

ALGOMA CENTRAL CORPORATION

2026 INTERIM REPORT TO SHAREHOLDERS

For the Three Months Ended March 31, 2026 and 2025



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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 months ended March 31, 2026 and 2025 and related notes thereto and has been prepared as at May 7, 2026.

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 2025 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 interests in global joint ventures that own diversified portfolios of dry and liquid bulk fleets operating internationally. Across the global fleet, Algoma holds an ownership interest in over 100 vessels. In addition to its ownership interests, 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 24 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. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, two 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 ten ocean-going self-unloading vessels. Eight of the ocean vessels 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. An additional ocean self-unloader is currently under construction, with delivery expected in 2027, and set to replace an older Algoma-owned vessel in the Pool. The segment also includes joint venture interests in three self-unloaders and two additional vessels currently under construction, with expected deliveries in 2028.

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 operation holds a 49% interest in 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. Three mini-bulkers and three pneumatic cement carriers are currently under construction for these joint ventures, with expected deliveries between 2026 and 2028.

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 2026 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, 2025, 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 results reflect a pro-rata share of Pool revenue and vessel operating costs for the Company's eight 100% owned ships currently included in the Pool. Earnings from the partially owned ships operating in this segment are included in the Company's joint venture results. Algoma does not incur selling expenses on ocean self-unloader business, but instead pays a commercial fee to the Pool manager, which is reflected as an operating expense.

Joint Ventures

Joint venture revenues from the Product Tankers, Ocean Self-Unloaders, Global Short Sea Shipping, and Corporate segments are not included in the consolidated revenue figure. The Company's share of net earnings, adjusted for amortization arising from vessel purchase price allocation and intangibles, is included in net earnings from joint ventures in the Company's consolidated earnings.

Non-GAAP Measures

This MD&A uses several financial measures to assess its performance including earnings before interest, income taxes, depreciation, and amortization (EBITDA), free cash flow, return on equity, adjusted profit margin, and adjusted performance measures. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management's perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how Management assesses performance. The non-GAAP measures that are used throughout this report are defined below and can also be referred to in the sections entitled *EBITDA*, *Free Cash Flow*, *Return on Equity*, *Profit Margin*, *Adjusted Profit Margin*, *Adjusted Performance Measures*, 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. EBITDA is calculated as net earnings before depreciation and amortization, net interest expense, income tax expense, foreign exchange loss (gain), gain (loss) on sale of assets, and certain one-time items. 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.

Company Share of EBITDA

Company share of 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. Company share of EBITDA is calculated as the Company's proportionate share of EBITDA of its consolidated and equity-accounted investments, determined based on the Company's ownership interests. Management considers Company share of EBITDA to be a meaningful measure to assess the operating performance attributable to the Company 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 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

				Favourable/ (Unfavourable)
For the three months ended March 31	2026	2025	2026 vs 2025	
Reported revenue	\$ 127,781	\$ 107,201	\$ 20,580	
Freight revenue ⁽¹⁾	162,184	146,769	15,415	
Operating loss	(30,007)	(35,676)	5,669	
Net earnings (loss)	2,224	(23,280)	25,504	
Basic and diluted earnings (loss) per share	0.05	(0.57)	0.62	
EBITDA ⁽²⁾	4,832	(2,370)	7,202	
Free Cash Flow ⁽³⁾	(19,475)	(19,309)	(166)	

As at	March 31 2026	December 31 2025	2026 vs 2025
Common shares outstanding	40,567,816	40,567,816	—
Total assets	\$ 1,856,767	\$ 1,770,704	\$ 86,063
Total long-term debt, including current portion	\$ 422,007	\$ 418,943	\$ (3,064)

(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 three months ended March 31	2026	2025
Total distance travelled by vessels (nautical miles)	195,836	214,994
Total cargo carried (metric tonnes in thousands) ⁽¹⁾	7,619	6,836
Tonne-kilometres travelled (in millions) ⁽²⁾	6	7
Deadweight tonnage (metric tonnes in thousands) ⁽³⁾	1,501	1,311
Number of vessels in these fleets	41	35
Operating days ⁽⁴⁾	2,180	1,733

- (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) Deadweight tonnage is the sum, for the Company's vessels as noted above, of the difference in displacement in deadweight tonnes between the light displacement and the actual loaded displacement.
- (4) Operating days are calculated as the number of available days in the reporting period minus the aggregate number of days that the vessels are off-hire due to unforeseen circumstances.

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 months ended March 31, 2026 and 2025, and presented herein:

For the three months ended March 31	2026	2025
Net earnings (loss)	\$ 2,224	\$ (23,280)
<i>Adjustments to net earnings (loss), excluding joint ventures:</i>		
Depreciation and amortization	21,115	18,630
Interest expense, net	6,677	4,493
Gain on business acquisition	(3,665)	—
Gain on sale of assets	(20,702)	—
Foreign exchange loss	1,145	177
Income tax recovery	(8,477)	(12,377)
<i>Joint venture adjustments:</i>		
Interest expense, net	2,376	2,116
Foreign exchange loss (gain)	(758)	57
Depreciation and amortization	4,542	6,992
Income tax expense	355	821
Loss on sale of asset	—	1
EBITDA⁽¹⁾	\$ 4,832	\$ (2,370)

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

Revenues

For the three months ended March 31	2026	2025	Favourable/ (Unfavourable) 2026 vs 2025
Reported Revenue	\$ 127,781	\$ 107,201	\$ 20,580
Freight revenue ⁽¹⁾			
Domestic Dry-Bulk	\$ 37,013	\$ 30,442	\$ 6,571
Product Tankers	65,669	42,641	23,028
Ocean Self-Unloaders	44,161	43,722	439
Global Short Sea Shipping	15,341	29,964	(14,623)
Total freight revenue	\$ 162,184	\$ 146,769	\$ 15,415

- (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 three months ended March 31			Favourable/ (Unfavourable)
	2026	2025	2026 vs 2025
Revenue	\$ 37,134	\$ 30,551	\$ 6,583
Operating expenses	(61,244)	(56,385)	(4,859)
Selling, general and administrative expenses	(3,667)	(4,186)	519
Depreciation and amortization	(7,845)	(7,140)	(705)
Operating loss	(35,622)	(37,160)	1,538
Gain on sale of asset	20,583	—	20,583
Income tax recovery	4,140	9,853	(5,713)
Net loss	\$ (10,899)	\$ (27,307)	\$ 16,408

Operational Performance

For the three months ended March 31			% Change
	2026	2025	2026 vs 2025
Volumes (metric tonnes in thousands)			
Iron and steel	767	780	(2)%
Construction	51	56	(9)%
Agriculture	211	278	(24)%
Salt	611	214	186 %
Total volumes	1,640	1,328	23 %
Revenue Days	512	455	13 %
Operating Days	604	546	11 %

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 months ended March 31, 2026, and 2025, and presented herein:

For the three months ended March 31	2026	2025
Net loss	\$ (10,899)	\$ (27,307)
<i>Adjustments to net loss:</i>		
Depreciation and amortization	7,845	7,140
Income tax recovery	(4,140)	(9,853)
Gain on sale of asset	(20,583)	—
EBITDA⁽¹⁾	\$ (27,777)	\$ (30,020)

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

2026 First Quarter Compared to the Corresponding Period in 2025

Revenue increased 21% in the quarter, as Domestic Dry-Bulk vessels operated into January as a result of ice-related delays late in 2025, pushing voyages into the current period. De-icing salt volumes increased, as strong demand returned around the Great Lakes as a result of harsher winter weather conditions and the widespread depletion of salt inventories. Other market sectors were slightly lower compared to the prior-year period largely due to timing of shipments around the Seaway closure, with most of the Domestic Dry-Bulk fleet laid up for winter maintenance.

Operating costs increased with higher operating days, driven by increased fleet utilization. Additionally, costs related to vessel lay-up and associated depreciation also increased compared to the prior period. A gain of \$20,583 was recognized from the sale of an asset in the quarter.

Outlook

Looking ahead in 2026, grain and salt volumes are expected to increase over the prior year, partially offset by expected reductions in the iron and steel sectors. A record grain crop in 2025, combined with an increased share of the agriculture market will support increased grain shipments, while strong winter salt demand will drive higher shipment volumes throughout the year to replenish depleted inventories around the Great Lakes - St. Lawrence region. Construction activity is expected to remain relatively flat as it continues to be influenced by broader economic conditions. Algoma is closely monitoring developments regarding global tariffs; however, we do not anticipate any major effects on cargo volumes at this time.

Product Tankers Segment

Financial Performance

For the three months ended March 31			Favourable/ (Unfavourable)
	2026	2025	2026 vs 2025
Revenue	\$ 46,739	\$ 33,291	\$ 13,448
Operating expenses	(33,651)	(27,740)	(5,911)
Selling, general and administrative	(1,590)	(1,756)	166
Depreciation and amortization	(6,702)	(4,173)	(2,529)
Operating earnings (loss)	4,796	(378)	5,174
Interest expense	(1,218)	(55)	(1,163)
Income tax recovery (expense)	(942)	88	(1,030)
Net earnings from investment in joint venture	6,079	1,289	4,790
Net earnings	\$ 8,715	\$ 944	\$ 7,771

Operational Performance⁽¹⁾

For the three months ended March 31			% Change
	2026	2025	2026 vs 2025
Volume (metric tonnes in thousands)			
Petroleum products	1,402	904	55 %
Total volume	1,402	904	55 %
Revenue days	852	607	40 %
Operating days	900	621	45 %

(1) The vessels which operate under international joint ventures 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 months ended March 31, 2026, and 2025, and presented herein:

For the three months ended March 31	2026	2025
Net earnings	\$ 8,715	\$ 944
<i>Adjustments to net earnings:</i>		
Depreciation and amortization	6,702	4,173
Interest expense	1,218	55
Income tax expense (recovery)	942	(88)
<i>Joint venture:</i>		
Interest expense	2,077	1,470
Depreciation and amortization	2,388	1,186
Foreign exchange loss (gain)	(876)	387
Income tax expense	22	—
EBITDA⁽¹⁾	\$ 21,188	\$ 8,127

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

2026 First Quarter Compared to the Corresponding Period in 2025

Revenue rose 40% in the quarter, driven by increased revenue days following the addition of the *Algoma Acadian* and *Algoma East Coast*, which entered service on the Canadian East Coast in the second quarter of 2025. Additionally, there were no regulatory dry-dockings for the tanker fleet in the first quarter of 2026, compared to two in the prior-year period, the *Algobera* and *Algotitan*, further increasing revenue days.

Operating costs were higher during the quarter as a result of increased operating days, partially offset by the above related savings in lay-up expense.

Joint venture earnings increased in the period driven by an increase in the number of FureBear vessels as compared to the prior period, eight compared to five, and by improved rates for intermediate product tankers in Northern Europe, where the FureBear and SeaBear fleets trade. The higher rates reflect the current market conditions influenced by demand for intermediate product tankers in Northern Europe due to high refinery utilization and refining margins.

Outlook

We expect demand to remain strong for our domestic tankers and for those assets to be fully employed in Canada over the remainder of 2026. FureBear results are expected to remain stable for the remainder of year. The remaining two FureBear newbuild tankers under construction are expected to be delivered May and July 2026, which will bring the FureBear fleet to ten vessels and the SeaBear fleet remaining at two vessels.

Algoma is closely monitoring developments regarding global tariffs and geopolitical events. At this time, we do not anticipate any material impact from tariffs on cargo volumes, and as none of our tanker fleet operates in conflict zones, we do not expect any related disruptions.

Ocean Self-Unloaders Segment

Financial Performance

For the three months ended March 31	2026	2025	Favourable/ (Unfavourable) 2026 vs 2025
<i>Average foreign exchange rate (USD/CAD)</i>	1.3715	1.4350	(0.0635)
Revenue	\$ 43,286	\$ 42,725	\$ 561
Operating expenses	(27,838)	(28,896)	1,058
Selling, general and administrative	(625)	(495)	(130)
Depreciation and amortization	(6,156)	(6,889)	733
Operating earnings	8,667	6,445	2,222
Net earnings from investment in joint ventures	378	169	209
Net earnings	\$ 9,045	\$ 6,614	\$ 2,431

Operational Performance

For the three months ended March 31	2026	2025	% Change 2026 vs 2025
Pool Volumes (metric tonnes in thousands) ⁽¹⁾			
Gypsum	761	892	(15)%
Aggregates	1,757	1,883	(7)%
Coal	1,770	1,628	9 %
Other	289	201	44 %
Total volumes	4,577	4,604	(1)%
Algoma Vessels			
Revenue days	665	551	21 %
Operating days	676	566	19 %
Off-hire days for dry-docking	44	154	(71)%

(1) Pool volumes exclude volumes carried on vessels that were under time charter arrangements and under joint ventures.

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 months ended March 31, 2026, and 2025, and presented herein:

For the three months ended March 31	2026	2025
Net earnings	\$ 9,045	\$ 6,614
<i>Adjustments to net earnings:</i>		
Depreciation and amortization	6,156	6,889
<i>Joint ventures:</i>		
Depreciation and amortization	139	178
Interest income	(2)	(1)
Foreign exchange loss	1	3
EBITDA⁽¹⁾	\$ 15,339	\$ 13,683

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

2026 First Quarter Compared to the Corresponding Period in 2025

Results for the Ocean Self-Unloader segment for first quarter of 2026 reflect the Company's share of the Pool's operating earnings following a restructuring of the Pool agreement effective the second quarter of 2025, where the Company's prior-year results reflect revenues earned and operating expenses incurred by the Company's own vessels.

Revenues for the Pool remained strong for the current quarter as a result of increased revenue days, driven by higher demand for coal and salt, further increased by recoveries from the prior year.

Operating expenses decreased as a result of reduced dry-dockings and off-hire incidents during the period compared to the prior-year period, when the *Algoma Verity* was off-hire and one dry-dockings occurred, with only the *Algoma Valour* completing its scheduled dry-dock at the beginning of the current quarter.

Outlook

Vessel utilization is expected to improve in 2026 with substantially fewer dry-dockings compared to 2025. Volumes are expected to improve modestly for the remainder of the year. During the quarter, the Company took delivery of the *Algoma Celebration*, second of three newbuild ocean self-unloaders to commence operations in the Pool in the second quarter. Together these new vessels, will offer improved fuel efficiency compared to the vessels they replace.

Global Short Sea Shipping Segment

Financial Performance

For the three months ended March 31	2026	2025	Favourable/ (Unfavourable) 2026 vs 2025
<i>Average foreign exchange rate (USD/CAD)</i>	1.3715	1.4350	(0.0635)
Revenue	\$ 30,682	\$ 59,927	\$ (29,245)
Operating expenses	(24,176)	(42,690)	18,514
Selling, general and administrative	(1,480)	(1,818)	338
Depreciation and amortization	(3,819)	(11,029)	7,210
Operating earnings	1,207	4,390	(3,183)
Interest expense	(606)	(1,295)	689
Foreign exchange gain (loss)	(226)	667	(893)
Earnings before undernoted	375	3,762	(3,387)
Income tax recovery (expense)	6	(727)	733
Net earnings (loss) of joint ventures and associate	(802)	1,385	(2,187)
Net loss (earnings) attributable to non-controlling interest	200	(617)	817
<i>Net earnings (loss)</i>	\$ (221)	\$ 3,803	\$ (4,024)
<i>Company share of net earnings (loss) above</i>	\$ (111)	\$ 1,902	\$ (2,013)
Amortization of vessel purchase price allocation and intangibles	(68)	(71)	3
<i>Company share included in net earnings from investments in joint ventures</i>	\$ (179)	\$ 1,831	\$ (2,010)

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 months ended March 31, 2026, and 2025, and presented herein:

For the three months ended March 31	2026	2025
Company share of net earnings (loss) from investments in joint ventures	\$ (179)	\$ 1,831
<i>Adjustments to net earnings (loss) (company's share):</i>		
Depreciation and amortization	1,978	5,586
Interest expense	303	648
Income tax expense (recovery)	(3)	364
Foreign exchange loss (gain)	113	(334)
<i>Company share of EBITDA from investments in joint ventures⁽¹⁾</i>	\$ 2,212	\$ 8,095

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

2026 First Quarter Compared to the Corresponding Period in 2025

Revenues in this segment, which include our NASC (mini-bulker), NACC (cement), and NABH (handy-size) joint ventures, decreased in the quarter due to Algoma's reduced ownership interest in the cement carrier business. The transaction, which closed in the fourth quarter of 2025, reduced Algoma's interest from 50% to 24.5% in certain vessels within NACC's fleet. Notwithstanding the change in ownership structure, the cement fleet experienced a decline in revenue days driven by more dry-dockings, partially offset by steady freight rates compared to the same period in the prior year.

The mini-bulker fleet experienced lower revenues compared to the previous year due to exposure to market conditions and weather delays. The handy-size fleet improved slightly benefiting from higher market rates offset by adverse weather conditions in the current quarter.

Operating expenses decreased in the period mainly as a result of the reduced ownership interest in the cement carrier business. This was partially offset by higher dry-docking spend in the Global Short Sea fleet.

Outlook

In 2026, we anticipate steady rates across the fleets with the majority of the assets committed to long-term time charters or contracts of affreightment during the period. Additionally, spot market conditions in the mini-bulk segment are expected to remain stable. In the second quarter of 2026, the handy-size fleet will be reduced to one vessel, with the sale of one of NABH's two handy-sized assets.

Three newbuild 9.5K deadweight mini-bulkers, and three 38K deadweight pneumatic cement carriers, which will be the largest specialized cement carriers in the world, are currently under construction and are scheduled for delivery throughout 2026 and 2028.

Corporate Segment

Financial Performance

For the three months ended March 31	2026		2025		Favourable/ (Unfavourable)
					2026 vs 2025
Revenue	\$	622	\$	634	\$ (12)
Operating expenses		(205)		(237)	32
Selling, general and administrative		(7,853)		(4,552)	(3,301)
Depreciation and amortization		(412)		(428)	16
Operating loss		(7,848)		(4,583)	(3,265)
Interest expense, net		(5,459)		(4,438)	(1,021)
Gain on business acquisition		3,665		—	3,665
Gain on sale of property		119		—	119
Foreign exchange loss		(1,145)		(177)	(968)
Income tax recovery		5,279		2,436	2,843
Net earnings from investment in joint venture		931		1,400	(469)
<i>Net loss</i>	\$	(4,458)	\$	(5,362)	\$ 904

The Corporate segment consists of revenue from management services provided to third parties, head office expenditures, other administrative expenses of the Company, and earnings from a joint venture in a mechanical, machining, and fabrication shop called Allied Marine & Industrial ("AMI"). The Company 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.

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 March 20, 2026, the Company acquired 100 percent of the issued share capital and obtained control of a Canadian-flag dry-bulk marine carrier, that will operate in the Company's domestic dry-bulk segment. The excess of the net identifiable assets acquired over the total consideration resulted in a gain on acquisition of \$9,665. Post-acquisition costs of \$6,000 have been recognized, reflecting the plan to retire certain vessels acquired, and include an estimate of severance costs, resulting in a net gain of \$3,665. Acquisition-related costs, included in selling, general and administrative expenses, amount to \$1,485.

Consolidated

Interest Expense

For the three months ended March 31	2026		2025		Favourable/ (Unfavourable)
					2026 vs 2025
Interest expense on borrowings	\$	6,488	\$	5,559	\$ (929)
Amortization of financing costs		342		199	(143)
Capitalized interest		—		(1,130)	(1,130)
	\$	6,830	\$	4,628	\$ (2,202)

Income Taxes

For the three months ended March 31				Favourable/ (Unfavourable)
	2026	2025	2026 vs 2025	
Combined federal and provincial statutory income tax rate	26.5 %	26.5 %	— %	
Net loss before income tax and net earnings from investments in joint ventures	\$ (13,462)	\$ (40,346)	\$ 26,884	
Expected income tax recovery	\$ 3,567	\$ 10,692	\$ (7,125)	
Tax effects resulting from:				
Foreign tax rates different from Canadian statutory rate	2,407	1,678	729	
Effect of items that are non-taxable	2,561	—	2,561	
Other	(58)	7	(65)	
Actual tax recovery	\$ 8,477	\$ 12,377	\$ (3,900)	

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

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

Capital Resources

The Company has cash on hand of \$30,493 at March 31, 2026. Available credit facilities along with projected cash from operations for 2026 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 \$111.5 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 March 31, 2026, \$195,428 had been withdrawn from the Facility. In addition, the Company maintains an accordion feature that provides for increased borrowings by up to an additional \$100 million Canadian. The accordion remains fully available as at March 31, 2026.

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 March 31, 2026, the Company was in compliance with all of its covenants.

Financial Condition, Liquidity and Capital Resources

Cash Flows

For the three months ended March 31				Favourable/ (Unfavourable)
	2026	2025	2026 vs 2025	
Net cash generated from (used in) operating activities	\$ (4,317)	\$ 7,755	\$ (12,072)	
Net cash used in investing activities	(66,277)	(155,199)	88,922	
Net cash generated from financing activities	63,396	180,603	(117,207)	
Net change in cash	(7,198)	33,159	(40,357)	
Effects of exchange rate changes on cash held in foreign currencies	533	(405)	938	
Cash, beginning of period	37,158	3,545	33,613	
<i>Cash, end of period</i>	\$ 30,493	\$ 36,299	\$ (5,806)	

Operating Activities

Net cash used in operating activities in the quarter reflects working capital cash flows and higher income tax payments partially offset with increases in other non-cash adjustments.

Investing Activities

Higher net cash used in investing activities in the first quarter of 2025 reflects the deliveries of three newbuild vessels compared with one addition in the current year. The cash used in the first quarter of 2026 also reflects the acquisition of a business and the sale of assets.

Financing Activities

Higher net cash generated from financing activities in 2025 reflects proceeds from new long-term debt to facilitate investment in the Product Tankers segment.

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 months ended March 31, 2026 and 2025, and presented herein:

For the three months ended March 31			Favourable/ (Unfavourable)
	2026	2025	2026 vs 2025
Net cash generated from (used in) operating activities	\$ (4,317)	\$ 7,755	\$ (12,072)
Net debt service repayments	(5,393)	(6,328)	935
Capital required for maintenance of existing assets	(9,765)	(20,736)	10,971
<i>Free cash flow⁽¹⁾</i>	\$ (19,475)	\$ (19,309)	\$ (166)

(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 reflects increased cash used in operating activities offset by lower capital maintenance due to reduced dry-dockings in 2026 compared with the prior-year period.

Normal Course Issuer Bid

Effective March 23, 2026, the Company renewed its normal course issuer bid (the "2026 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 9, 2026.

Under the 2026 NCIB, the Company may purchase up to 2,057 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 23, 2026 and ending on March 22, 2027. 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 2026 NCIB and the previous year NCIB, no Shares were purchased for the three months ended March 31, 2026 or 2025.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at and subsequent to March 31, 2026 that affect the Company's liquidity and capital resource needs.

	2026	2027	2028	2029	2030	2031 and Beyond	Total
Short-term borrowings	\$ 195,428	\$ —	\$ —	\$ —	\$ —	\$ —	195,428
Long-term debt	6,526	36,582	8,682	8,648	67,192	304,201	431,831
Interest payments on long-term debt	16,130	16,928	16,507	15,149	14,532	49,752	128,998
Vessel purchase commitments	27,056	72,232	—	—	—	—	99,288
Vessel purchase commitments through joint ventures (Algoma share) ⁽¹⁾	65,775	41,204	52,165	—	—	—	159,144
AMI share purchase	—	—	—	—	5,757	—	5,757
Service contracts	1,003	1,003	1,003	1,003	1,003	4,010	9,025
Leases	147	204	149	137	137	288	1,062
	\$ 312,065	\$ 168,153	\$ 78,506	\$ 24,937	\$ 88,621	\$ 358,251	\$ 1,030,533

(1) The joint venture commitments above include the construction of two product tankers, three mini-bulker vessels, two self-unloaders, and three 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 March 31, 2026. 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 March 31, 2026.

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 March 31, 2026.

Changes in Internal Controls over Financial Reporting

During the period ended March 31, 2026, 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.

Adoption of New and Amended Accounting Pronouncements

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

In May 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 Company adopted these amendments effective January 1, 2026. The amendments clarify when a financial asset or a financial liability is recognized and derecognized. They also introduce an exception that permits an entity to derecognize a financial liability before the settlement date when the financial liability is settled with cash, using an electronic payment system that meets specific criteria. The Company's financial statements are not materially affected by the application of the amendments.

Accounting Pronouncements Issued But Not Yet Effective

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. The Company is assessing the impact of IFRS 18 on its consolidated financial statements.

ALGOMA CENTRAL CORPORATION
Interim Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2026 and 2025

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 months ended March 31, 2026 and 2025 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 (Loss)

For the three months ended March 31 (unaudited, in thousands of dollars, except per share data)	Notes	2026	2025
Revenue	5	\$ 127,781	\$ 107,201
Operating expenses		(122,938)	(113,258)
Selling, general and administrative expenses		(13,735)	(10,989)
Depreciation and amortization		(21,115)	(18,630)
Operating loss		(30,007)	(35,676)
Interest expense	7	(6,830)	(4,628)
Interest income		153	135
Gain on business acquisition	22	3,665	—
Gain on sale of assets	10	20,702	—
Foreign exchange loss		(1,145)	(177)
		(13,462)	(40,346)
Income tax recovery	8	8,477	12,377
Net earnings from investments in joint ventures	6	7,209	4,689
Net earnings (loss)		\$ 2,224	\$ (23,280)
Basic and diluted earnings (loss) per share		\$ 0.05	\$ (0.57)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings (Loss)

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Net earnings (loss)	\$ 2,224	\$ (23,280)
Other comprehensive earnings:		
Items that may be subsequently reclassified to net loss:		
Unrealized gain on translation of foreign operations	10,668	7,039
Unrealized gain (loss) on hedging instruments, net of income tax	(3,879)	189
Items that will not be subsequently reclassified to net loss:		
Employee future benefits actuarial loss, net of income tax	(153)	(247)
	6,636	6,981
Comprehensive earnings (loss)	\$ 8,860	\$ (16,299)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	March 31 2026	December 31 2025
Assets			
Current			
Cash		\$ 30,493	\$ 37,158
Accounts receivable		83,394	85,989
Income taxes recoverable		5,454	2,910
Other current assets	9	53,489	49,527
		172,830	175,584
Property, plant, and equipment	10	1,205,062	1,100,265
Investments in joint ventures	6	431,717	410,813
Goodwill	11	7,910	7,910
Employee future benefits		27,458	28,481
Other assets	12	11,790	47,651
		\$ 1,856,767	\$ 1,770,704
Liabilities			
Current			
Accounts payable and accrued charges		\$ 144,231	\$ 114,544
Short-term borrowings	13	195,428	117,412
Current portion of long-term debt	14	8,243	8,112
Income taxes payable		2,787	3,303
Other current liabilities		12,211	2,845
		362,900	246,216
Long-term debt	14	413,764	410,831
Employee future benefits		17,456	17,696
Deferred income taxes		52,019	85,346
Other long-term liabilities		2,103	2,275
		848,242	762,364
Commitments	18		
Shareholders' Equity			
Share capital	15	57,093	57,093
Contributed surplus		3,052	3,547
Accumulated other comprehensive earnings (loss)	16	3,705	(3,084)
Retained earnings		944,675	950,784
		1,008,525	1,008,340
		\$ 1,856,767	\$ 1,770,704

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 (Note 15)	Contributed Surplus	Accumulated Other Comprehensive Earnings (Loss) (Note 16)	Retained Earnings	Total Equity
Balance at January 1, 2025	\$ 57,093	\$ 3,357	\$ 5,966	\$ 833,432	\$ 899,848
Net loss	—	—	—	(23,280)	(23,280)
Dividends	—	—	—	(6,842)	(6,842)
Share-based compensation	—	133	—	—	133
Other comprehensive earnings (loss)	—	—	7,228	(247)	6,981
Balance at March 31, 2025	\$ 57,093	\$ 3,490	\$ 13,194	\$ 803,063	\$ 876,840
Balance at January 1, 2026	\$ 57,093	\$ 3,547	\$ (3,084)	\$ 950,784	\$ 1,008,340
Net earnings	—	—	—	2,224	2,224
Dividends	—	—	—	(8,180)	(8,180)
Share-based compensation	—	(495)	—	—	(495)
Other comprehensive earnings (loss)	—	—	6,789	(153)	6,636
Balance at March 31, 2026	\$ 57,093	\$ 3,052	\$ 3,705	\$ 944,675	\$ 1,008,525

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the three months ended March 31 (unaudited, in thousands of dollars)	Notes	2026	2025
Net inflow (outflow) of cash related to the following activities			
Operating			
Net earnings (loss)		\$ 2,224	\$ (23,280)
Net earnings from investments in joint ventures	6	(7,209)	(4,689)
Items not affecting cash			
Depreciation and amortization		21,115	18,630
Gain on business acquisition	22	(3,665)	—
Gain on sale of assets	10	(20,702)	—
Other non-cash items		(102)	(7,357)
Net change in non-cash working capital		7,926	24,793
Income taxes paid		(3,477)	(179)
Employee future benefits paid		(427)	(163)
Net cash generated from (used in) operating activities		(4,317)	7,755
Investing			
Additions to property, plant, and equipment	17	(58,334)	(144,125)
Distributions received from joint ventures	6	—	8,719
Investment in joint ventures	6	(9,943)	(11,402)
Additions to vessels under construction		(2,076)	(8,391)
Business acquisition, net of cash acquired	22	(27,969)	—
Net proceeds from sale of assets	10	32,045	—
Net cash used in investing activities		(66,277)	(155,199)
Financing			
Interest and financing fees paid		(3,257)	(6,328)
Interest received		107	135
Net proceeds from short-term borrowings		77,004	83,842
Repayment of long-term debt	14	(2,136)	—
Proceeds from long-term debt	14	—	110,879
Dividends paid		(8,322)	(7,925)
Net cash generated from financing activities		63,396	180,603
Net change in cash		(7,198)	33,159
Effects of exchange rate changes on cash held in foreign currencies		533	(405)
Cash, beginning of period		37,158	3,545
Cash, end of period		\$ 30,493	\$ 36,299

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 months ended March 31, 2026 and 2025 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 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 interests in global joint ventures that own diversified portfolios of dry and liquid bulk fleets operating internationally. Across the global fleet, Algoma holds an ownership interest in over 100 vessels. In addition to its ownership interests, 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 24 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. The segment also includes the Company's 50% interest in an international joint venture comprising ten tankers, two 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 ten ocean-going self-unloading vessels. Eight of the ocean vessels 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. An additional ocean self-unloader is currently under construction, with delivery expected in 2027, and set to replace an older Algoma-owned vessel in the Pool. The segment also includes joint venture interests in three self-unloaders and two additional vessels currently under construction, with expected deliveries in 2028.

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 operation holds a 49% interest in 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. Three mini-bulkers and three pneumatic cement carriers are currently under construction for these joint ventures, with expected deliveries between 2026 and 2028.

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, 2025. The financial statements should be read in conjunction with the Company's Consolidated Financial Statements for the year ended December 31, 2025.

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 May 7, 2026.

3. Adoption of New and Amended Accounting Pronouncements

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

In May 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 Company adopted these amendments effective January 1, 2026. The amendments clarify when a financial asset or a financial liability is recognized and derecognized. They also introduce an exception that permits an entity to derecognize a financial liability before the settlement date when the financial liability is settled with cash, using an electronic payment system that meets specific criteria. The Company's financial statements are not materially affected by the application of the amendments.

4. Accounting Pronouncements Issued But Not Yet Effective

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. The Company is assessing the impact of IFRS 18 on its consolidated financial statements.

5. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Total
2026					
Contract of Affreightment	\$ 22,735	\$ 1,487	\$ —	\$ —	24,222
Time Charter	14,278	44,042	—	—	58,320
Pool Revenue Share	—	1,197	43,286	—	44,483
Other	121	13	—	622	756
	\$ 37,134	\$ 46,739	\$ 43,286	\$ 622	\$ 127,781
2025					
Contract of Affreightment	\$ 21,689	\$ 9	\$ 3,037	\$ —	24,735
Time Charter	8,753	33,282	—	—	42,035
Pool Revenue Share	—	—	39,688	—	39,688
Other	109	—	—	634	743
	\$ 30,551	\$ 33,291	\$ 42,725	\$ 634	\$ 107,201

In the first quarter of 2026, a product tanker vessel operated for a short period as part of a tanker Pool within Northern Europe, earning a percentage of the Pool revenue.

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

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Unbilled revenue (included in accounts receivable)	\$ 20,159	\$ 20,917
Deferred revenue (included in accounts payable and accrued charges)	2,008	1,000

6. Investments in Joint Ventures

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

As at (unaudited)			March 31 2026	December 31 2025
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%
CSL Norse Holdings AS ("Candeu")	Holds a 67% interest in two Handymax self-unloaders	Norway/Norway	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")	Holds a 49% interest in pneumatic cement carriers supporting worldwide infrastructure projects	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%

In December 2025, NACC sold 51% of a segment of its cement carrier business to an unrelated third party, retaining a 49% minority interest in the resulting associate.

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

For the three months ended March 31, 2026 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	\$ 37,885	\$ 1,749	\$ 10,973	\$ 30,682
Operating expenses	(18,845)	(1,169)	(7,474)	(24,176)
General and administrative	(1,376)	(143)	(834)	(1,480)
Depreciation and amortization	(4,776)	(278)	(75)	(3,819)
Operating earnings	12,888	159	2,590	1,207
Interest income (expense)	(4,153)	4	4	(606)
Foreign exchange gain (loss)	1,751	(1)	(8)	(226)
Earnings before undernoted	10,486	162	2,586	375
Net earnings (loss) of joint ventures and associate	1,715	594	—	(802)
Net loss attributable to non-controlling interest	—	—	—	200
Income tax recovery (expense)	(43)	—	(685)	6
Net earnings (loss)	\$ 12,158	\$ 756	\$ 1,901	\$ (221)
Company share of net earnings (loss)	\$ 6,079	\$ 378	\$ 931	(111)
Amortization of vessel purchase price allocation and intangibles	—	—	—	(68)
Company share included in net earnings of joint ventures	\$ 6,079	\$ 378	\$ 931	(179)

For the three months ended March 31, 2025 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	\$ 18,699	\$ 1,994	\$ 11,866	\$ 59,927
Operating expenses	(9,987)	(1,140)	(7,178)	(42,690)
General and administrative	(764)	(156)	(811)	(1,818)
Depreciation and amortization	(2,371)	(356)	(86)	(11,029)
Operating earnings	5,577	342	3,791	4,390
Interest income (expense)	(2,939)	2	3	(1,295)
Foreign exchange gain (loss)	(774)	(6)	(2)	667
Loss on sale of asset	—	—	(2)	—
Earnings before undernoted	1,864	338	3,790	3,762
Net earnings of joint ventures	713	—	—	1,385
Net earnings attributable to non-controlling interest	—	—	—	(617)
Income tax expense	—	—	(933)	(727)
Net earnings	\$ 2,577	\$ 338	\$ 2,857	\$ 3,803
Company share of net earnings	\$ 1,289	\$ 169	\$ 1,400	\$ 1,902
Amortization of vessel purchase price allocation and intangibles	—	—	—	(71)
Company share included in net earnings of joint ventures	\$ 1,289	\$ 169	\$ 1,400	\$ 1,831

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

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Product Tankers	\$ 6,079	\$ 1,289
Ocean Self-Unloaders	378	169
Corporate	931	1,400
Global Short Sea Shipping	(179)	1,831
	\$ 7,209	\$ 4,689

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

As at March 31, 2026 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	\$ 28,251	\$ 2,000	\$ 3,078	\$ 7,568
Other current assets	19,908	2,221	9,201	21,527
Income taxes recoverable	13	53	—	668
Property, plant, and equipment	443,207	2,284	1,785	209,679
Investment in joint ventures and associate	30,197	45,292	—	291,692
Other assets	35,398	—	—	41,016
Current liabilities	(16,123)	(2,044)	(4,945)	(33,677)
Income taxes payable	—	—	(415)	—
Current portion of long-term debt	(15,589)	—	(337)	(42,059)
Long-term debt	(277,530)	—	(684)	(10,933)
Other long-term liabilities	—	—	—	(376)
Non-controlling interest	—	—	—	(15,225)
Net assets of joint ventures	\$ 247,732	\$ 49,806	\$ 7,683	\$ 469,880
Company share of net assets	\$ 123,866	\$ 24,903	\$ 3,765	\$ 234,940
Goodwill and other purchase price adjustments	—	21,236	4,048	18,959
Company share of joint ventures	\$ 123,866	\$ 46,139	\$ 7,813	\$ 253,899

As at December 31, 2025 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	\$ 22,169	\$ 1,286	\$ 2,840	\$ 6,111
Other current assets	12,837	2,172	4,431	21,877
Income taxes recoverable	12	52	—	437
Property, plant, and equipment	453,972	2,643	1,876	165,984
Investment in joint ventures and associate	27,984	42,112	—	286,809
Other assets	35,164	—	—	51,289
Current liabilities	(12,025)	(1,876)	(2,198)	(26,551)
Income taxes payable	—	—	(9)	—
Current portion of long-term debt	(15,801)	—	(337)	(34,160)
Long-term debt	(286,254)	—	(820)	(13,753)
Other long-term liabilities	—	—	—	(370)
Non-controlling interest	—	—	—	(15,170)
Net assets of joint ventures	\$ 238,058	\$ 46,389	\$ 5,783	\$ 442,503
Company share of net assets	\$ 119,029	\$ 23,195	\$ 2,834	\$ 221,252
Goodwill and other purchase price adjustments	—	21,814	4,048	18,641
Company share of joint ventures	\$ 119,029	\$ 45,009	\$ 6,882	\$ 239,893

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

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Product Tankers	\$ 123,866	\$ 119,029
Ocean Self-Unloaders	46,139	45,009
Corporate	7,813	6,882
Global Short Sea Shipping	253,899	239,893
	\$ 431,717	\$ 410,813

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

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Revenue	\$ 323	\$ 331
Operating expenses	(4,538)	(5,440)

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Accounts receivable	\$ 8,316	\$ 7,606
Accounts payable	(1,285)	(648)
Loans guaranteed by the Company	(75,425)	(74,561)

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

For the three months ended March 31 (unaudited, in thousands of dollars)	2026		2025	
	Distributions received	Investment in joint ventures	Distributions received	Investment in joint ventures
Product Tankers	\$ —	\$ —	\$ 1,581	\$ (3,541)
Global Short Sea Shipping	—	(9,943)	7,138	(7,861)
	\$ —	\$ (9,943)	\$ 8,719	\$ (11,402)

7. Interest Expense

The components of interest expense are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Interest expense on borrowings	\$ 6,488	\$ 5,559
Amortization of financing costs	342	199
Capitalized interest	—	(1,130)
	\$ 6,830	\$ 4,628

8. 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:

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Combined federal and provincial statutory income tax rate	26.5%	26.5%
Net loss before income tax and net earnings from investments in joint ventures	\$ (13,462)	\$ (40,346)
Expected income tax recovery	\$ 3,567	\$ 10,692
Tax effects resulting from:		
Foreign tax rates different from Canadian statutory rate	2,407	1,678
Effect of items that are non-taxable	2,561	—
Other	(58)	7
Actual tax recovery	\$ 8,477	\$ 12,377

9. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Materials, fuel and supplies	\$ 18,336	\$ 14,618
Prepaid expenses	21,491	20,919
Mortgage receivable	13,500	13,500
Other	162	490
	\$ 53,489	\$ 49,527

10. 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, 2025	\$ 744,039	\$ 236,100	\$ 445,333	\$ 27,441	\$ 1,452,913
Additions	58,617	103,061	72,493	581	234,752
Transfer from vessels under construction	18,557	56,089	27,346	—	101,992
Fully depreciated assets no longer in use	(2,506)	(1,019)	(14,692)	—	(18,217)
Effect of foreign currency exchange differences	(27)	(6,848)	(22,103)	(3)	(28,981)
Balance at December 31, 2025	\$ 818,680	\$ 387,383	\$ 508,377	\$ 28,019	\$ 1,742,459
Additions	35,497	460	54,715	582	91,254
Transfer from vessels under construction	—	—	36,882	—	36,882
Disposals	(10,758)	—	—	—	(10,758)
Effect of foreign currency exchange differences	9	2,352	10,193	1	12,555
Balance at March 31, 2026	\$ 843,428	\$ 390,195	\$ 610,167	\$ 28,602	\$ 1,872,392

Accumulated depreciation (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Total
Balance at January 1, 2025	\$ 248,338	\$ 101,537	\$ 219,180	\$ 16,377	\$ 585,432
Depreciation expense	31,296	23,130	29,790	1,578	85,794
Fully depreciated assets no longer in use	(2,506)	(1,019)	(14,692)	—	(18,217)
Effect of foreign currency exchange differences	—	(40)	(10,773)	(2)	(10,815)
Balance at December 31, 2025	\$ 277,128	\$ 123,608	\$ 223,505	\$ 17,953	\$ 642,194
Depreciation expense	7,845	6,702	6,156	379	21,082
Effect of foreign currency exchange differences	—	93	3,960	1	4,054
Balance at March 31, 2026	\$ 284,973	\$ 130,403	\$ 233,621	\$ 18,333	\$ 667,330

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Total
March 31, 2026					
Cost	\$ 843,428	\$ 390,195	\$ 610,167	\$ 28,602	\$ 1,872,392
Accumulated depreciation	284,973	130,403	233,621	18,333	667,330
	\$ 558,455	\$ 259,792	\$ 376,546	\$ 10,269	\$ 1,205,062
December 31, 2025					
Cost	\$ 818,680	\$ 387,383	\$ 508,377	\$ 28,019	\$ 1,742,459
Accumulated depreciation	277,128	123,608	223,505	17,953	642,194
	\$ 541,552	\$ 263,775	\$ 284,872	\$ 10,066	\$ 1,100,265

During the quarter, the Company took delivery of the second of three newbuild ocean self-unloaders to commence operations in the Pool in the second quarter. Also during the quarter, a domestic dry-bulk self-unloader was sold, with related inventory, to a third party for cash proceeds of \$31,926 resulting in a gain on sale of \$20,583. Within the Corporate segment, a parcel of land was sold for net proceeds and gain of \$119.

Additions in the domestic dry-bulk segment reflect the business acquisition values recognized for five self-unloaders and one bulker vessel (Note 22).

11. 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.

12. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Vessels under construction	\$ 9,806	\$ 46,384
Derivative asset	1,194	1,194
Right-of-use assets	781	64
Other	9	9
	\$ 11,790	\$ 47,651

The components of vessels under construction are as follows:

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Vessel build progress payments	\$ 9,502	\$ 42,302
Supervision and other	304	4,082
	\$ 9,806	\$ 46,384

13. Short-Term Borrowings

Short-term borrowings comprise the following:

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Draws under Bank Facility, expiring October 11, 2027		
CORRA loans, weighted average interest at 5.31%, payable within the month	\$ 115,000	\$ 90,000
SOFR loans, U.S. \$57,700 (2025 - \$20,000), weighted average interest at 6.52%, payable within the month	80,428	27,412
	\$ 195,428	\$ 117,412

The Company's bank credit facility (the "Facility") comprises a Canadian \$125 million (2025 - \$125 million) and a U.S. \$111.5 million (2025 - \$111.5 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 March 31, 2026 and December 31, 2025, the Company was in compliance with all of its covenants.

14. Long-Term Debt

As at (unaudited, in thousands of dollars)	March 31 2026	December 31 2025
Senior Secured Notes		
U.S. \$20,000, interest at 3.37%, due December 10, 2027	\$ 27,878	\$ 27,412
U.S. \$42,000, interest at 3.60%, due December 10, 2030	58,544	57,565
U.S. \$35,000, interest at 3.70%, due December 10, 2032	48,786	47,971
U.S. \$50,000, interest at 3.80%, due December 10, 2035	69,695	68,530
Canadian \$128,000, interest at 4.01%, due December 10, 2035	128,000	128,000
Term loan, U.S. \$65,973 (2025 - \$67,472), interest at 4.98%, due March, 2037	91,959	92,477
Non-revolving Term Credit, interest at 4.77%, due March 28, 2030	6,840	6,911
Mortgage payable, interest at 7.75%, due June 27, 2034	129	139
	431,831	429,005
Less: unamortized financing expenses	9,824	10,062
	422,007	418,943
Less: current portion of long-term debt and unamortized financing expenses	8,243	8,112
	\$ 413,764	\$ 410,831

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.

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 with 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. The interest rate swap is designated as a cash flow hedging instrument with a notional amount equal to the outstanding U.S. term loan balance. Under the terms of the swap, the Company quarterly pays a fixed rate of 3.52% and receives a floating rate based on SOFR. Hedge effectiveness is measured using the dollar offset test. At inception, the hedge was deemed to be highly effective. Effectiveness is measured quarterly, with effective gains or losses recognized in other comprehensive earnings and any ineffective portion recognized immediately in earnings.

The non-revolving term credit was entered into in March 2025 to refinance existing property. Equal monthly principal instalments of \$24 and interest calculated monthly at CORRA plus 2.20% are payable over a five-year term. The loan is secured by specific property assets and is subject to customary covenants and conditions.

The unamortized financing expenses relate to costs incurred to establish the long-term debt.

As at March 31, 2026 and December 31, 2025, the Company was in compliance with all of its covenants.

15. 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 March 31, 2026 or December 31, 2025.

The Company's Board of Directors authorized payment of a quarterly dividend to shareholders of \$0.21 per common share. The dividend will be paid on June 1, 2026 to shareholders of record on May 15, 2026.

Normal Course Issuer Bid

Effective March 23, 2026, the Company renewed its normal course issuer bid (the "2026 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 9, 2026.

Under the 2026 NCIB, the Company may purchase up to 2,057 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 23, 2026 and ending on March 22, 2027. 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 2026 NCIB and the previous year NCIB, no Shares were purchased for the three months ended March 31, 2026 and 2025.

16. Accumulated Other Comprehensive Earnings (Loss)

(unaudited, in thousands of dollars)	Hedges			Total
	Net investment	Debt Commitment	Foreign exchange translation	
Balance at January 1, 2025	\$ (43,543)	\$ —	\$ 49,509	\$ 5,966
Earnings (loss)	10,040	490	(19,474)	(8,944)
Income tax expense	(106)	—	—	(106)
Net other comprehensive earnings (loss)	9,934	490	(19,474)	(9,050)
Balance at December 31, 2025	\$ (33,609)	\$ 490	\$ 30,035	\$ (3,084)
Earnings (loss)	(3,425)	(490)	10,668	6,753
Income tax expense	36	—	—	36
Net other comprehensive earnings (loss)	(3,389)	(490)	10,668	6,789
Balance at March 31, 2026	\$ (36,998)	\$ —	\$ 40,703	\$ 3,705

17. Supplementary Disclosure of Cash Flow Information

Additions to property, plant and equipment are as follows:

For the three months ended March 31 (unaudited, in thousands of dollars)	2026	2025
Additions to property, plant, and equipment (Note 10)	91,254	\$ 155,518
Amounts included in working capital	(7,045)	(10,917)
Capitalized interest	—	(476)
Property, plant and equipment acquired as part of business acquisition (Note 22)	(25,875)	—
	\$ 58,334	\$ 144,125

18. Commitments

The table below reflects the commitments of the Company at March 31, 2026. Annual expected payments are detailed in Note 19.

(unaudited, in thousands of dollars)	
Construction of an ocean self-unloader	\$ 81,167
Purchase of two second-hand product tankers	18,121
Construction of two product tankers through a joint venture (Algoma share)	41,552
Construction of three mini-bulkers through a joint venture (Algoma share)	23,627
Construction of three cement carriers through a joint venture (Algoma share)	38,181
Construction of two self-unloading bulk carriers through a joint venture (Algoma share)	55,784
Purchase of remaining AMI shares	5,757
Non-cancellable service contract related to ERP system	9,025
	\$ 273,214

19. Financial Instruments and Risk Management

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

Fair Value

The Company's financial instruments, excluding derivative assets, are carried at amortized cost which, due to their short-term nature, approximates fair value. Derivative assets are remeasured for fair value at the end of each reporting period. The carrying values of the Company's financial liabilities approximate their fair values with the exception of long-term debt. The fair value hierarchy for the Company's financial liability not measured at fair value is as follows:

As at (unaudited, in thousands of dollars)	March 31	December 31
	2026	2025
Long-term debt		
Carrying value	\$ 431,831	\$ 429,005
Fair value, classified as Level 2	402,050	398,992

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)	2026	2027	2028	2029	2030	2031 and Beyond	Total
Short-term borrowings	\$ 195,428	\$ —	\$ —	\$ —	\$ —	\$ —	195,428
Long-term debt	6,526	36,582	8,682	8,648	67,192	304,201	431,831
Interest payments on long-term debt	16,130	16,928	16,507	15,149	14,532	49,752	128,998
Vessel purchase commitments	27,056	72,232	—	—	—	—	99,288
Vessel purchase commitments through joint ventures (Algoma share)	65,775	41,204	52,165	—	—	—	159,144
AMI share purchase	—	—	—	—	5,757	—	5,757
Service contract for ERP system	1,003	1,003	1,003	1,003	1,003	4,010	9,025
Leases	147	204	149	137	137	288	1,062
	\$ 312,065	\$ 168,153	\$ 78,506	\$ 24,937	\$ 88,621	\$ 358,251	\$ 1,030,533

Foreign Exchange Risk

At March 31, 2026 approximately 45% (December 31, 2025 - 44%) of the Company's total assets were denominated in U.S. dollars, including U.S. cash of \$17,327 (December 31, 2025 - \$16,114). Approximately 7% (December 31, 2025 - 7%) 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.

20. 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 March 31, 2026 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	\$ 37,134	\$ 46,739	\$ 43,286	\$ 622	\$ —	\$ 127,781
Operating expenses	(61,244)	(33,651)	(27,838)	(205)	—	(122,938)
Selling, general and administrative expenses	(3,667)	(1,590)	(625)	(7,853)	—	(13,735)
Depreciation and amortization	(7,845)	(6,702)	(6,156)	(412)	—	(21,115)
Operating earnings (loss)	(35,622)	4,796	8,667	(7,848)	—	(30,007)
Interest, net	—	(1,218)	—	(5,459)	—	(6,677)
Gain on business acquisition	—	—	—	3,665	—	3,665
Gain on sale of assets	20,583	—	—	119	—	20,702
Foreign exchange loss	—	—	—	(1,145)	—	(1,145)
	(15,039)	3,578	8,667	(10,668)	—	(13,462)
Income tax recovery (expense)	4,140	(942)	—	5,279	—	8,477
Net earnings (loss) from investments in joint ventures	—	6,079	378	931	(179)	7,209
Net earnings (loss)	\$ (10,899)	\$ 8,715	\$ 9,045	\$ (4,458)	\$ (179)	\$ 2,224

For the three months ended March 31, 2025 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	\$ 30,551	\$ 33,291	\$ 42,725	\$ 634	\$ —	\$ 107,201
Operating expenses	(56,385)	(27,740)	(28,896)	(237)	—	(113,258)
Selling, general and administrative expenses	(4,186)	(1,756)	(495)	(4,552)	—	(10,989)
Depreciation and amortization	(7,140)	(4,173)	(6,889)	(428)	—	(18,630)
Operating earnings (loss)	(37,160)	(378)	6,445	(4,583)	—	(35,676)
Interest, net	—	(55)	—	(4,438)	—	(4,493)
Foreign exchange loss	—	—	—	(177)	—	(177)
	(37,160)	(433)	6,445	(9,198)	—	(40,346)
Income tax recovery	9,853	88	—	2,436	—	12,377
Net earnings from investments in joint ventures	—	1,289	169	1,400	1,831	4,689
Net earnings (loss)	\$ (27,307)	\$ 944	\$ 6,614	\$ (5,362)	\$ 1,831	\$ (23,280)

As at March 31, 2026 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	\$ 65,360	\$ 24,640	\$ 34,087	\$ 48,743	\$ —	\$ 172,830
Property, plant, and equipment	558,455	259,792	376,546	10,269	—	1,205,062
Investments in joint ventures	—	123,866	46,139	7,813	253,899	431,717
Goodwill	7,910	—	—	—	—	7,910
Other assets	—	—	9,403	29,845	—	39,248
	\$ 631,725	\$ 408,298	\$ 466,175	\$ 96,670	\$ 253,899	\$ 1,856,767
Liabilities						
Current liabilities	\$ 70,437	\$ 33,347	\$ 13,332	\$ 237,541	\$ —	\$ 354,657
Current portion of long-term debt	50	7,908	—	285	—	8,243
Long-term liabilities	735	18,658	—	52,185	—	71,578
Long-term debt	79	79,059	—	334,626	—	413,764
	71,301	138,972	13,332	624,637	—	848,242
Shareholders' Equity	560,424	269,326	452,843	(527,967)	253,899	1,008,525
	\$ 631,725	\$ 408,298	\$ 466,175	\$ 96,670	\$ 253,899	\$ 1,856,767

As at December 31, 2025 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self- Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	\$ 66,042	\$ 15,782	\$ 40,078	\$ 53,682	\$ —	\$ 175,584
Property, plant, and equipment	541,552	263,775	284,872	10,066	—	1,100,265
Investments in joint ventures	—	119,029	45,009	6,882	239,893	410,813
Goodwill	7,910	—	—	—	—	7,910
Other assets	—	—	46,131	30,001	—	76,132
	\$ 615,504	\$ 398,586	\$ 416,090	\$ 100,631	\$ 239,893	\$ 1,770,704
Liabilities						
Current liabilities	\$ 56,731	\$ 29,269	\$ 18,106	\$ 133,998	\$ —	\$ 238,104
Current portion of long-term debt	50	7,777	—	285	—	8,112
Long-term liabilities	1,311	18,171	—	85,835	—	105,317
Long-term debt	88	79,681	—	331,062	—	410,831
	58,180	134,898	18,106	551,180	—	762,364
Shareholders' Equity	557,324	263,688	397,984	(450,549)	239,893	1,008,340
	\$ 615,504	\$ 398,586	\$ 416,090	\$ 100,631	\$ 239,893	\$ 1,770,704

21. 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 March 4, 2031. 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, 2025	606,602	\$ 15.80
Granted	279,858	14.84
Exercised	(146,250)	(15.02)
Number outstanding, at December 31, 2025	740,210	\$ 15.21
Granted	502,500	23.84
Exercised	(240,000)	(15.82)
Number outstanding, at March 31, 2026	1,002,710	\$ 19.39

The following table summarizes information relating to stock options outstanding as at March 31, 2026.

Exercise price per share (unaudited, amounts not stated in thousands)	Options outstanding	
	Number of shares	Remaining contractual life (years)
\$15.01	220,352	3.90
\$14.84	279,858	2.90
\$23.84	502,500	4.90
	1,002,710	

For the three months ended March 31, 2026, the Company recognized compensation expense for stock option awards of \$161 (2025 - \$133). For the three months ended March 31, 2026, 502,500 options (2025 - 279,858) were granted by the Company at a weighted average fair value of \$3.14 per option (2025 - \$2.01).

22. Business Acquisition

On March 20, 2026, the Company acquired 100 percent of the issued share capital and obtained control of a Canadian-flag dry-bulk marine carrier that will operate in the Company's domestic dry-bulk segment. The total consideration of \$41,572 includes capital expenditures of \$12,950 to prepare the vessels acquired for the operating season and \$28,622 funded through available cash. The acquisition qualifies as a business combination as defined by IFRS 3 *Business Combinations*. The excess of the net identifiable assets acquired over the total consideration resulted in a gain of \$9,665. Post-acquisition costs of \$6,000 have been recognized, reflecting the plan to retire certain vessels acquired, and include an estimate of severance costs, resulting in a net gain of \$3,665. Acquisition-related costs, included in selling, general and administrative expenses, amount to \$1,485.

The Company is within the measurement period as defined by IFRS 3 *Business Combinations*. Accordingly, the amounts recognized in connection with the acquisition are provisional, as the Company is in the process of finalizing the valuation of certain acquired assets and related closing adjustments. Adjustments to these provisional amounts may be recognized retrospectively in future reporting periods as additional information relating to facts and circumstances that existed at the acquisition date becomes available.

The provisional amounts recognized in respect of the identifiable assets acquired and liabilities assumed are presented below as follows:

(unaudited, in thousands of dollars)	
Cash	\$ 653
Accounts receivables	3,086
Other current assets	4,189
Deferred income taxes	24,277
Property, plant, and equipment	25,875
Other long-term assets	600
Accounts payable and accrued charges	(19,632)
Other liabilities	(761)
Gain on bargain purchase	(9,665)
Cash disbursed on acquisition	28,622
Capital expenditures included in current liabilities	12,950
Total consideration	\$ 41,572

Receivables include gross contractual amounts of \$5,015, of which \$1,929 is expected to be uncollectible.

(unaudited, in thousands of dollars)	
Gain on bargain purchase	\$ 9,665
Subsequent costs resulting from acquisition	(6,000)
Gain on business acquisition	\$ 3,665



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