ALGOMA CENTRAL CORPORATION

2025 INTERIM REPORT TO SHAREHOLDERS

For the Three and Six Months Ended June 30, 2025 and 2024

YOUR MARINE CARRIER OF CHOICE.™

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General

This Management's Discussion and Analysis ("MD&A") of the Company should be read in conjunction with its Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2025 and 2024 and related notes thereto and has been prepared as at August 5, 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 19 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 ten product tankers employed in Canadian flag service, including two vessels that entered service in the 2025 second quarter. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, three 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 two pneumatic cement carriers 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.

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:

- global and North American trade conditions, including the imposition of tariffs and other trade barriers that may increase costs and disrupt the free movement of goods;
- 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*, 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.

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 periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Reported revenue	**$ 211,715**	$ 180,968	**$ 318,916**	$ 290,182	$ 30,747	$ 28,734
Freight revenue[1]	**263,252**	216,804	**410,021**	355,811	46,448	54,210
Operating earnings (loss)	**35,166**	15,924	**(510)**	(12,629)	19,242	12,119
Net earnings	**32,883**	17,464	**9,603**	211	15,419	9,392
Earnings per share	**0.81**	0.44	**0.24**	0.01	0.37	0.23
EBITDA[2]	**72,582**	48,406	**70,205**	47,141	24,176	23,064
Free Cash Flow[3]	**12,835**	23,440	**(6,474)**	20,275	(10,605)	(26,749)

As at	June 30 2025	December 31 2024	2025 vs 2024
Common shares outstanding	**40,567,816**	40,567,816	—
Total assets	**$ 1,722,523**	$ 1,523,953	$ 198,570
Total long-term financial liabilities	**$ 421,964**	$ 334,084	$ 87,880

(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.

(2) See the section entitled Important Information About This MD&A - EBITDA for an explanation of this non-GAAP measure.

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

Operational Highlights

The following table lists key measures of the Company's operating performance and 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 periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024
Total cargo carried (metric tonnes in thousands)[1]	**12,024**	11,481	**18,823**	19,337
Tonne-kilometres travelled (in millions)[2]	**12,845**	11,208	**19,023**	18,353
Operating days[3]	**3,047**	2,625	**4,781**	4,408

(1) Total quantity of cargo in metric tonnes transported during the reporting period.

(2) Total cargo tonne-kilometres travelled is calculated as cargo quantity multiplied by the distance in kilometres that the cargo quantity was transported.

(3) 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.

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 three and six months ended June 30, 2025 and 2024, and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Net earnings	**$ 32,883**	$ 17,464	**$ 9,603**	$ 211	$ 15,419	$ 9,392
Adjustments to net earnings, excluding joint ventures:						
Depreciation and amortization	**20,157**	18,122	**38,787**	35,250	2,035	3,537
Interest expense, net	**6,550**	4,646	**11,043**	8,397	1,904	2,646
Gain on sale of asset	**—**	(57)	**—**	(421)	57	421
Foreign exchange loss (gain)	**(3,493)**	291	**(3,316)**	168	(3,784)	(3,484)
Income tax expense (recovery)	**6,747**	606	**(5,630)**	(10,407)	6,141	4,777
Joint venture adjustments:						
Interest expense, net	**2,461**	1,333	**4,575**	2,416	1,128	2,159
Foreign exchange loss (gain)	**(826)**	260	**(768)**	315	(1,086)	(1,083)
Depreciation and amortization	**8,011**	5,043	**15,000**	9,898	2,968	5,102
Income tax expense	**135**	1,510	**952**	2,111	(1,375)	(1,159)
(Gain) loss on sale of assets	**(43)**	(812)	**(41)**	(797)	769	756
EBITDA[(1)]	**$ 72,582**	$ 48,406	**$ 70,205**	$ 47,141	$ 24,176	$ 23,064

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

Revenues

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Reported Revenue	**$ 211,715**	$ 180,968	**$ 318,916**	$ 290,182	$ 30,747	$ 28,734
Freight revenue[(1)]						
Domestic Dry-Bulk	**$ 123,267**	$ 103,624	**$ 153,710**	$ 134,593	$ 19,643	$ 19,117
Product Tankers	**54,629**	35,574	**97,270**	70,048	19,055	27,222
Ocean Self-Unloaders	**46,420**	43,753	**90,142**	87,689	2,667	2,453
Global Short Sea Shipping	**38,936**	33,853	**68,899**	63,481	5,083	5,418
Total freight revenue	**$ 263,252**	$ 216,804	**$ 410,021**	$ 355,811	$ 46,448	$ 54,210

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

Domestic Dry-Bulk Segment

Financial Performance

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Revenue	**$ 123,607**	$ 103,931	**$ 154,159**	$ 135,005	$ 19,676	$ 19,154
Operating expenses	**(85,226)**	(77,644)	**(141,611)**	(133,975)	(7,582)	(7,636)
Selling, general and administrative	**(3,841)**	(3,511)	**(8,027)**	(7,483)	(330)	(544)
Depreciation and amortization	**(7,898)**	(6,852)	**(15,039)**	(13,239)	(1,046)	(1,800)
Operating earnings (loss)	**26,642**	15,924	**(10,518)**	(19,692)	10,718	9,174
Income tax recovery (expense)	**(7,105)**	(4,168)	**2,748**	5,222	(2,937)	(2,474)
Net earnings (loss)	**$ 19,537**	$ 11,756	**$ (7,770)**	$ (14,470)	$ 7,781	$ 6,700

Operational Performance

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	% Change Three Months	% Change Six Months
Volumes (metric tonnes in thousands)						
Iron and steel	**3,361**	2,364	**4,141**	3,209	42 %	29 %
Construction	**800**	924	**856**	924	(13)%	(7)%
Agriculture	**1,164**	973	**1,442**	1,162	20 %	24 %
Salt	**850**	963	**1,064**	1,792	(12)%	(41)%
Total volumes	**6,175**	5,224	**7,503**	7,087	18 %	6 %
Revenue Days	**1,573**	1,328	**2,028**	1,742	18 %	16 %
Operating Days	**1,648**	1,390	**2,194**	1,886	19 %	16 %

EBITDA

The following table provides a reconciliation of net loss in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2025 and 2024, and presented herein:

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Net earnings (loss)	**$ 19,537**	$ 11,756	**$ (7,770)**	$ (14,470)	$ 7,781	$ 6,700
Adjustments to net earnings (loss):						
Depreciation and amortization	**7,898**	6,852	**15,039**	13,239	1,046	1,800
Income tax expense (recovery)	**7,105**	4,168	**(2,748)**	(5,222)	2,937	2,474
EBITDA[(1)]	**$ 34,540**	$ 22,776	**$ 4,521**	$ (6,453)	$ 11,764	$ 10,974

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

2025 Second Quarter Compared to the Corresponding Period in 2024

Revenue increased during the quarter, driven by higher customer demand and freight rates, and two additional vessels. Volumes increased in the iron ore and agricultural sectors but was partially offset by lower volumes in salt and construction materials. The addition of a major new domestic steel customer in 2025 led to a significant year-over-year increase in iron ore volumes, despite some production slowdowns caused by tariff-related impacts on Canadian steel producers. Economic uncertainty from trade and tariff policies also contributed to reduced construction activity and weaker demand for aggregates. Agricultural volumes rose due to new export grain business, while supply issues kept salt volumes suppressed, despite a return to typical winter weather around the Great Lakes–St. Lawrence region and stronger demand for de-icing salt.

Higher vessel utilization was also a result of higher revenue days driven by the addition of the *Algoma Bear* (entered service in May 2024) and the *Algoma Endeavour* (entered service in April 2025). During the previous year period, there were also three vessels in lay-up compared to none this year.

Operating costs increased primarily due to a rise in operating days, attributable to the stronger demand, fewer vessel lay-ups, and the two additional vessels. This drove higher expenditures, particularly for crew costs and supplies.

Outlook

Projected demand for the balance of the year is strong and will require the full fleet to operate through the remainder of the season. Domestic iron and steel volumes face demand constraints related to U.S. tariffs on Canadian steel and will depend on a favourable resolution of the trade dispute. Algoma continues to monitor the situation closely. Strong grain demand in the fourth quarter may help to offset any reductions in other sectors if the new crop develops as expected. Construction and salt volumes are expected to improve from second quarter levels and remain steady through the balance of the year; however, we are expecting continued cost increases across our supply chains and are exploring opportunities to mitigate potential impacts.

Product Tankers Segment

Financial Performance

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Revenue	**$ 42,173**	$ 33,600	**$ 75,464**	$ 67,646	$ 8,573	$ 7,818
Operating expenses	**(30,718)**	(29,339)	**(58,458)**	(53,789)	(1,379)	(4,669)
Selling, general and administrative	**(1,598)**	(1,488)	**(3,354)**	(3,147)	(110)	(207)
Depreciation and amortization	**(5,338)**	(4,377)	**(9,511)**	(8,337)	(961)	(1,174)
Operating earnings (loss)	**4,519**	(1,604)	**4,141**	2,373	6,123	1,768
Interest expense	**(915)**	—	**(970)**	—	(915)	(970)
Gain on sale of vessel	**—**	57	**—**	421	(57)	(421)
Income tax recovery (expense)	**(934)**	703	**(846)**	191	(1,637)	(1,037)
Net earnings from investment in joint venture	**2,744**	606	**4,033**	729	2,138	3,304
Net earnings (loss)	**$ 5,414**	$ (238)	**$ 6,358**	$ 3,714	$ 5,652	$ 2,644

Operational Performance[1]

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	% Change Three Months	% Change Six Months
Volume (metric tonnes in thousands)						
Petroleum products	**866**	919	**1,734**	1,746	(6)%	(1)%
Total volume	**866**	919	**1,734**	1,746	(6)%	(1)%
Revenue days	**726**	569	**1,333**	1,187	28 %	12 %
Operating days	**735**	592	**1,356**	1,229	24 %	10 %

(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 three and six months ended June 30, 2025, and 2024, and presented herein:

For the periods ended June 30	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Six Months
Net earnings (loss)	**$ 5,414**	$ (238)	**$ 6,358**	$ 3,714	$ 5,652	$ 2,644
Adjustments to net earnings (loss):						
Depreciation and amortization	**5,338**	4,377	**9,511**	8,337	961	1,174
Interest expense	**915**	—	**970**	—	915	970
Income tax expense (recovery)	**934**	(703)	**846**	(191)	1,637	1,037
Gain on sale of vessel	**—**	(57)	**—**	(421)	57	421
Joint venture:						
Interest expense	**1,900**	363	**3,369**	512	1,537	2,857
Depreciation and amortization	**1,820**	252	**3,005**	334	1,568	2,671
Foreign exchange loss (gain)	**(338)**	158	**49**	144	(496)	(95)
EBITDA[1]	**$ 15,983**	$ 4,152	**$ 24,108**	$ 12,429	$ 11,831	$ 11,679

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

2025 Second Quarter Compared to the Corresponding Period in 2024

Revenue increased during the quarter, primarily due to higher revenue days driven by a larger domestic fleet this year, higher rates and fewer dry-dockings compared to the prior year period. The *Algosolis* was added to the domestic fleet in the third quarter of 2024, increasing the total number of vessels in the Lakes to eight, compared to seven in the second quarter of the prior year. During the quarter, the *Algoma East Coast* began operation in late April followed by the *Algoma Acadian* in late June. These vessels are on long-term charters under Canadian flag, delivering refined petroleum products along the Canadian and U.S. east coast.

Operating costs were higher this quarter primarily due to the larger fleet size. This was partially offset by fewer dry-dockings and lower lay-up spending; in the prior year's second quarter there were two vessels on dry-dock and two in lay-up, compared to one vessel on dry-dock for part of the quarter and one in lay-up during the same period this year.

Joint venture earnings increased as the FureBear fleet gradually grew from one vessel in early 2024 to seven vessels by the end of the 2025 second quarter. In the first quarter of 2024, the first vessel was the *Fure Vanguard,* followed by *Fure Viken*, *Fure Viskär*, and *Fure Vyl,* in the latter half of the year. The *Fure Vesborg* joined the fleet in the first quarter of 2025 and the *Fure Victoria,* and *Fure Valö* joined the fleet during the second quarter of 2025. These vessels are the first seven 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.

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 remain in full deployment with all ten Canadian vessels in operation. With the delivery of the first seven FureBear newbuilds in 2024 and the first half of 2025, three new tankers remain on order for the joint venture, with delivery expected between the third quarter of 2025 and early 2026. The Company is anticipating a continued steady rate environment for these tankers.

We are expecting continued higher costs across our supply chains due to inflationary pressures; however, we continue to explore opportunities to mitigate potential impacts. Algoma is closely monitoring the situation regarding global tariffs, but we do not anticipate major changes in tanker cargo values at this time.

Ocean Self-Unloaders Segment

Financial Performance

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Average foreign exchange rate (USD/CAD)	**1.3841**	1.3684	**1.4095**	1.3586	0.0157	0.0509
Revenue	**$ 45,320**	$ 42,818	**$ 88,045**	$ 86,018	$ 2,502	$ 2,027
Operating expenses	**(27,985)**	(29,499)	**(56,881)**	(57,445)	1,514	564
Selling, general and administrative	**(353)**	(475)	**(848)**	(930)	122	82
Depreciation and amortization	**(6,507)**	(6,483)	**(13,396)**	(12,926)	(24)	(470)
Operating earnings	**10,475**	6,361	**16,920**	14,717	4,114	2,203
Net earnings from investment in joint venture	**231**	206	**400**	286	25	114
Net earnings	**$ 10,706**	$ 6,567	**$ 17,320**	$ 15,003	$ 4,139	$ 2,317

Operational Performance

	Three Months Ended		Six Months Ended		% Change	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Pool Volumes (metric tonnes in thousands)[1]						
Gypsum	**864**	1,016	**1,756**	2,010	(15)%	(13)%
Aggregates	**2,221**	2,411	**4,104**	4,671	(8)%	(12)%
Coal	**1,796**	1,716	**3,424**	3,460	5 %	(1)%
Other	**102**	175	**302**	343	(42)%	(12)%
Total volumes	**4,983**	5,318	**9,586**	10,484	(6)%	(9)%
Algoma Vessels						
Revenue days	**664**	642	**1,206**	1,290	3 %	(7)%
Operating days	**664**	643	**1,231**	1,293	3 %	(5)%
Off-hire days for dry-docking	**64**	85	**217**	163	(25)%	33 %

(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 three and six months ended June 30, 2025 and 2024, and presented herein:

For the periods ended June 30	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
	2025	2024	**2025**	2024	Three Months	Six Months
Net earnings	**$ 10,706**	$ 6,567	**$ 17,320**	$ 15,003	$ 4,139	$ 2,317
Adjustments to net earnings:						
Depreciation and amortization	**6,507**	6,483	**13,396**	12,926	24	470
Joint venture:						
Depreciation and amortization	**185**	42	**363**	83	143	280
Interest income	**(3)**	(13)	**(4)**	(16)	10	12
Foreign exchange gain	**(6)**	—	**(3)**	—	(6)	(3)
EBITDA[1]	**$ 17,389**	$ 13,079	**$ 31,072**	$ 27,996	$ 4,310	3,076

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

2025 Second Quarter Compared to the Corresponding Period in 2024

The revenue increase for 2025 was primarily driven by stronger Pool performance resulting from higher coal volumes and increased fleet trading efficiencies. Additionally, revenue days increased largely due to fewer dry-docking related off-hire days compared to the same period last year.

Operating costs decreased during the period due to lower dry-dock spending as a result of fewer dry-dock days and fuel expenditures. Dry-dock related savings were realized this quarter, with only one vessel undergoing dry-dock in the second quarter of 2025, compared to two vessels in dry-dock during the second quarter of 2024.

Outlook

Vessel supply at the Pool level is fairly well balanced for the remainder of the year. Volumes in gypsum and aggregates declined during the second quarter due to temporary operational disruptions at a gypsum load port in Eastern Canada and softer aggregate market conditions early in the quarter. We expect the sectors to normalize for the balance of the year; volumes in the other sectors are expected to remain steady moving forward. Two additional vessels in the Algoma fleet will be dry-docked over the remainder of 2025 (for a total of four dry-docks in 2025), which is expected to have a significant impact on available days. The first of three new ocean self-unloaders is expected to be delivered in the third quarter of 2025. These new ships will replace Algoma's oldest vessels in the Pool and will have increased cargo capacity and improved fuel consumption compared to the vessels they are replacing.

Global Short Sea Shipping Segment

Financial Performance

For the periods ended June 30	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
	2025	2024	**2025**	2024	Three Months	Six Months
Average foreign exchange rate (USD/CAD)	**1.3841**	1.3684	**1.4095**	1.3586	0.0157	0.0509
Revenue	**$ 77,871**	$ 67,706	**$ 137,798**	$ 126,961	$ 10,165	$ 10,837
Operating expenses	**(57,996)**	(41,449)	**(100,686)**	(83,081)	(16,547)	(17,605)
Selling, general and administrative	**(1,808)**	(1,535)	**(3,625)**	(3,261)	(273)	(364)
Depreciation and amortization	**(11,773)**	(9,178)	**(22,802)**	(18,148)	(2,595)	(4,654)
Operating earnings	**6,294**	15,544	**10,685**	22,471	(9,250)	(11,786)
Gain on sale of vessels	**—**	1,624	**—**	1,593	(1,624)	(1,593)
Interest expense	**(1,137)**	(1,966)	**(2,432)**	(3,850)	829	1,418
Foreign exchange gain (loss)	**963**	(204)	**1,630**	(341)	1,167	1,971
Earnings before undernoted	**6,120**	14,998	**9,883**	19,873	(8,878)	(9,990)
Income tax recovery (expense)	**144**	(3,020)	**(583)**	(3,256)	3,164	2,673
Net earnings of joint ventures	**1,591**	1,376	**2,976**	1,618	215	1,358
Net loss (earnings) attributable to non-controlling interest	**236**	(723)	**(381)**	(1,626)	959	1,245
Net earnings	**$ 8,091**	$ 12,631	**$ 11,895**	$ 16,609	$ (4,540)	$ (4,714)
Company share of net earnings above	**$ 4,046**	$ 6,316	**$ 5,948**	$ 8,305	$ (2,270)	$ (2,357)
Amortization of vessel purchase price allocation and intangibles	**(71)**	(160)	**(142)**	(317)	89	175
Company share included in net earnings from investments in joint ventures	**$ 3,975**	$ 6,156	**$ 5,806**	$ 7,988	$ (2,181)	$ (2,182)

EBITDA

The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure, as reported for the three and six months ended June 30, 2025 and 2024, and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Company share of net earnings from investments in joint ventures	**$ 3,975**	$ 6,156	**$ 5,806**	$ 7,988	$ (2,181)	$ (2,182)
Adjustments to net earnings (company's share):						
Depreciation and amortization	**5,958**	4,749	**11,543**	9,391	1,209	2,152
Interest expense	**569**	983	**1,216**	1,925	(414)	(709)
Income tax expense (recovery)	**(72)**	1,510	**292**	1,628	(1,582)	(1,336)
Foreign exchange loss (gain)	**(482)**	102	**(815)**	171	(584)	(986)
Gain on sale of vessel	**—**	(812)	**—**	(797)	812	797
Company share of EBITDA(1)	**$ 9,948**	$ 12,688	**$ 18,042**	$ 20,306	$ (2,740)	$ (2,264)

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

2025 Second Quarter Compared to the Corresponding Period in 2024

Revenues were higher in the second quarter primarily driven by higher revenue in the cement fleet, partially offset by decreased freight rates in the handy-size fleet compared to the corresponding period. The cement fleet saw steady freight rates and an increase in fleet size, compared to the prior year, with an additional two vessels in the fleet as compared to the prior period.

Earnings also included increased net earnings from cement joint ventures due to improved market conditions and operating performance compared to the prior year period. The overall increase for the period was partially offset by a $1,624 gain in the 2024 second quarter on the sale of one vessel which was not repeated in the current period.

Operating expenses for the segment rose, mainly due to increased costs in the cement fleet following the addition of two vessels, as well as higher expenses in the mini-bulker segment, which saw three dockings in the second quarter of 2025 compared to just one during the same period last year.

Depreciation was also higher in the quarter mainly due to the increased number of vessels in the cement fleet and costs associated with dry-dockings which had been pushed forward to meet customer requirements.

Outlook

For the remainder of 2025, we anticipate steady earnings from the cement fleet, with most assets committed to long-term time charter contracts. The handy-size fleet, together with the mini-bulker fleet are expected to experience slightly lower daily rates compared to 2024.

Two newbuild 9.5k deadweight mini-bulkers, the fifth and sixth in the series delivered since 2020, and two 38k deadweight pneumatic cement carriers, which will be the largest specialized cement carriers in the world, are currently under construction and scheduled for delivery between late 2025 and spring 2027.

Subsequent to the quarter, NovaAlgoma Cement Carriers Limited (“NACC”), entered a definitive agreement with P&O Maritime Logistics, a DP World subsidiary, for the acquisition of a 51% controlling interest in its wholly owned cement assets. The deal excludes NACC's joint ventures in Northern Europe, Indonesia, and Greece. The remaining 49% interest will be retained by NACC in a new Dubai-based entity. Daily operations of the fleet will remain unchanged and continue under the existing commercial and technical management teams.

Corporate Segment

Financial Performance

For the periods ended June 30	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
	2025	2024	**2025**	2024	Three Months	Six Months
Revenue	**$ 615**	$ 619	**$ 1,248**	$ 1,513	$ (4)	$ (265)
Operating expenses	**(279)**	(258)	**(516)**	(529)	(21)	13
Selling, general and administrative	**(6,392)**	(4,708)	**(10,944)**	(10,263)	(1,684)	(681)
Depreciation	**(414)**	(410)	**(841)**	(748)	(4)	(93)
Operating loss	**(6,470)**	(4,757)	**(11,053)**	(10,027)	(1,713)	(1,026)
Foreign exchange gain (loss)	**3,493**	(291)	**3,316**	(168)	3,784	3,484
Interest expense, net	**(5,635)**	(4,646)	**(10,073)**	(8,397)	(989)	(1,676)
Income tax recovery	**1,292**	2,859	**3,728**	4,994	(1,567)	(1,266)
Net earnings from investment in joint venture	**571**	58	**1,971**	1,574	513	397
Net loss	**$ (6,749)**	$ (6,777)	**$ (12,111)**	$ (12,024)	$ 28	$ (87)

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, Allied Marine & Industrial ("AMI"). The Company holds a 49% interest in AMI and fully owns the land and building occupied by AMI. The land and building 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 million, secured by a first lien against the shopping centre. The principal repayment was due June 30, 2024 and is now in default. A court order imposed deadline of January 16, 2025 for the full mortgage payment, including accrued interest, was not met. A court-ordered receiver is currently managing the property and a sale is expected within the year.

Consolidated

Interest Expense

For the periods ended June 30	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
	2025	2024	**2025**	2024	Three Months	Six Months
Interest expense on borrowings	**$ 7,439**	$ 5,502	**$ 12,998**	$ 10,583	$ (1,937)	$ (2,415)
Amortization of financing costs	**298**	271	**497**	588	(27)	91
Interest on employee future benefits, net	**—**	66	**—**	104	66	104
Capitalized interest	**(1,077)**	(612)	**(2,207)**	(1,389)	465	818
	$ 6,660	$ 5,227	**$ 11,288**	$ 9,886	$ (1,433)	$ (1,402)

Income Taxes

For the periods ended June 30	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
	2025	2024	**2025**	2024	Three Months	Six Months
Combined federal and provincial statutory income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %	— %	— %
Net earnings (loss) before income tax and net earnings from investments in joint ventures	**$ 32,109**	$ 11,044	**$ (8,237)**	$ (20,773)	$ 21,065	$ 12,536
Expected income tax recovery (expense)	**$ (8,509)**	$ (2,927)	**$ 2,183**	$ 5,505	$ (5,582)	$ (3,322)
Tax effects resulting from:						
Foreign tax rates different from Canadian statutory rate	**2,842**	1,828	**4,520**	4,151	1,014	369
Effect of items that are non-taxable (non-deductible)	**(178)**	—	**(178)**	276	(178)	(454)
Deferred tax items recognized	**—**	508	**—**	508	(508)	(508)
Adjustments to prior period provision	**(913)**	—	**(913)**	—	(913)	(913)
Other	**11**	(15)	**18**	(33)	26	51
Actual tax recovery (expense)	**$ (6,747)**	$ (606)	**$ 5,630**	$ 10,407	$ (6,141)	$ (4,777)

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.

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 $43,038 at June 30, 2025. 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 June 30, 2025, $190,129 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 June 30, 2025, 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 three and six months ended June 30, 2025.

Financial Condition, Liquidity and Capital Resources

Cash Flows

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Net cash generated from operating activities	**$ 29,175**	$ 38,818	**$ 36,930**	$ 39,286	$ (9,643)	$ (2,356)
Net cash used in investing activities	**(31,393)**	(38,009)	**(186,592)**	(117,762)	6,616	(68,830)
Net cash generated from financing activities	**9,794**	16,318	**190,397**	72,626	(6,524)	117,771
Net change in cash	**7,576**	17,127	**40,735**	(5,850)	(9,551)	46,585
Effects of exchange rate changes on cash held in foreign currencies	**(837)**	241	**(1,242)**	4,256	(1,078)	(5,498)
Cash, beginning of period	**36,299**	13,869	**3,545**	32,831	22,430	(29,286)
Cash, end of period	**$ 43,038**	$ 31,237	**$ 43,038**	$ 31,237	$ 11,801	$ 11,801

Operating Activities

Lower net cash from operating activities in the second quarter of 2025 primarily relates to timing of working capital cash flows.

Investing Activities

Higher net cash used in investing activities mainly occurred in the first quarter of 2025 and included significant investments in new product tankers, the final delivery payment for the *Algoma Endeavour*, payments for vessels under construction, and net investments in joint ventures.

Financing Activities

Changes in cash from financing activities in 2025 reflects increased borrowings and interest payments to facilitate increased investment spending.

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 three and six months ended June 30, 2025, and 2024, and presented herein:

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended June 30	**2025**	2024	**2025**	2024	Three Months	Six Months
Net cash generated from operating activities	**$ 29,175**	$ 38,818	**$ 36,930**	$ 39,286	$ (9,643)	$ (2,356)
Net debt service repayments	**(13,520)**	(8,054)	**(19,848)**	(9,142)	(5,466)	(10,706)
Capital required for maintenance of existing assets	**(2,820)**	(7,324)	**(23,556)**	(9,869)	4,504	(13,687)
Free cash flow[(1)]	**$ 12,835**	$ 23,440	**$ (6,474)**	$ 20,275	$ (10,605)	$ (26,749)

(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 2025 reflects increases from working capital offset by increased debt service payments. During the first quarter of 2025, there were six regulatory dry-dockings compared to two in the first quarter of 2024.

Normal Course Issuer Bid

Effective March 21, 2025, the Company renewed its normal course issuer bid (the "2025 NCIB") to purchase up to 2,028,391 of its common shares ("Shares"), representing approximately 5% of the 40,567,816 Shares issued and outstanding as of the close of business on March 7, 2025.

Under the 2025 NCIB, the Company may purchase up to 2,063 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, 2025 and ending on March 20, 2026. 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 2025 NCIB, or the previous year NCIB, no Shares were purchased and cancelled for the six month period ended June 30, 2025 or 2024.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at June 30, 2025 that affect the Company's liquidity and capital resource needs.

	2025	2026	2027	2028	2029	2030 and Beyond	Total
Short-term borrowings	$ 190,129	$ —	$ —	$ —	$ —	$ —	$ 190,129
Long-term debt	4,259	8,521	35,810	8,506	8,471	366,368	431,935
Vessel purchase commitments	70,070	79,034	52,962	—	—	—	202,066
Vessel purchase commitments through joint ventures (Algoma share)[(1)]	43,595	77,482	13,579	—	—	—	134,656
Interest payments on long-term debt	9,117	17,867	17,387	15,988	15,510	66,284	142,153
AMI share purchase	—	—	—	—	—	5,757	5,757
	$ 317,170	$ 182,904	$ 119,738	$ 24,494	$ 23,981	$ 438,409	$ 1,106,696

(1) The joint venture commitments above include the construction of three product tankers, two general cargo ships, and two cement carriers. 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.

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 June 30, 2025. 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 June 30, 2025.

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 June 30, 2025.

Changes in Internal Controls over Financial Reporting

During the period ended June 30, 2025, 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.

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 in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted.

ALGOMA CENTRAL CORPORATION

Interim Condensed Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2025 and 2024

Notice of disclosure of no auditor review of interim condensed consolidated financial statements pursuant to National Instrument 51-02, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying interim condensed consolidated financial statements of Algoma Central Corporation for the three and six months ended June 30, 2025 and 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Earnings

For the periods ended June 30 (unaudited, in thousands of dollars, except per share data)	Notes	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024
Revenue	4	**$ 211,715**	$ 180,968	**$ 318,916**	$ 290,182
Operating expenses		**(144,208)**	(136,740)	**(257,466)**	(245,738)
Selling, general and administrative expenses		**(12,184)**	(10,182)	**(23,173)**	(21,823)
Depreciation and amortization		**(20,157)**	(18,122)	**(38,787)**	(35,250)
Operating earnings (loss)		**35,166**	15,924	**(510)**	(12,629)
Interest expense	6	**(6,660)**	(5,227)	**(11,288)**	(9,886)
Interest income		**110**	581	**245**	1,489
Gain on sale of asset	9	**—**	57	**—**	421
Foreign exchange gain (loss)		**3,493**	(291)	**3,316**	(168)
		32,109	11,044	**(8,237)**	(20,773)
Income tax recovery (expense)	7	**(6,747)**	(606)	**5,630**	10,407
Net earnings from investments in joint ventures	5	**7,521**	7,026	**12,210**	10,577
Net earnings		**$ 32,883**	$ 17,464	**$ 9,603**	$ 211
Earnings per share		**$ 0.81**	$ 0.44	**$ 0.24**	$ 0.01

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the periods ended June 30 (unaudited, in thousands of dollars)	Notes	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024
Net earnings		**$ 32,883**	$ 17,464	**$ 9,603**	$ 211
Other comprehensive earnings (loss):					
Items that may be subsequently reclassified to net earnings:					
Unrealized gain (loss) on financial statement translation of foreign operations		**(32,906)**	5,980	**(25,867)**	18,940
Unrealized gain (loss) on hedging instruments, net of income tax		**10,661**	(1,992)	**10,850**	(6,705)
Foreign exchange gain on purchase commitment hedge reserve, net of income tax, transferred to:					
Vessels under construction		**—**	—	**—**	752
Items that will not be subsequently reclassified to net earnings:					
Employee future benefits actuarial gain (loss), net of income tax		**2,159**	(1,050)	**1,912**	1,590
		(20,086)	2,938	**(13,105)**	14,577
Comprehensive earnings (loss)		**$ 12,797**	$ 20,402	**$ (3,502)**	$ 14,788

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	June 30 2025	December 31 2024
Assets			
Current			
Cash		**$ 43,038**	$ 3,545
Accounts receivable		**105,285**	89,492
Income taxes recoverable		**2,282**	2,552
Mortgage receivable	11	**18,000**	18,000
Other current assets	8	**29,552**	25,756
		198,157	139,345
Property, plant, and equipment	9	**1,048,352**	867,481
Investments in joint ventures	5	**377,050**	360,463
Goodwill	10	**7,910**	7,910
Employee future benefits		**26,730**	26,169
Other assets	12	**64,324**	122,585
		$ 1,722,523	$ 1,523,953
Liabilities			
Current			
Accounts payable and accrued charges		**$ 130,596**	$ 106,109
Short-term borrowings	13	**190,129**	78,267
Current portion of long-term debt	15	**8,115**	49
Income taxes payable		**2,063**	1,097
Other current liabilities	14	**3,071**	4,159
		333,974	189,681
Long-term debt	15	**413,849**	334,035
Employee future benefits		**18,632**	19,319
Deferred income taxes		**72,973**	78,892
Other long-term liabilities		**1,467**	2,178
		840,895	624,105
Commitments	19		
Shareholders' Equity			
Share capital	16	**57,093**	57,093
Contributed surplus		**3,255**	3,357
Accumulated other comprehensive earnings (loss)	17	**(9,051)**	5,966
Retained earnings		**830,331**	833,432
		881,628	899,848
		$ 1,722,523	$ 1,523,953

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

(unaudited, in thousands of dollars)	Share Capital	Contributed Surplus and Convertible Debentures	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings	Total Equity
	(Note 16)		(Note 17)		
Balance at January 1, 2024	$ 29,175	$ 2,218	$ (22,467)	$ 769,383	$ 778,309
Net earnings	—	—	—	211	211
Dividends	—	—	—	(14,714)	(14,714)
Repurchase and cancellation of common shares	(41)	—	—	(748)	(789)
Debenture conversions	27,959	(35)	—	—	27,924
Share-based compensation	—	129	—	(105)	24
Reclassified to vessels under construction	—	—	(3,517)	—	(3,517)
Other comprehensive earnings	—	—	12,987	1,590	14,577
Balance at June 30, 2024	$ 57,093	$ 2,312	$ (12,997)	$ 755,617	$ 802,025
Balance at January 1, 2025	$ 57,093	$ 3,357	$ 5,966	$ 833,432	$ 899,848
Net earnings	—	—	—	9,603	9,603
Dividends	—	—	—	(14,616)	(14,616)
Share-based compensation	—	(102)	—	—	(102)
Other comprehensive earnings (loss)	—	—	(15,017)	1,912	(13,105)
Balance at June 30, 2025	**$ 57,093**	**$ 3,255**	**$ (9,051)**	**$ 830,331**	**$ 881,628**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the periods ended June 30 (unaudited, in thousands of dollars)	Notes	Three Months Ended 2025	Three Months Ended 2024	Six Months Ended 2025	Six Months Ended 2024
Net Inflow (Outflow) of Cash Related to the Following Activities					
Operating					
Net earnings		**$ 32,883**	$ 17,464	**$ 9,603**	$ 211
Net earnings from investments in joint ventures	5	**(7,521)**	(7,026)	**(12,210)**	(10,577)
Items not affecting cash					
Depreciation and amortization		**20,157**	18,122	**38,787**	35,250
Gain on sale of asset	9	**—**	(57)	**—**	(421)
Other non-cash items		**11,420**	6,013	**4,063**	(1,134)
Net change in non-cash working capital		**(27,128)**	4,557	**(2,335)**	17,302
Income taxes recovered (paid)		**(86)**	27	**(265)**	(763)
Employee future benefits paid		**(550)**	(282)	**(713)**	(582)
Net cash generated from operating activities		**29,175**	38,818	**36,930**	39,286
Investing					
Additions to property, plant, and equipment	18	**(15,764)**	(9,768)	**(159,889)**	(87,021)
Distributions received from joint ventures	5	**5,020**	3,327	**13,739**	3,327
Investment in joint ventures	5	**(10,856)**	(12,208)	**(22,258)**	(15,093)
Additions to vessels under construction		**(9,793)**	(13,919)	**(18,184)**	(14,403)
Issue of loan receivable		**—**	(5,498)	**—**	(5,498)
Net proceeds on sale of asset	9	**—**	57	**—**	926
Net cash used in investing activities		**(31,393)**	(38,009)	**(186,592)**	(117,762)
Financing					
Interest paid		**(11,394)**	(8,054)	**(17,722)**	(9,142)
Interest received		**110**	581	**245**	1,489
Net proceeds from short-term borrowings		**31,118**	30,733	**114,960**	95,332
Repayment of long-term debt	15	**(2,126)**	—	**(2,126)**	—
Proceeds from long-term debt	15	**12**	411	**110,891**	411
Repurchase of shares for cancellation	16	**—**	—	**—**	(789)
Dividends paid		**(7,926)**	(7,353)	**(15,851)**	(14,675)
Net cash generated from financing activities		**9,794**	16,318	**190,397**	72,626
Net change in cash		**7,576**	17,127	**40,735**	(5,850)
Effects of exchange rate changes on cash held in foreign currencies		**(837)**	241	**(1,242)**	4,256
Cash, beginning of period		**36,299**	13,869	**3,545**	32,831
Cash, end of period		**$ 43,038**	$ 31,237	**$ 43,038**	$ 31,237

See accompanying notes to the interim condensed consolidated financial statements

Notes to the Interim Condensed 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 Interim Condensed Consolidated Financial Statements of the Company for the three and six months ended June 30, 2025 and 2024 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 19 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 ten product tankers employed in Canadian flag service, including two vessels that entered service in the 2025 second quarter. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, three 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 two pneumatic cement carriers 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.

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 financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and using the same accounting policies and methods as were used for the Company's Consolidated Financial Statements and the notes thereto for the year ended December 31, 2024. The financial statements should be read in conjunction with the Company's Consolidated Financial Statements for the year ended December 31, 2024.

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 interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on August 5, 2025.

3. 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 in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted.

4. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended June 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2025					
Contract of Affreightment	$ 122,662	$ 2,094	$ 347	$ —	$ 125,103
Time Charter	605	40,079	—	—	40,684
Pool Revenue Share	—	—	44,973	—	44,973
Other	340	—	—	615	955
	$ 123,607	**$ 42,173**	**$ 45,320**	**$ 615**	**$ 211,715**
2024					
Contract of Affreightment	$ 103,781	$ —	$ —	$ —	$ 103,781
Time Charter	(157)	33,600	—	—	33,443
Pool Revenue Share	—	—	42,818	—	42,818
Other	307	—	—	619	926
	$ 103,931	$ 33,600	$ 42,818	$ 619	$ 180,968

For the six months ended June 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2025					
Contract of Affreightment	$ 144,351	$ 2,103	$ 3,384	$ —	$ 149,838
Time Charter	9,359	73,361	—	—	82,720
Pool Revenue Share	—	—	84,661	—	84,661
Other	449	—	—	1,248	1,697
	$ 154,159	**$ 75,464**	**$ 88,045**	**$ 1,248**	**$ 318,916**
2024					
Contract of Affreightment	$ 122,719	$ 3,329	$ —	$ —	$ 126,048
Time Charter	11,874	64,317	—	—	76,191
Pool Revenue Share	—	—	86,018	—	86,018
Other	412	—	—	1,513	1,925
	$ 135,005	$ 67,646	$ 86,018	$ 1,513	$ 290,182

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

As at (unaudited, in thousands of dollars)	**June 30 2025**	December 31 2024
Unbilled revenue (included in accounts receivable)	**$ 18,378**	$ 23,585
Deferred revenue (included in accounts payable and accrued charges)	**1,770**	1,914

5. Investments in Joint Ventures

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

As at (unaudited)			June 30 2025	December 31 2024
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 in 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	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%

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

For the three months ended June 30, 2025 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 24,912	$ 2,199	$ 5,950	$ 77,871
Operating expenses	(13,031)	(1,255)	(3,975)	(57,996)
General and administrative	(1,088)	(131)	(896)	(1,808)
Depreciation and amortization	(3,639)	(369)	(96)	(11,773)
Operating earnings	7,154	444	983	6,294
Interest income (expense)	(3,799)	6	9	(1,137)
Foreign exchange gain	676	12	—	963
Other income	—	—	500	—
Gain on disposal of asset	—	—	86	—
Earnings before undernoted	4,031	462	1,578	6,120
Net earnings of joint ventures	1,457	—	—	1,591
Net loss attributable to non-controlling interest	—	—	—	236
Income tax recovery (expense)	—	—	(413)	144
Net earnings	**$ 5,488**	**$ 462**	**$ 1,165**	**$ 8,091**
Company share of net earnings	$ 2,744	$ 231	$ 571	$ 4,046
Amortization of vessel purchase price allocation and intangibles	—	—	—	(71)
Company share included in net earnings of joint ventures	**$ 2,744**	**$ 231**	**$ 571**	**$ 3,975**

For the three months ended June 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 3,947	$ 1,869	$ 6,294	$ 67,706
Operating expenses	(2,195)	(1,268)	(5,314)	(41,449)
General and administrative	(124)	(131)	(707)	(1,535)
Depreciation and amortization	(504)	(83)	(92)	(9,178)
Operating earnings	1,124	387	181	15,544
Interest income (expense)	(726)	25	3	(1,966)
Foreign exchange loss	(316)	—	—	(204)
Gain on sale of vessels	—	—	—	1,624
Earnings before undernoted	82	412	184	14,998
Net earnings of joint ventures	1,130	—	—	1,376
Net earnings attributable to non-controlling interest	—	—	—	(723)
Income tax expense	—	—	(65)	(3,020)
Net earnings	$ 1,212	$ 412	$ 119	$ 12,631
Company share of net earnings	$ 606	$ 206	$ 58	$ 6,316
Amortization of vessel purchase price allocation and intangibles	—	—	—	(160)
Company share included in net earnings of joint ventures	$ 606	$ 206	$ 58	$ 6,156

For the six months ended June 30, 2025 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 43,611	$ 4,193	$ 17,816	$ 137,798
Operating expenses	(23,018)	(2,395)	(11,210)	(100,686)
General and administrative	(1,852)	(287)	(1,707)	(3,625)
Depreciation and amortization	(6,010)	(725)	(182)	(22,802)
Operating earnings	12,731	786	4,717	10,685
Interest income (expense)	(6,738)	8	12	(2,432)
Foreign exchange gain (loss)	(98)	6	(2)	1,630
Other income	—	—	557	—
Gain on disposal of asset	—	—	84	—
Earnings before undernoted	5,895	800	5,368	9,883
Net earnings of joint ventures	2,170	—	—	2,976
Net earnings attributable to non-controlling interest	—	—	—	(381)
Income tax expense	—	—	(1,346)	(583)
Net earnings	**$ 8,065**	**$ 800**	**$ 4,022**	**$ 11,895**
Company share of net earnings	$ 4,033	$ 400	$ 1,971	$ 5,948
Amortization of vessel purchase price allocation and intangibles	—	—	—	(142)
Company share included in net earnings of joint ventures	**$ 4,033**	**$ 400**	**$ 1,971**	**$ 5,806**

For the six months ended June 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 4,804	$ 3,342	$ 18,037	$ 126,961
Operating expenses	(2,653)	(2,352)	(12,092)	(83,081)
General and administrative	(173)	(284)	(1,575)	(3,261)
Depreciation and amortization	(668)	(166)	(183)	(18,148)
Operating earnings	1,310	540	4,187	22,471
Interest income (expense)	(1,023)	32	11	(3,850)
Foreign exchange loss	(287)	—	(1)	(341)
Gain on sale of vessels	—	—	—	1,593
Earnings before undernoted	—	572	4,197	19,873
Net earnings of joint ventures	1,458	—	—	1,618
Net earnings attributable to non-controlling interest	—	—	—	(1,626)
Income tax expense	—	—	(985)	(3,256)
Net earnings	$ 1,458	$ 572	$ 3,212	$ 16,609
Company share of net earnings	$ 729	$ 286	$ 1,574	$ 8,305
Amortization of vessel purchase price allocation and intangibles	—	—	—	(317)
Company share included in net earnings of joint ventures	$ 729	$ 286	$ 1,574	$ 7,988

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

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2025**	2024	**2025**	2024
Product Tankers	**$ 2,744**	$ 606	**$ 4,033**	$ 729
Ocean Self-Unloaders	**231**	206	**400**	286
Corporate	**571**	58	**1,971**	1,574
Global Short Sea Shipping	**3,975**	6,156	**5,806**	7,988
	$ 7,521	$ 7,026	**$ 12,210**	$ 10,577

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

As at June 30, 2025 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	$ 5,156	$ 1,832	$ 1,155	$ 12,012
Other current assets	15,471	2,018	9,556	53,160
Income taxes recoverable	13	52	—	759
Property, plant, and equipment	392,632	3,335	1,845	435,594
Investment in joint ventures	25,355	—	—	61,384
Other assets	42,149	—	—	61,200
Current liabilities	(8,984)	(1,513)	(3,459)	(55,674)
Income taxes payable	—	—	(876)	—
Current portion of long-term debt	(13,465)	—	(309)	(20,896)
Long-term debt	(249,529)	—	(735)	(42,063)
Other long-term liabilities	—	—	—	(5,040)
Non-controlling interest	—	—	—	(15,092)
Net assets of joint ventures	**$ 208,798**	**$ 5,724**	**$ 7,177**	**$ 485,344**
Company share of net assets	$ 104,399	$ 2,862	$ 3,517	$ 242,672
Goodwill and other purchase price adjustments	—	—	4,048	19,552
Company share of joint ventures	**$ 104,399**	**$ 2,862**	**$ 7,565**	**$ 262,224**

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

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

As at (unaudited, in thousands of dollars)	**June 30 2025**	December 31 2024
Product Tankers	**$ 104,399**	$ 86,806
Ocean Self-Unloaders	**2,862**	2,610
Corporate	**7,565**	6,481
Global Short Sea Shipping	**262,224**	264,566
	$ 377,050	$ 360,463

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:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2025**	2024	**2025**	2024
Revenue	**$ 325**	$ 323	**$ 655**	$ 640
Operating expenses	**(2,612)**	(3,685)	**(8,052)**	(10,591)

As at (unaudited, in thousands of dollars)	**June 30 2025**	December 31 2024
Accounts receivable	**$ 4,002**	$ 5,822
Accounts payable	**(1,854)**	(277)
Loans guaranteed by the Company	**(66,011)**	(42,253)

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

For the three months ended June 30 (unaudited, in thousands of dollars)	**2025**		2024	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ —**	**$ (1,548)**	$ —	$ (11,593)
Corporate	**888**	**—**	586	—
Global Short Sea Shipping	**4,132**	**(9,308)**	2,741	(615)
	$ 5,020	**$ (10,856)**	$ 3,327	$ (12,208)

For the six months ended June 30 (unaudited, in thousands of dollars)	**2025**		2024	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ 1,581**	**$ (5,089)**	$ —	$ (12,269)
Corporate	**888**	**—**	586	(187)
Global Short Sea Shipping	**11,270**	**(17,169)**	2,741	(2,637)
	$ 13,739	**$ (22,258)**	$ 3,327	$ (15,093)

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

Subsequent to the quarter, NACC entered into an agreement with a third party to sell a 51% stake in NACC's wholly owned cement carriers currently operating in defined markets. NACC will retain a 49% minority interest following the completion of the transaction. The transaction is subject to customary regulatory approvals and is expected to close within the year.

6. Interest Expense

The components of interest expense are as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2025**	2024	**2025**	2024
Interest expense on borrowings	**$ 7,439**	$ 5,502	**$ 12,998**	$ 10,583
Amortization of financing costs	**298**	271	**497**	588
Interest expense on employee future benefits, net	**—**	66	**—**	104
Capitalized interest	**(1,077)**	(612)	**(2,207)**	(1,389)
	$ 6,660	$ 5,227	**$ 11,288**	$ 9,886

7. Income Taxes

A reconciliation comparing income taxes calculated at the Canadian statutory rate to the amount provided in the interim condensed consolidated financial statements is as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2025**	2024	**2025**	2024
Combined federal and provincial statutory income tax rate	**26.5%**	26.5%	**26.5%**	26.5%
Net earnings (loss) before income tax and net earnings from investments in joint ventures	**$ 32,109**	$ 11,044	**$ (8,237)**	$ (20,773)
Expected income tax recovery (expense)	**$ (8,509)**	$ (2,927)	**$ 2,183**	$ 5,505
Tax effects resulting from:				
Foreign tax rates different from Canadian statutory rate	**2,842**	1,828	**4,520**	4,151
Effect of items that are non-taxable (non-deductible)	**(178)**	—	**(178)**	276
Deferred tax items recognized	**—**	508	**—**	508
Adjustments to prior period provision	**(913)**	—	**(913)**	—
Other	**11**	(15)	**18**	(33)
Actual tax recovery (expense)	**$ (6,747)**	$ (606)	**$ 5,630**	$ 10,407

8. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	**June 30 2025**	December 31 2024
Materials, fuel and supplies	**$ 14,950**	$ 15,681
Prepaid expenses	**14,602**	10,075
	$ 29,552	$ 25,756

9. Property, Plant, and Equipment

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

Cost (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
Balance at January 1, 2024	$ 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
Additions	57,942	100,102	5,521	391	163,956
Transfer from vessels under construction	18,557	56,089	—	—	74,646
Fully depreciated assets no longer in use	(2,506)	(694)	(3,717)	—	(6,917)
Effect of foreign currency exchange differences	(29)	(7,485)	(23,303)	—	(30,817)
Balance at June 30, 2025	**$ 818,003**	**$ 384,112**	**$ 423,834**	**$ 27,832**	**$ 1,653,781**

Accumulated depreciation (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
Balance at January 1, 2024	$ 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
Depreciation expense	15,039	9,511	13,396	768	38,714
Fully depreciated assets no longer in use	(2,506)	(694)	(3,717)	—	(6,917)
Effect of foreign currency exchange differences	—	(6)	(11,794)	—	(11,800)
Balance at June 30, 2025	**$ 260,871**	**$ 110,348**	**$ 217,065**	**$ 17,145**	**$ 605,429**

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
June 30, 2025					
Cost	$ 818,003	$ 384,112	$ 423,834	$ 27,832	$ 1,653,781
Accumulated depreciation	260,871	110,348	217,065	17,145	605,429
	$ 557,132	**$ 273,764**	**$ 206,769**	**$ 10,687**	**$ 1,048,352**
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

In the first quarter of this year, the Company took delivery of three new vessels: a domestic dry-bulk self-unloader and two ice-class product tankers. The three vessels commenced commercial operations in the second quarter.

A newbuild domestic dry-bulk self-unloader newbuild was delivered in the first quarter of 2024, replacing a self-unloader sent for environmental recycling for a period gain on sale of $421. In the same period, the Company purchased two second-hand product tankers for a total purchase price of $36,783.

10. 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.

11. 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 due date of June 30, 2024 was not met, and the property has subsequently entered receivership. A final sale is expected to be completed within the year. A recent appraisal of the shopping centre indicates that the value of the security is sufficient to fully support the mortgage receivable.

12. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)		**June 30 2025**		December 31 2024
Vessels under construction (see below)	**$**	**64,189**	$	122,368
Right-of-use assets		**125**		207
Other		**10**		10
	$	**64,324**	$	122,585

The components of vessels under construction are as follows:

As at (unaudited, in thousands of dollars)		**June 30 2025**		December 31 2024
Progress payments	**$**	**61,380**	$	114,914
Supervision and other		**2,809**		5,362
Capitalized interest		**—**		2,092
	$	**64,189**	$	122,368

13. Short-term borrowings

Short-term borrowings comprise the following:

As at (unaudited, in thousands of dollars)		**June 30 2025**		December 31 2024
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, weighted average interest at 5.76% (2024 - 6.50%), payable within the month		**111,000**		57,000
SOFR loans, U.S. $58,000, weighted average interest at 7.11%, payable within the month		**79,129**		—
	$	**190,129**	$	78,267

The Company's bank credit facility (the "Facility") comprises a Canadian $125 million (2024 - $75 million) and a U.S. $75 million (2024 - $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 June 30, 2025 and December 31, 2024, the Company was in compliance with all of its covenants.

14. Other Current Liabilities

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)		**June 30 2025**		December 31 2024
Accrued interest	**$**	**1,364**	$	1,187
Dividends payable		**1,590**		2,823
Lease obligations		**117**		149
	$	**3,071**	$	4,159

15. Long-Term Debt

As at (unaudited, in thousands of dollars)	June 30 2025	December 31 2024
Term loan, U.S. $70.471, interest at 5.62%, due March, 2037	**$ 96,143**	$ —
Non-revolving Term Credit, interest at 5.65%, due March 28, 2030	**7,078**	—
Senior Secured Notes		
U.S. $20,000, interest at 3.37%, due December 10, 2027	**27,286**	28,778
U.S. $42,000, interest at 3.60%, due December 10, 2030	**57,300**	60,434
U.S. $35,000, interest at 3.70%, due December 10, 2032	**47,751**	50,362
U.S. $50,000, interest at 3.80%, due December 10, 2035	**68,215**	71,945
Canadian $128,000, interest at 4.01%, due December 10, 2035	**128,000**	128,000
Mortgage payable, interest at 7.75%, due June 27, 2034	**162**	194
	431,935	339,713
Less: unamortized financing expenses	**9,971**	5,629
	421,964	334,084
Less: current portion of long-term debt and unamortized financing expenses	**8,115**	49
	$ 413,849	$ 334,035

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 June 30, 2025 and December 31, 2024, the Company was in compliance with all of its covenants.

A non-revolving term loan was entered into in March 2025 to refinance existing property. Equal monthly principal instalments of $24 plus interest at Prime plus 0.70% are payable over a five-year term. The loan is secured by specific property assets and is subject to customary covenants and conditions.

Also in March 2025, the Company entered into a secured term loan agreement for U.S. $71,970, withdrawn in two equal Tranches. Each Tranche is repayable in 48 consecutive quarterly instalments of U.S. $749 plus interest at SOFR plus 1.30%. The loan is secured against two newbuild chemical tankers and is subject to customary covenants and conditions.

In June 2025, the Company entered into an interest rate swap contract to hedge the variability in cash flows associated with the floating-rate U.S. term loan. Under the terms of the swap, the Company pays a fixed rate of 3.52% and receives a floating rate based on SOFR. The first hedged payment and receipt will be in the third quarter. Hedge effectiveness is measured using the dollar offset test. At inception, the hedge was deemed to be highly effective. Effectiveness will be measured quarterly, with effective gains or losses recognized in other comprehensive earnings and any ineffective portion recognized immediately in earnings.

The unamortized financing expenses relate to costs incurred to establish the long-term debt. They are amortized over the term of the respective debt on a proportionally straight-line basis.

16. Share Capital

Share capital

Authorized share capital consists of an unlimited number of common and preferred shares with no par value.

The Company had 40,567,816 common shares outstanding and no preferred shares issued or outstanding as at June 30, 2025 or December 31, 2024.

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 September 2, 2025 to shareholders of record on August 19, 2025.

Normal Course Issuer Bid

Effective March 21, 2025, the Company renewed its normal course issuer bid (the "2025 NCIB") to purchase up to 2,028,391 of its common shares ("Shares"), representing approximately 5% of the 40,567,816 Shares issued and outstanding as of the close of business on March 7, 2025.

Under the 2025 NCIB, the Company may purchase up to 2,063 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, 2025 and ending on March 20, 2026. 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 2025 NCIB and the previous year NCIB, no Shares were purchased for the six month period ended June 30, 2025 or 2024. Under the 2023 NCIB, which concluded on March 20, 2024, 52,806 Shares were purchased and cancelled during the three month period ended March 31, 2024.

17. Accumulated Other Comprehensive Earnings (Loss)

(unaudited, in thousands of dollars)	Hedges: Net investment	Hedges: Purchase Commitment	Foreign exchange translation	Total
Balance at January 1, 2024	$ (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
Earnings (loss)	10,966	—	(25,867)	(14,901)
Income tax expense	(116)	—	—	(116)
Net earnings (loss)	10,850	—	(25,867)	(15,017)
Balance at June 30, 2025	**$ (32,693)**	**$ —**	**$ 23,642**	**$ (9,051)**

18. Supplementary Disclosure of Cash Flow Information

Additions to property, plant and equipment are as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2025**	2024	**2025**	2024
Additions to property, plant, and equipment (Note 9)	**$ 8,438**	$ 11,524	**$ 163,956**	$ 90,895
Amounts included in working capital	**8,402**	(1,529)	**(2,515)**	(6,455)
Capitalized interest	**(1,076)**	(227)	**(1,552)**	(613)
Other non-cash adjustments	**—**	—	**—**	3,194
	$ 15,764	$ 9,768	**$ 159,889**	$ 87,021

19. Commitments

The table below reflects the commitments of the Company at June 30, 2025. Annual expected payments are detailed in Note 20.

(unaudited, in thousands of dollars)	
Construction of three ocean self-unloaders	$ 202,066
Construction of three product tankers through a joint venture (Algoma share)	61,212
Construction of two general cargo ships through a joint venture (Algoma share)	11,562
Construction of two cement carriers through a joint venture (Algoma share)	61,882
Purchase of remaining AMI shares	5,757
Leases	139
	$ 342,618

20. Financial Instruments and Risk Management

The Company's financial instruments included in the interim condensed consolidated balance sheet comprise cash, accounts receivable, mortgage receivable, accounts payable and accrued charges, dividends payable, short-term borrowings and long-term debt.

Fair Value

The Company's financial instruments are carried at amortized cost which, due to their short-term nature, approximates fair value. 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 (unaudited, in thousands of dollars)	**June 30 2025**	December 31 2024
Long-term debt		
Carrying value	**$ 431,935**	$ 339,713
Fair value, classified as Level 2	**397,739**	299,670

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.

Liquidity Risk

The contractual maturities of non-derivative financial liabilities for the remainder of the year and forward are as follows:

(unaudited, in thousands of dollars)	2025	2026	2027	2028	2029	2030 and Beyond	Total
Short-term borrowings	$ 190,129	$ —	$ —	$ —	$ —	$ —	$ 190,129
Long-term debt	4,259	8,521	35,810	8,506	8,471	366,368	431,935
Interest payments on long-term debt	9,117	17,867	17,387	15,988	15,510	66,284	142,153
Vessel purchase commitments	70,070	79,034	52,962	—	—	—	202,066
Vessel purchase commitments through joint ventures (Algoma share)	43,595	77,482	13,579	—	—	—	134,656
AMI share purchase	—	—	—	—	—	5,757	5,757
Leases	61	78	—	—	—	—	139
	$ 317,231	**$ 182,982**	**$ 119,738**	**$ 24,494**	**$ 23,981**	**$ 438,409**	**$ 1,106,835**

Foreign Exchange Risk

At June 30, 2025 approximately 38% (December 31, 2024 - 37%) of the Company's total assets were denominated in U.S. dollars, including U.S. cash of $19,739 (December 31, 2024 - $1,371). Approximately 6% (December 31, 2024 - 6%) of the total assets were denominated in Swedish Krona.

The Company has significant commitments due for payment in U.S. dollars. For these payments, the Company mitigates the risk principally through U.S. dollar cash inflows and foreign-denominated debt.

21. 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 three months ended June 30, 2025 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 123,607	$ 42,173	$ 45,320	$ 615	$ —	$ 211,715
Operating expenses	(85,226)	(30,718)	(27,985)	(279)	—	(144,208)
Selling, general and administrative	(3,841)	(1,598)	(353)	(6,392)	—	(12,184)
Depreciation and amortization	(7,898)	(5,338)	(6,507)	(414)	—	(20,157)
Operating earnings (loss)	26,642	4,519	10,475	(6,470)	—	35,166
Interest, net	—	(915)	—	(5,635)	—	(6,550)
Foreign exchange gain	—	—	—	3,493	—	3,493
	26,642	3,604	10,475	(8,612)	—	32,109
Income tax recovery (expense)	(7,105)	(934)	—	1,292	—	(6,747)
Net earnings from investments in joint ventures	—	2,744	231	571	3,975	7,521
Net earnings (loss)	**$ 19,537**	**$ 5,414**	**$ 10,706**	**$ (6,749)**	**$ 3,975**	**$ 32,883**

For the three months ended June 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 103,931	$ 33,600	$ 42,818	$ 619	$ —	$ 180,968
Operating expenses	(77,644)	(29,339)	(29,499)	(258)	—	(136,740)
Selling, general and administrative	(3,511)	(1,488)	(475)	(4,708)	—	(10,182)
Depreciation and amortization	(6,852)	(4,377)	(6,483)	(410)	—	(18,122)
Operating earnings (loss)	15,924	(1,604)	6,361	(4,757)	—	15,924
Interest, net	—	—	—	(4,646)	—	(4,646)
Gain on sale of assets	—	57	—	—	—	57
Foreign exchange loss	—	—	—	(291)	—	(291)
	15,924	(1,547)	6,361	(9,694)	—	11,044
Income tax recovery (expense)	(4,168)	703	—	2,859	—	(606)
Net earnings from investments in joint ventures	—	606	206	58	6,156	7,026
Net earnings (loss)	$ 11,756	$ (238)	$ 6,567	$ (6,777)	$ 6,156	$ 17,464

For the six months ended June 30, 2025 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 154,159	$ 75,464	$ 88,045	$ 1,248	$ —	$ 318,916
Operating expenses	(141,611)	(58,458)	(56,881)	(516)	—	(257,466)
Selling, general and administrative	(8,027)	(3,354)	(848)	(10,944)	—	(23,173)
Depreciation and amortization	(15,039)	(9,511)	(13,396)	(841)	—	(38,787)
Operating earnings (loss)	(10,518)	4,141	16,920	(11,053)	—	(510)
Interest, net	—	(970)	—	(10,073)	—	(11,043)
Foreign exchange gain	—	—	—	3,316	—	3,316
	(10,518)	3,171	16,920	(17,810)	—	(8,237)
Income tax recovery (expense)	2,748	(846)	—	3,728	—	5,630
Net earnings from investments in joint ventures	—	4,033	400	1,971	5,806	12,210
Net earnings (loss)	**$ (7,770)**	**$ 6,358**	**$ 17,320**	**$ (12,111)**	**$ 5,806**	**$ 9,603**

For the six months ended June 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 135,005	$ 67,646	$ 86,018	$ 1,513	$ —	$ 290,182
Operating expenses	(133,975)	(53,789)	(57,445)	(529)	—	(245,738)
Selling, general and administrative	(7,483)	(3,147)	(930)	(10,263)	—	(21,823)
Depreciation and amortization	(13,239)	(8,337)	(12,926)	(748)	—	(35,250)
Operating earnings (loss)	(19,692)	2,373	14,717	(10,027)	—	(12,629)
Interest, net	—	—	—	(8,397)	—	(8,397)
Gain on sale of asset	—	421	—	—	—	421
Foreign exchange loss	—	—	—	(168)	—	(168)
	(19,692)	2,794	14,717	(18,592)	—	(20,773)
Income tax recovery	5,222	191	—	4,994	—	10,407
Net earnings from investments in joint ventures	—	729	286	1,574	7,988	10,577
Net earnings (loss)	$ (14,470)	$ 3,714	$ 15,003	$ (12,024)	$ 7,988	$ 211

As at June 30, 2025 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	$ 72,323	$ 14,174	$ 47,865	$ 63,795	$ —	$ 198,157
Property, plant, and equipment	557,132	273,764	206,769	10,687	—	1,048,352
Investments in joint ventures	—	104,399	2,862	7,565	262,224	377,050
Goodwill	7,910	—	—	—	—	7,910
Other assets	—	—	64,199	26,855	—	91,054
	$ 637,365	**$ 392,337**	**$ 321,695**	**$ 108,902**	**$ 262,224**	**$ 1,722,523**
Liabilities						
Current liabilities	$ 66,123	$ 33,960	$ 18,971	$ 206,805	$ —	$ 325,859
Current portion of long-term debt	48	7,782	—	285	—	8,115
Long-term liabilities	1,012	16,718	—	75,342	—	93,072
Long-term debt	114	83,648	—	330,087	—	413,849
	67,297	142,108	18,971	612,519	—	840,895
Shareholders' Equity	570,068	250,229	302,724	(503,617)	262,224	881,628
	$ 637,365	**$ 392,337**	**$ 321,695**	**$ 108,902**	**$ 262,224**	**$ 1,722,523**

As at December 31, 2024 (unaudited, 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	$ 91,387	$ —	$ 189,632
Current portion of long-term debt	49	—	—	—	—	49
Long-term liabilities	1,316	16,958	—	82,115	—	100,389
Long-term debt	146	—	—	333,889	—	334,035
	63,577	40,254	12,883	507,391	—	624,105
Shareholders' Equity	533,763	245,148	296,768	(440,397)	264,566	899,848
	$ 597,340	$ 285,402	$ 309,651	$ 66,994	$ 264,566	$ 1,523,953

22. 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 26, 2030.

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

Stock Option Activity (unaudited, amounts not stated in thousands)	Number of shares	Weighted average exercise price
Number outstanding, at January 1, 2024	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
Granted	279,858	14.84
Exercised	(121,875)	(15.02)
Number outstanding, at June 30, 2025	**764,585**	**$ 15.20**

The following table summarizes information relating to stock options outstanding as at June 30, 2025.

	Options outstanding	
Exercise price per share (unaudited, amounts not stated in thousands)	Number of shares	Remaining contractual life (years)
$15.02	24,375	1.65
$15.82	240,000	2.65
$15.01	220,352	3.65
$14.84	279,858	4.66
	764,585	

For the six months ended June 30, 2025, the Company recognized compensation expense for stock option awards of $67 (2024 - $270). For the six months ended June 30, 2025, 279,858 options (2024 - 220,352) were granted by the Company at a weighted average fair value of $2.01 per option (2024 - $2.34).

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