses	300	—	300
Defined benefit assets used to fund defined contribution accrual (included in defined contribution cost)	600	—	600
	\$ 877	\$ 537	\$ 1,414

For the year ended December 31, 2023 (in thousands of dollars)	Pension Plans	Other Benefit Plans	Total
Current service cost	\$ 789	\$ 88	\$ 877
Interest cost on plan obligations	5,667	454	6,121
Interest on effect of asset ceiling	48	—	48
Expected return on plan assets	(6,437)	—	(6,437)
Gain on curtailments and settlements	(117)	—	(117)
Administrative expenses	500	—	500
Other	37	—	37
	\$ 487	\$ 542	\$ 1,029

The fair value of plan assets by major investment type is as follows:

As at December 31 (in thousands of dollars)	2024	2023
Short term notes	\$ 933	\$ 1,261
Canadian Government bonds	10,801	10,363
Canadian corporate bonds	3,890	3,732
Canadian equities	17,932	16,696
Foreign equities	35,483	28,581
	69,039	60,633
Amount related to defined contribution plans	(11,800)	(10,246)
	\$ 57,239	\$ 50,387

Plan assets do not include any common shares of the Company.

The expected rate of return on assets is equal to the discount rate used for estimating the accrued benefit obligation at the prior year end, which is required under IAS 19.

The actual gross return on invested plan assets for 2024 was 18.3% or \$10,847 (2023 - 10.8% or \$10,607).

The Company is taking a contribution holiday on current service contribution. Based on the most recent valuation results, the Company does not expect to make any contributions to the funded defined benefit pension plans in the next fiscal year, consistent with the prior year.

The expense recognized in the Consolidated Statement of Earnings for defined contribution plans is \$2,567 (2023 - \$2,376).

Sensitivity analysis

Significant actuarial assumptions used in the determination of the defined obligation are discount rate, expected salary increases and mortality. The sensitivity analysis below is determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by \$5,793 (increase by \$7,109).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by \$883 (decrease by \$900).
- If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by \$672 (decrease by \$703).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

The average duration of the benefit obligation at December 31, 2024 is 12.1 years (2023 - 10.4 years). This number can be analysed as follows:

- active members: 13.9 years (2023 - 13.0 years);
- deferred members: 21.7 years (2023 - 0.0 years); and
- retired members: 8.1 years (2023 - 5.7 years).

23. Long-Term Debt

As at December 31 (in thousands of dollars)	2024	2023
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	\$ —	\$ 60,898
Senior Secured Notes		
U.S. \$20,000, interest at 3.37%, due December 10, 2027	28,778	26,452
U.S. \$42,000, interest at 3.60%, due December 10, 2030	60,434	55,549
U.S. \$35,000, interest at 3.70%, due December 10, 2032	50,362	46,291
U.S. \$50,000, interest at 3.80%, due December 10, 2035	71,945	66,130
Canadian \$128,000, interest at 4.01%, due December 10, 2035	128,000	128,000
Mortgage payable, due June 27, 2034, interest at 7.75%	194	—
	339,713	383,320
Less: unamortized financing expenses	5,629	6,299
	334,084	377,021
Less: current portion of long-term debt and unamortized financing expenses	49	60,663
	\$ 334,035	\$ 316,358

Under the terms of the senior secured notes, the Company is subject to certain covenants, including ones with respect to maintaining defined financial ratios and other conditions. As at December 31, 2024 and December 31, 2023, the Company was in compliance with all of its covenants.

The convertible debentures were fully repaid on their due date. The equity component relating to the unconverted debentures in the amount of \$2,183 was transferred to Contributed Surplus.

On June 27, 2024, the Company entered into a ten-year ship mortgage in the amount of \$411, secured against a freighter vessel. Monthly blended payments of principal and interest at 7.75% are required, with the option for principal prepayments at any time without penalty. During the third quarter, principal prepayment of \$207 was made, reducing the final payment due period to 2028 from 2034.

The unamortized financing expenses relate to costs incurred to establish the Bank Facility and to issue the debentures and senior notes. They are amortized over the remaining terms on a proportionally straight-line basis.

Principal payments required to service the long-term debt are as follows:

As at December 31 (in thousands of dollars)	2024	2023
Falling due within one year	\$ 49	\$ 60,898
Falling due between one and two years	53	—
Falling due between two and three years	28,836	—
Falling due between three and four years	35	26,452
Falling due between four and five years	—	—
Falling due in five years or later	310,740	295,970
	\$ 339,713	\$ 383,320

24. Share Capital

Share capital

Authorized share capital consists of an unlimited number of common and preferred shares with no par value. There were no preferred shares issued or outstanding as at December 31, 2024 or 2023. A reconciliation of the common shares issued and outstanding is as follows:

	2024	2023
Common shares issued and outstanding at beginning of year	38,649,996	38,001,872
Debenture conversions	1,970,626	1,225,233
NCIB purchased and cancelled	(52,806)	(577,109)
Common shares issued and outstanding at end of year	40,567,816	38,649,996

Subsequent to the year-end, the Company's Board of Directors authorized payment of a quarterly dividend to shareholders of \$0.20 per common share. The dividend will be paid on March 3, 2025 to shareholders of record on February 14, 2025.

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

For the years ended December 31 (in thousands of dollars)	2024	2023
Net earnings	\$ 91,638	\$ 82,870
Interest expense on debentures, net of tax	—	3,350
Net earnings for diluted earnings per share	\$ 91,638	\$ 86,220
Basic weighted average common shares	40,069,373	38,503,457
Shares due to dilutive effect of debentures	—	4,568,564
Diluted weighted average common shares	40,069,373	43,072,021
Basic earnings per common share	\$ 2.29	\$ 2.15
Diluted earnings per common share	\$ 2.29	\$ 2.00

Convertible Debentures

During the year and prior to the full repayment of the convertible debentures on July 2, 2024, the conversion price was reduced from \$14.28 to \$14.10 per share. \$27,959 (2023 - \$17,798) of debentures were converted resulting in the issuance of 1,970,626 (2023 - 1,225,233) common shares.

Normal Course Issuer Bid

Effective March 21, 2024, the Company renewed its normal course issuer bid (the "2024 NCIB") to purchase up to 1,975,857 of its common shares ("Shares"), representing approximately 5% of the 39,517,144 Shares issued and outstanding as of the close of business on March 7, 2024.

Under the 2024 NCIB, the Company may purchase up to 2,201 Shares per day, representing 25% of the average daily trading volume for the previous six months. The Company may buy back Shares anytime during the twelve-month period beginning on March 21, 2024 and ending on March 20, 2025. The stated capital of \$1.41 per share equals the approximate paid-up capital amount of the Shares for purposes of the Income Tax Act.

Under the 2024 NCIB, no Shares were purchased and cancelled for the period ended December 31, 2024.

Under the previous NCIB, which began on March 21, 2023 and concluded on March 20, 2024, the Company purchased and cancelled 568,267 Shares, including 52,806 Shares purchased and cancelled during the first three months of 2024.

The Company intends to renew its normal course issuer bid upon receipt of the required approvals from regulatory authorities.

25. Accumulated Other Comprehensive Earnings (Loss)

(in thousands of dollars)	Hedges		Foreign exchange translation	Total
	Net investment	Purchase Commitment		
Balance at January 1, 2023	\$ (31,253)	\$ 8,557	\$ 14,591	\$ (8,105)
Earnings (loss)	4,675	(600)	(13,195)	(9,120)
Reclassified to earnings	—	(3,494)	—	(3,494)
Reclassified to vessels under construction	—	(1,698)	—	(1,698)
Income tax expense	(50)	—	—	(50)
Net earnings (loss)	4,625	(5,792)	(13,195)	(14,362)
Balance at December 31, 2023	\$ (26,628)	\$ 2,765	\$ 1,396	\$ (22,467)
Earnings (loss)	(17,095)	752	48,113	31,770
Reclassified to vessels under construction	—	(3,517)	—	(3,517)
Income tax recovery	180	—	—	180
Net earnings (loss)	(16,915)	(2,765)	48,113	28,433
Balance at December 31, 2024	\$ (43,543)	\$ —	\$ 49,509	\$ 5,966

26. Supplementary Disclosure of Cash Flow Information

The other items not affecting cash are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Interest expense	\$ 20,072	\$ 19,104
Interest income	(2,565)	(2,855)
Income tax expense (Note 11)	2,886	11,360
Foreign exchange gains (losses) (Note 10)	2,278	(3,044)
Other	1,684	1,051
	\$ 24,355	\$ 25,616

The change in non-cash operating working capital is as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Accounts receivable	\$ (9,581)	\$ (11,298)
Materials, fuel and supplies	726	3,163
Prepaid expenses	51	5,422
Accounts payable and accrued charges	20,539	(3,145)
Other working capital	(143)	(124)
	\$ 11,592	\$ (5,982)

Additions to property, plant and equipment are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Additions to property, plant, and equipment (Note 14)	\$ (99,891)	\$ (44,670)
Amounts included in working capital	750	178
Capitalized interest	613	—
Other non-cash adjustments	(3,194)	(18)
	\$ (101,722)	\$ (44,510)

27. Capital Disclosure

The Company's objectives for managing capital are as follows:

- Provide sustained growth of shareholder value by earning long-term returns on equity of 9.5%.
- Maintain a strong capital base to gain investor, creditor and market confidence and to sustain future growth. In this regard, the Company will target to maintain a long-term debt to equity ratio of no greater than one-to-one. The Company views a one-to-one ratio as a maximum due to the capital intensive nature of the business.

- Pay regular quarterly dividends to shareholders.

The Company's Board of Directors reviews the ROE target on an annual basis and it reviews the level of dividends to be paid to the Company's shareholders on a quarterly basis.

Included in ROE are net earnings and average shareholders' equity. The returns on equity over the last five years of the Company ranged from 7.5% to 17.6%.

The Company is not subject to any capital requirements imposed by a regulator.

The long-term debt to shareholders' equity ratio is as follows:

As at December 31 (in thousands of dollars)	2024	2023
Total long-term debt	\$ 339,713	\$ 383,320
Shareholders' equity	\$ 899,848	\$ 778,309
Debt to shareholders' equity ratio	0.38 to 1	0.49 to 1

28. Commitments

The table below reflects the commitments of the Company at December 31, 2024. Annual expected payments are detailed in Note 30.

(in thousands of dollars)		
Construction of a domestic dry-bulk self-unloader	\$	42,696
Construction of two ice-class product tankers		82,846
Construction of three ocean self-unloaders		231,591
Construction of six product tankers through a joint venture (Algoma share)		132,069
Construction of two general cargo ships through a joint venture (Algoma share)		5,691
Construction of a cement carrier through a joint venture (Algoma share)		27,339
Purchase of remaining AMI shares (Note 8)		5,757
Leases		249
	\$	528,238

29. Contingencies

The Company, in the normal course of business, may be involved in legal proceedings and tax audits. In Management's opinion, the liabilities, if any, that may ultimately result from such legal actions and tax audits are not expected to have a material effect on the Company's consolidated financial position, results of operations or liquidity.

30. Financial Instruments and Risk Management

The Company's financial instruments included in the Consolidated Balance Sheet comprise cash, accounts receivable, mortgage receivable, derivative asset, accounts payable and accrued charges, short-term borrowings, dividends payable and long-term debt.

Financial instruments that are measured at fair value are classified into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 and that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers in or out of Level 1, 2 or 3 during the periods.

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 December 31 (in thousands of dollars)	2024	2023
Long-term debt		
Carrying value	\$ 339,713	\$ 383,320
Fair value, classified as Level 2	\$ 299,670	\$ 341,468

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 in 2023 was based on market rates.

Financial risk management objectives

The Company monitors and manages the financial risks relating to the operations by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company may take steps to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is approved by the Company's Board of Directors, which provides guidance on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company may also utilize foreign exchange forward contracts and hedges related to purchase commitments to manage its foreign exchange risk associated with payments required under shipbuilding contracts with foreign shipbuilders.

Hedging relationships are documented and designated at inception and their continuing effectiveness is assessed at least quarterly.

Risk Management and Financial Instruments

The Company is exposed to various risks arising from financial instruments. The following analysis provides a measurement of those risks.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company is exposed to credit risk from customers. The maximum exposure to credit risk is represented by the carrying value of the financial assets on the Consolidated Balance Sheet.

The Company believes that the credit risk for accounts receivable is limited since the majority of accounts receivable at December 31, 2024 and 2023 have been outstanding for 60 days or less and the Company's customer base is diversified across industries. Most customers are well-established in their fields and have ties to multinational operations.

A provision for bad debts is established when it is determined the amount to be collected is lower than the carrying value. The allowance for doubtful accounts at December 31, 2024 and December 31, 2023 was not significant.

Liquidity Risk

The cash on hand, expected cash from operations, and existing credit facilities are expected to be sufficient to allow the Company to meet its planned operating and capital requirements and other contractual obligations.

The Company maintains credit facilities, which are reviewed regularly to ensure it has sufficient capital available to meet current and anticipated needs. The total authorized credit facility at December 31, 2024 was Canadian \$125,000 (2023 - \$75,000) and U.S. \$75,000 (2023 - \$75,000) in a revolving facility. At December 31, 2024, the Company had withdrawn \$78,267 (2023 - nil) from the credit facilities.

Substantially all of the Company's wholly owned marine assets are pledged as collateral for the senior secured credit facilities. The carrying value as of December 31, 2024 of the assets pledged was approximately \$822,904 (2023 - \$768,973). The Company's real estate assets and vessels that are not wholly owned are not directly encumbered under these agreements.

The contractual maturities of non-derivative financial commitments are as follows:

(in thousands of dollars)	2025	2026	2027	2028	2029	2030 and Beyond	Total
Short-term borrowings	\$ 78,267	\$ —	\$ —	\$ —	\$ —	\$ —	78,267
Long-term debt	49	53	28,836	35	—	310,740	339,713
Vessel purchase commitments	217,919	83,355	55,859	—	—	—	357,133
Vessel purchase commitments through joint ventures	110,242	54,857	—	—	—	—	165,099
Interest payments on long-term debt	12,888	12,886	12,881	11,907	11,906	54,966	117,434
AMI share purchase	—	—	—	—	—	5,757	5,757
Leases	161	88	—	—	—	—	249
	\$ 419,526	\$ 151,239	\$ 97,576	\$ 11,942	\$ 11,906	\$ 371,463	\$ 1,063,652

Market risk

(a) Fuel prices

The Company has provisions in the vast majority of its contracts with customers that provide adjustment mechanisms for changes in fuel prices. Accordingly, there is not a significant exposure to the volatility of fuel prices.

(b) Interest rate risk

The Company is exposed to interest rate risk because the Company can borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite. At December 31, 2024 and 2023, the Company did not have any significant cash flow exposure to interest rate movements for its outstanding debt, since the majority of its borrowings have interest rates that have been fixed (Note 23).

(c) Interest rate sensitivity analysis

At December 31, 2024 and 2023, the majority of the Company borrowings have interest rates that are fixed, therefore there is minimal exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

(d) Foreign currency exchange risk

The Company operates internationally and is exposed to risk from changes in foreign currency rates. The foreign currency exchange risk to the Company results primarily from changes in exchange rates between the functional currencies of the Company and its subsidiaries and joint ventures, the Canadian dollar, the U.S. dollar and the Swedish Krona.

At December 31, 2024 and December 31, 2023, approximately 37% and 41% respectively of the Company's total assets were denominated in U.S. dollars, including U.S. cash of \$1,371 (2023 - \$16,235). Approximately 6% (2023 - 4%) of the Company's total assets were denominated in Swedish Krona. The Company's exposure to foreign currency fluctuations is related to its unhedged cash balances and unhedged net investment in foreign subsidiaries. The Company has hedged part of its investment in the subsidiaries and joint ventures against its foreign-denominated long-term debt. At December 31, 2024 and 2023, the net investment in U.S. dollar foreign subsidiaries and joint ventures was U.S. \$390,161 and \$401,312, respectively. The net investment in SEK-denominated joint ventures at December 31, 2024 was SEK 1,331,375 (2023 - 374,698). The amount hedged at both December 31, 2024 and 2023 was U.S. \$147,000.

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 may also utilize 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.

At December 31, 2024, the Company did not have any foreign exchange forward contracts outstanding. At December 31, 2023, one contract was outstanding with a notional principal of \$26,280 and a fair value gain of \$2,765.

(e) Foreign Currency Sensitivity Analysis (after income tax)

Based on the Company's estimates, a five percent weakening in the Canadian dollar relative to both the U.S. dollar and Swedish Krona would increase net earnings in the current year by \$3,992.

Based on the balances at December 31, 2024 and 2023:

- A five percent weakening in the Canadian dollar relative to the U.S. dollar and Swedish Krona would increase other comprehensive earnings by \$26,175 and \$17,112, respectively.
- A five percent weakening in the Canadian dollar relative to the U.S. dollar and Swedish Krona would increase total assets by \$37,236 and \$28,216, respectively.
- A five percent weakening in the Canadian dollar relative to the U.S. dollar and Swedish Krona would increase total liabilities by \$12,146 and \$10,701, respectively.

For a five percent strengthening in the Canadian dollar relative to the U.S. dollar and Swedish Krona, there would be an equal but opposite impact to the amounts stated above.

31. Segment Disclosures

The Company operates through five segments; Domestic Dry-Bulk, Product Tankers, Ocean Self-Unloaders, Corporate and Global Short Sea Shipping. 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 year ended December 31, 2024 (in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	\$ 375,159	\$ 148,347	\$ 177,185	\$ 2,753	\$ —	\$ 703,444
Operating expenses	(290,696)	(116,993)	(109,506)	(895)	—	(518,090)
Selling, general and administrative	(14,320)	(5,986)	(1,873)	(16,673)	—	(38,852)
Depreciation and amortization	(27,465)	(15,962)	(26,315)	(1,615)	—	(71,357)
Operating earnings (loss)	42,678	9,406	39,491	(16,430)	—	75,145
Interest, net	—	—	—	(17,507)	—	(17,507)
Gain on sale of assets	438	966	—	—	—	1,404
Foreign exchange loss	—	—	—	(2,278)	—	(2,278)
	43,116	10,372	39,491	(36,215)	—	56,764
Income tax recovery (expense)	(11,420)	(1,900)	—	10,434	—	(2,886)
Net earnings from investments in joint ventures	—	3,186	288	1,464	32,822	37,760
Net earnings (loss)	\$ 31,696	\$ 11,658	\$ 39,779	\$ (24,317)	\$ 32,822	\$ 91,638

For the year ended December 31, 2023 (in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	\$ 408,170	\$ 132,166	\$ 178,031	\$ 2,853	\$ —	\$ 721,220
Operating expenses	(308,132)	(104,038)	(125,840)	(1,079)	—	(539,089)
Selling, general and administrative	(14,997)	(5,306)	(2,207)	(19,040)	—	(41,550)
Depreciation and amortization	(25,662)	(14,593)	(24,261)	(1,533)	—	(66,049)
Operating earnings (loss)	59,379	8,229	25,723	(18,799)	—	74,532
Interest, net	—	—	—	(16,249)	—	(16,249)
Gain on sale of assets	—	9,092	—	194	—	9,286
Foreign exchange gain	—	—	—	3,044	—	3,044
	59,379	17,321	25,723	(31,810)	—	70,613
Income tax recovery (expense)	(15,760)	(3,377)	—	7,777	—	(11,360)
Net earnings (loss) from investments in joint ventures	—	1,238	1,241	(133)	21,271	23,617
Net earnings (loss)	\$ 43,619	\$ 15,182	\$ 26,964	\$ (24,166)	\$ 21,271	\$ 82,870

As at December 31, 2024 (in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	\$ 75,172	\$ 7,944	\$ 33,155	\$ 23,074	\$ —	\$ 139,345
Property, plant, and equipment	495,701	134,563	226,153	11,064	—	867,481
Investments in joint ventures	—	86,806	2,610	6,481	264,566	360,463
Goodwill	7,910	—	—	—	—	7,910
Other assets	18,557	56,089	47,733	26,375	—	148,754
	\$ 597,340	\$ 285,402	\$ 309,651	\$ 66,994	\$ 264,566	\$ 1,523,953
Liabilities						
Current liabilities	\$ 62,066	\$ 23,296	\$ 12,883	\$ 91,388	\$ —	\$ 189,633
Current portion of long-term debt	49	—	—	—	—	49
Long-term liabilities	1,316	16,958	—	82,113	—	100,387
Long-term debt	146	(39)	—	333,928	—	334,035
	63,577	40,215	12,883	507,429	—	624,104
Shareholders' Equity	533,763	245,187	296,768	(440,435)	264,566	899,849
	\$ 597,340	\$ 285,402	\$ 309,651	\$ 66,994	\$ 264,566	\$ 1,523,953

As at December 31, 2023 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	\$ 60,635	\$ 12,385	\$ 34,647	\$ 53,724	\$ —	\$ 161,391
Property, plant, and equipment	451,358	118,321	226,929	12,144	—	808,752
Investments in joint ventures	—	47,225	2,108	5,415	206,167	260,915
Goodwill	7,910	—	—	—	—	7,910
Other assets	29,975	26,424	26,187	22,602	—	105,188
	\$ 549,878	\$ 204,355	\$ 289,871	\$ 93,885	\$ 206,167	\$ 1,344,156
Liabilities						
Current liabilities	\$ 46,153	\$ 12,918	\$ 14,658	\$ 12,795	\$ —	\$ 86,524
Current portion of long-term debt	—	—	—	60,663	—	60,663
Long-term liabilities	1,841	14,901	—	85,560	—	102,302
Long-term debt	—	—	—	316,358	—	316,358
	47,994	27,819	14,658	475,376	—	565,847
Shareholders' Equity	501,884	176,536	275,213	(381,491)	206,167	778,309
	\$ 549,878	\$ 204,355	\$ 289,871	\$ 93,885	\$ 206,167	\$ 1,344,156

The Company has interests in entities which carry on most of their operations in foreign jurisdictions. The Company's proportionate share of the property, plant, and equipment and revenues from foreign operations is as follows:

As at December 31 (in thousands of dollars)	2024	2023
Property, plant, and equipment	\$ 568,084	\$ 438,543
Revenues	329,366	328,302

Domestic operation revenue earned outside of Canada, primarily in the United States, relates to vessel operations and is based on the location at which a shipment is unloaded. For the years ended December 31, 2024 and 2023, domestic operation sales outside of Canada were \$134,864 and \$183,876, respectively.

The Company had two customers in 2024 and 2023 whose revenue exceeded 10% of consolidated revenue. Sales by segments for these customers are as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Domestic Dry-Bulk	\$ 72,828	\$ 75,019
Product Tankers	145,532	126,568

32. Compensation of Key Management

The remuneration of Directors and other key members of Management is as follows:

For the years ended December 31 (in thousands of dollars)	2024	2023
Short-term compensation and benefits	\$ 7,956	\$ 8,327
Termination benefits	632	—
Share-based compensation	1,765	1,720
Post-employment benefits	208	320
	\$ 10,561	\$ 10,367

33. 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, have 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, 2,028,391 common shares have been reserved for future issuance. The outstanding options expire on various dates to February 24, 2028.

The following table summarizes the Company's stock option activity and related information.

Stock Option Activity (amounts not stated in thousands)	Number of shares	Weighted average exercise price
Number outstanding, at January 1, 2023	372,460	\$ 14.91
Granted	266,250	15.82
Exercised	(113,542)	(8.83)
Exercise price adjustment	—	(1.92)
Number outstanding, at December 31, 2023	525,168	\$ 14.94
Granted	220,352	15.01
Exercised	(112,668)	(12.77)
Forfeited/cancelled	(26,250)	(15.82)
Number outstanding, at December 31, 2024	606,602	\$ 15.80

The Company's Board of Directors authorized the payment of a special dividend in the amount of \$1.35 per common share, which was paid on January 18, 2023. The payment of the special dividend triggered an adjustment of \$1.92 to the weighted average exercise price of the stock options then outstanding.

The following table summarizes information relating to stock options outstanding as at December 31, 2024.

Exercise price per share (amounts not stated in thousands)	Options outstanding	
	Number of shares	Remaining contractual life (years)
\$16.94	146,250	2.15
\$15.82	240,000	3.15
\$15.01	220,352	4.15
	606,602	

For the year ended December 31, 2024, the Company recognized compensation expense for stock option awards of \$473 (2023 - \$399). For the year ended December 31, 2024, 220,352 (2023 - 266,250) options were granted by the Company at a weighted average fair value of \$2.34 per option (2023 - \$2.73).

The following table summarizes the assumptions used for estimating the fair value of options issued in the years ended December 31.

(amounts not stated in thousands)	2024	2023
Risk-free interest rate	3.52%	3.56%
Expected option life	5 years	5 years
Expected volatility*	26.00%	26.71%
Expected dividend yield	5.01%	4.53%

*Expected volatility is calculated based on the average daily volatility measured over a historical period corresponding to the expected option life.

Other share-based compensation plans

The Company has other share unit plans which are awarded to certain employees. Under these plans, participants are awarded share units equivalent to the Company's common shares, which vest at the end of three years. During the vesting period, dividend equivalents accrue to the participants in the form of additional share units. At the maturity date, the participant receives cash representing the value of the share units. The number of share units outstanding under these plans as at December 31, 2024 was 572,235 (2023 - 368,865).

Compensation expense for these plans is recorded in the Consolidated Statement of Earnings and is recognized based on the fair value of the share units at the grant date, adjusted for changes in fair value between the grant date and the vesting date, over the service period required for employees to become fully entitled to the awards. For the year ended December 31, 2024, the Company recognized compensation expense for these plans of \$1,288 (2023 - \$1,125). The carrying amount of the liability relating to these plans, based on the closing share price and the elapsed service period from the grant date, was \$4,012 at December 31, 2024 (2023 - \$3,595), and is reported in accounts payable and accrued charges and other long-term liabilities on the Consolidated Balance Sheet.

34. Related Parties

The Company's ultimate controlling party is the Honourable Henry N. R. Jackman, a Canadian resident, together with a trust created in 1969 by his father, Henry R. Jackman.

There were no transactions with these related parties in 2024 and 2023.



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