ALGOMA CENTRAL CORPORATION

2024 INTERIM REPORT TO SHAREHOLDERS

For the Three and Nine Months Ended September 30, 2024 and 2023

YOUR MARINE CARRIER OF CHOICE.™

TABLE OF CONTENTS

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 nine months ended September 30, 2024 and 2023 and related notes thereto and has been prepared as at November 1, 2024.

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 2023 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 three other vessels.

The Company reports the results of its operations for five business units or segments. The largest is the Domestic Dry-Bulk segment, which includes the Company's 18 Canadian dry-bulk carriers. This segment serves a wide variety of major industrial sectors, including iron and steel producers, aggregate producers, cement and building material producers, salt producers, and agricultural product distributors.

The Product Tankers fleet consists of eight product tankers employed in Canadian flag service. The segment also includes the Company's 50% interest in a new international joint venture comprising ten tankers, eight 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.

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.

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

Impact of Seasonality on the Company

The nature of the Company's business is such that the earnings in the first quarter of each year are not indicative of the results for the other three quarters in the year. Due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Seaway, the majority of the Domestic Dry-Bulk fleet does not operate for most of the first quarter. In addition, significant repair and maintenance costs are incurred in the first quarter to prepare the Domestic Dry-Bulk fleet for the upcoming navigation season. As a result, first quarter revenues and earnings are significantly lower than those of the remaining quarters in the year.

Important Information About This MD&A

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

Forward-Looking Statements

Algoma Central Corporation's public communications often include written or oral forward-looking statements. Statements of this type are included in this document and may be included in other filings with Canadian securities regulators or in other communications. All such statements are made pursuant to the safe harbour provisions of any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2024 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price and the results of or outlook for our operations or for the Canadian, U.S. and global economies. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to:

- labour disputes that could affect the operations infrastructure upon which the Company relies;
- the impact of climate change on markets served by our customers, including the impact of drought conditions on agricultural outputs and the impact of winter conditions on production and/or sale of certain commodities;
- general economic and market conditions in the countries in which we operate;

- our success in maintaining and securing our information technology systems, including communications and data processing from accidental and malicious threats;
- our success in securing contract renewals and maintaining existing freight rates with existing customers;
- our success in securing contracts with new customers at acceptable freight rates;
- evolving regulations focused on carbon emissions and ballast water treatment that could require capital investments and increase costs that may not be recoverable from revenues;
- our ability to attract and retain qualified employees;
- interest rate and currency value fluctuations;
- our ability to execute our strategic plans and to complete and integrate acquisitions;
- critical accounting estimates;
- operational and infrastructure risks, including on-going maintenance and operational reliability of the St. Lawrence Seaway;
- on-time and on-budget delivery of new ships from shipbuilders;
- general political conditions;
- labour relations with our unionized workforce;
- the possible effects on our business of war or terrorist activities;
- disruptions to public infrastructure, such as transportation, communications, power or water supply, including water levels;
- technological changes;
- significant competition in the shipping industry and from other transportation providers;
- reliance on partnering relationships;
- appropriate maintenance and repair of our existing fleet by third-party contractors;
- health and safety regulations that affect our operations can change and be onerous and the risk of safety incidents can affect results;
- a change in applicable laws and regulations, including environmental regulations, could materially affect our results;
- economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels;
- our ability to raise new equity and debt financing, if required;
- general weather conditions or natural disasters;
- the seasonal nature of our business; and,
- risks associated with the lease and ownership of real estate.

This should not be considered a complete list of all risks to which the Company may be subject from time to time. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements.

The Company does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at the dates presented, our strategic priorities, and our objectives, and may not be appropriate for other purposes.

For more information, please see the discussion of risks and uncertainties in the Company’s Annual Information Form for the year ended December 31, 2023, 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP, and do not have standardized meanings that would ensure consistency and comparability among companies using these measures. From Management’s perspective, these non-GAAP measures are useful measures of performance as they provide readers with a better understanding of how Management assesses performance. 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. 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 Discussion & Analysis.

Select Financial and Operational Highlights

Financial Highlights

For the periods ended September 30	Three Months Ended 2024	Three Months Ended 2023	Nine Months Ended 2024	Nine Months Ended 2023	Favourable/(Unfavourable) Three Months	Favourable/(Unfavourable) Nine Months
Reported revenue	**$ 204,644**	$ 205,888	**$ 494,826**	$ 519,898	$ (1,244)	$ (25,072)
Freight revenue[(1)]	**244,031**	245,196	**599,840**	627,530	(1,165)	(27,690)
Operating earnings	**43,172**	38,702	**30,543**	42,562	4,470	(12,019)
Net earnings	**39,914**	35,745	**40,125**	49,249	4,169	(9,124)
Basic earnings per share	**0.98**	0.93	**1.01**	1.28	0.05	(0.27)
Diluted earnings per share	**0.98**	0.85	**1.01**	1.20	0.13	(0.19)
EBITDA[(2)]	**75,696**	67,913	**122,833**	124,827	7,783	(1,994)
Free Cash Flow[(3)]	**9,497**	27,852	**30,183**	48,401	(18,355)	(18,218)

As at	**September 30 2024**	December 31 2023	2024 vs 2023
Common shares outstanding	**40,567,816**	38,509,127	2,058,689
Total assets	**$ 1,459,979**	$ 1,344,156	$ 115,823
Total long-term financial liabilities	**$ 320,841**	$ 377,021	$ (56,180)

(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 for the purpose of measuring the efficiency and effectiveness of our operations. The operational highlights below relate only to our Domestic Dry-Bulk, Product Tankers, and Ocean Self-Unloaders segments, and do not include the fleets in which we participate through joint ventures.

For the periods ended September 30	Three Months Ended 2024	Three Months Ended 2023	Nine Months Ended 2024	Nine Months Ended 2023
Total cargo carried (metric tonnes in thousands)[(1)]	**11,928**	12,985	**31,268**	33,127
Tonne-kilometres travelled (in millions)[(2)]	**10,728**	11,387	**29,083**	29,724
Operating days[(3)]	**2,929**	2,985	**7,340**	7,728
Vessel productivity[(4)]				
Domestic Dry-Bulk	**96 %**	98 %	**94 %**	96 %
Product Tankers	**97 %**	96 %	**97 %**	94 %
Ocean Self-Unloaders	**99 %**	99 %	**100 %**	99 %
Vessel capacity utilization[(5)]				
Domestic Dry-Bulk	**88 %**	98 %	**86 %**	98 %
Product Tankers	**100 %**	100 %	**100 %**	100 %
Ocean Self-Unloaders	**100 %**	100 %	**100 %**	96 %

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

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

(3) 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.

(4) Total number of days that vessels earned revenue expressed as a percentage of available operating days.

(5) Total number of operating days expressed as a percentage of the total number of days the vessels were available for use.

EBITDA

The Company uses EBITDA as a measure of the cash-generating capacity of its businesses. The following table provides a reconciliation of net earnings in accordance with GAAP to the non-GAAP EBITDA measure for the three and nine months ended September 30, 2024 and 2023, and presented herein:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30	**2024**	2023	**2024**	2023
Net earnings	**$ 39,914**	$ 35,745	**$ 40,125**	$ 49,249
Adjustments to net earnings, excluding joint ventures:				
Depreciation and amortization	**18,206**	16,268	**53,456**	48,759
Interest expense, net	**4,994**	3,992	**13,391**	12,702
Gain on sale of vessels	**(983)**	(169)	**(1,404)**	(4,782)
Foreign exchange loss (gain)	**(317)**	971	**(149)**	(3,018)
Income tax expense (recovery)	**6,420**	6,892	**(3,987)**	5,175
Joint venture adjustments:				
Interest expense, net	**1,310**	975	**3,725**	3,103
Foreign exchange loss (gain)	**(129)**	119	**185**	63
Depreciation and amortization	**5,590**	3,697	**15,486**	13,043
Income tax expense (recovery)	**616**	(577)	**2,728**	533
EBITDA[(1)]	**$ 75,696**	$ 67,913	**$ 122,833**	$ 124,827

(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		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Reported Revenue	**$ 204,644**	$ 205,888	**$ 494,826**	$ 519,898	$ (1,244)	$ (25,072)
Freight revenue[(1)]						
Domestic Dry-Bulk	**$ 119,207**	$ 128,117	**$ 253,799**	$ 288,743	$ (8,910)	$ (34,944)
Product Tankers	**41,902**	34,134	**111,950**	94,262	7,768	17,688
Ocean Self-Unloaders	**46,868**	43,726	**134,557**	137,286	3,142	(2,729)
Global Short Sea Shipping	**36,054**	39,219	**99,534**	107,239	(3,165)	(7,705)
Total freight revenue	**$ 244,031**	$ 245,196	**$ 599,840**	$ 627,530	$ (1,165)	$ (27,690)

(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.

Domestic Dry-Bulk Segment

Financial Performance

For the periods ended September 30	Three Months Ended 2024	2023	Nine Months Ended 2024	2023	Favourable/(Unfavourable) Three Months	Nine Months
Revenue	**$ 119,522**	$ 128,449	**$ 254,527**	$ 289,532	$ (8,927)	$ (35,005)
Operating expenses	**(76,215)**	(83,452)	**(210,189)**	(225,741)	7,237	15,552
Selling, general and administrative	**(3,304)**	(3,248)	**(10,787)**	(10,022)	(56)	(765)
Depreciation and amortization	**(7,124)**	(6,408)	**(20,363)**	(19,267)	(716)	(1,096)
Operating earnings	**32,879**	35,341	**13,188**	34,502	(2,462)	(21,314)
Gain on sale of vessel	**17**	—	**438**	—	17	438
Income tax expense	**(8,808)**	(9,537)	**(3,586)**	(9,297)	729	5,711
Net earnings	**$ 24,088**	$ 25,804	**$ 10,040**	$ 25,205	$ (1,716)	$ (15,165)

Operational Performance

For the periods ended September 30	Three Months Ended 2024	2023	Nine Months Ended 2024	2023	Favourable/(Unfavourable) Three Months	Nine Months
Volumes (metric tonnes in thousands)						
Power Generation	**—**	24	**20**	75	(24)	(55)
Iron and steel	**2,882**	2,559	**6,091**	5,893	323	198
Construction	**1,190**	1,608	**2,115**	3,102	(418)	(987)
Agriculture	**1,040**	1,212	**2,202**	2,451	(172)	(249)
Salt	**718**	1,452	**2,510**	3,553	(734)	(1,043)
Total volumes	**5,830**	6,855	**12,938**	15,074	(1,025)	(2,136)
Revenue Days	**1,471**	1,678	**3,213**	3,792	(207)	(579)
Operating Days	**1,535**	1,721	**3,421**	3,967	(186)	(546)

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 nine months ended September 30, 2024 and 2023 and presented herein:

For the periods ended September 30	Three Months Ended 2024	2023	Nine Months Ended 2024	2023	Favourable/(Unfavourable) Three Months	Nine Months
Net earnings	**$ 24,088**	$ 25,804	**$ 10,040**	$ 25,205	$ (1,716)	$ (15,165)
Adjustments to net earnings:						
Depreciation and amortization	**7,124**	6,408	**20,363**	19,267	716	1,096
Income tax expense	**8,808**	9,537	**3,586**	9,297	(729)	(5,711)
Gain on sale of vessel	**(17)**	—	**(438)**	—	(17)	(438)
EBITDA[1]	**$ 40,003**	$ 41,749	**$ 33,551**	$ 53,769	$ (1,746)	$ (20,218)

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

2024 Third Quarter Compared to the Corresponding Period in 2023

The decrease in revenue was driven by a 15% reduction in volumes, leading to a 12% drop in revenue days, partially offset by higher freight rates relating to a mix of trades and inflation-related pricing adjustments. The primary contributors behind the decrease in volumes were a continuation of reduced demand for construction and salt shipments throughout the quarter. Aggregates and related material volumes remain impacted by ongoing softness in the construction industry, while salt volumes have decreased significantly following several mild winters capped by an exceptionally warm season last year, resulting in full depots and, consequently, production cuts by our major customer. Lower construction and salt volumes were partially offset by an increase in iron and steel volumes reflecting domestic iron ore volume carried for a new customer during the quarter.

To mitigate the impact of reduced demand, Algoma kept three of its least efficient vessels in layup throughout the first and second quarters of 2024; however, with increased iron and steel demand and a gradual return of agricultural volumes in the third quarter, two of the three vessels were redeployed at the end of the quarter to meet rising customer needs and the third was redeployed to replace one vessel that is out of service for repairs.

Operating costs were lower during the quarter reflecting an 11% decrease in operating days driven by the lower volumes. This was partially offset by increased spending on long-term layups, the rising costs of supplies, including food, and higher crew costs compared to the prior year. The rise in crew costs continues to be driven by increased investments in crew training and higher wages, which reflect inflation-related adjustments.

Subsequent to the quarter, a new refund guarantee was put in place for the *Algoma Endeavour*, the 12th Equinox Class vessel currently under construction in Croatia, and delivery is expected in the first quarter of 2025.

Outlook

A large grain crop is expected to lead to improved utilization for the balance of the year, with spot business expected to fill remaining available domestic dry-bulk capacity for the current navigation season. Looking ahead to the first quarter of 2025, typical winter cargo volumes are expected for both salt and iron ore, assuming a return to normal winter conditions around the Great Lakes region.

Product Tankers Segment

Financial Performance

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Revenue	**$ 38,706**	$ 34,134	**$ 106,352**	$ 94,262	$ 4,572	$ 12,090
Operating expenses	**(30,018)**	(27,954)	**(83,807)**	(75,767)	(2,064)	(8,040)
Selling, general and administrative	**(1,376)**	(1,265)	**(4,523)**	(3,994)	(111)	(529)
Depreciation and amortization	**(4,114)**	(3,156)	**(12,451)**	(10,519)	(958)	(1,932)
Operating earnings	**3,198**	1,759	**5,571**	3,982	1,439	1,589
Gain on sale of vessel	**966**	—	**966**	4,588	966	(3,622)
Income tax recovery (expense)	**(493)**	344	**(303)**	(1,920)	(837)	1,617
Net earnings from investment in joint venture	**584**	154	**1,313**	504	430	809
Net earnings	**$ 4,255**	$ 2,257	**$ 7,547**	$ 7,154	$ 1,998	$ 393

Operational Performance[1]

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Volume (metric tonnes in thousands)						
Petroleum products	**903**	734	**2,651**	2,087	169	564
Total volume	**903**	734	**2,651**	2,087	169	564
Revenue days	**674**	600	**1,861**	1,732	74	129
Operating days	**696**	626	**1,925**	1,851	70	74

(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 nine months ended September 30, 2024 and 2023, and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Net earnings	**$ 4,255**	$ 2,257	**$ 7,547**	$ 7,154	$ 1,998	$ 393
Adjustments to net earnings:						
Depreciation and amortization	**4,114**	3,156	**12,451**	10,519	958	1,932
Income tax expense (recovery)	**493**	(344)	**303**	1,920	837	(1,617)
Gain on sale of vessel	**(966)**	—	**(966)**	(4,588)	(966)	3,622
Joint venture:						
Interest, net	**493**	—	**1,004**	—	493	1,004
Depreciation and amortization	**356**	—	**690**	—	356	690
Foreign exchange gain	**202**	—	**346**	—	202	346
EBITDA[1]	**$ 8,947**	$ 5,069	**$ 21,375**	$ 15,005	$ 3,878	$ 6,370

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

2024 Third Quarter Compared to the Corresponding Period in 2023

The revenue increase was driven by higher rates on new vessels and a 12% rise in revenue days, supported by a larger fleet size this year with the addition of the *Algosolis*. The *Algoluna*, which joined the fleet in the third quarter of 2023 replaced the retiring *Algosea.* Additionally, the segment benefited from having two vessels operating under international bareboat charters during the early part of the quarter compared to having one in the third quarter of 2023.

Operating costs were higher this quarter due to an 11% increase in operating days as a result of the larger fleet and increased crew expenses driven by additional expenses for crew onboarding and training for the *Algosolis* were required to ensure a well-trained and fully-staffed crew could assume command of the vessel when it joined the fleet. Higher wages, reflecting inflation-related adjustments this year, continue to impact operating costs. The increase was partially offset by lower dry-docking expenses, with only one vessel in dry-dock this quarter compared to two during the same period last year.

Joint venture earnings increased due to the addition of two vessels, the *Fure Vanguard* and *Fure Viken*, operating under FureBear. The *Fure Vanguard* joined the fleet in the first quarter of 2024, followed by the *Fure Viken* in the third quarter. These vessels are the first two of ten newbuild product tankers set to enter operations.

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

The $966 gain on sale of vessel during the 2024 third quarter relates to the sale of the *Fure Spear*, to FureBear's joint venture. During the first quarter of 2023, the *Algoma Hansa* and the *Algonorth* were sold, resulting in a $4,588 gain that is reflected in the 2023 year-to-date earnings.

Outlook

We expect customer demand in the segment to remain steady in the fourth quarter of 2024 and for fuel distribution patterns within Canada to support strong vessel utilization for the vessels trading under Canadian flag. The fleet is expected to be in full deployment through the remainder of the year, with all eight Canadian vessels in operation.

With the delivery of the first FureBear newbuild in February, 2024 and the second in September, 2024, eight new tankers remain on order for the joint venture, with delivery expected between late 2024 and 2026. In late October, we took delivery of the *Fure Viskär* and expect delivery of one more newbuild FureBear tanker in November, 2024. The Company is anticipating a continued strong rate environment for these tankers. Construction has also begun on two additional product tankers for our domestic fleet, with deliveries expected in early 2025. These vessels will be entered on long-term charters to Irving Oil under Canadian flag, servicing the company's refinery in Saint John, New Brunswick.

Ocean Self-Unloaders Segment

Financial Performance

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Average foreign exchange rate (USD/CAD)	**1.3637**	1.3431	**1.3603**	1.3475	0.0206	0.0128
Revenue	**$ 45,803**	$ 42,469	**$ 131,821**	$ 133,974	$ 3,334	$ (2,153)
Operating expenses	**(27,254)**	(30,866)	**(84,699)**	(96,800)	3,612	12,101
Selling, general and administrative	**(463)**	(533)	**(1,393)**	(1,630)	70	237
Depreciation and amortization	**(6,528)**	(6,297)	**(19,454)**	(17,815)	(231)	(1,639)
Operating earnings	**11,558**	4,773	**26,275**	17,729	6,785	8,546
Income tax expense	**—**	—	**(35)**	—	—	(35)
Net earnings from investment in joint venture	**331**	447	**618**	979	(116)	(361)
Net earnings	**$ 11,889**	$ 5,220	**$ 26,858**	$ 18,708	$ 6,669	$ 8,150

Operational Performance

	Three Months Ended		Six Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Pool Volumes (metric tonnes in thousands)(1)						
Gypsum	**941**	885	**2,951**	2,851	56	100
Aggregates	**2,167**	2,588	**6,838**	7,027	(421)	(189)
Coal	**1,954**	1,817	**5,414**	5,535	137	(121)
Other	**133**	106	**476**	553	27	(77)
Total volumes	**5,195**	5,396	**15,679**	15,966	(201)	(287)
Algoma Vessels						
Revenue days	**694**	631	**1,985**	1,894	63	91
Operating days	**698**	638	**1,994**	1,910	60	84
Off-hire days for dry-docking	**38**	103	**200**	280	65	80

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

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 nine months ended September 30, 2024 and 2023, and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Net earnings	**$ 11,889**	$ 5,220	**$ 26,858**	$ 18,708	$ 6,669	$ 8,150
Adjustments to net earnings:						
Depreciation and amortization	**6,528**	6,297	**19,454**	17,815	231	1,639
Income tax expense	**—**	—	**35**	—	—	35
Joint venture:						
Depreciation and amortization	**42**	41	**125**	127	1	(2)
Interest income	**(15)**	(5)	**(31)**	(5)	(10)	(26)
Foreign exchange loss	**1**	1	**1**	—	—	1
EBITDA(1)	**18,445**	11,554	**$ 46,442**	$ 36,645	$ 6,891	9,797

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

2024 Third Quarter Compared to the Corresponding Period in 2023

The revenue increase for 2024 was driven by a 10% rise in revenue days largely due to fewer dry-docking related off-hire days this quarter compared to the same period last year. Additionally, improved Pool performance contributed to the growth primarily as a result of higher coal volumes and increased freight rates for these cargoes during the quarter.

The reduction in operating costs can be mainly attributed to lower dry-dock spending resulting from one vessel undergoing dry-dock during the quarter compared to having two vessels on dry-dock during the third quarter in 2023 and lower repair and supply costs on two vessels compared to last year. This was partially offset by a 9% increase in operating days due to the reduction in dry-dockings.

Outlook

For the balance of 2024, we are expecting vessel utilization to continue to improve with no dry-dock days scheduled until the end of the year. Volumes in the gypsum and coal industry are expected to be steady for the balance of the year, while volumes in the aggregate sector are expected to slow down for last quarter of the year.

Global Short Sea Shipping Segment

Financial Results Overview

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Average foreign exchange rate (USD/CAD)	**1.3637**	1.3431	**1.3603**	1.3475	0.0206	0.0128
Revenue	**$ 72,108**	$ 78,438	**$ 199,068**	$ 214,478	$ (6,330)	$ (15,410)
Operating expenses	**(47,004)**	(51,609)	**(130,085)**	(143,902)	4,605	13,817
Selling, general and administrative	**(1,556)**	(1,734)	**(4,817)**	(5,782)	178	965
Depreciation and amortization	**(9,968)**	(6,997)	**(28,116)**	(24,888)	(2,971)	(3,228)
Operating earnings	**13,580**	18,098	**36,050**	39,906	(4,518)	(3,856)
Gain (loss) on sale of vessel	**(149)**	—	**1,445**	—	(149)	1,445
Interest expense	**(1,665)**	(1,959)	**(5,515)**	(6,216)	294	701
Foreign exchange gain (loss)	**663**	(236)	**323**	(126)	899	449
Earnings before undernoted	**12,429**	15,903	**32,303**	33,564	(3,474)	(1,261)
Income tax recovery (expense)	**(1,284)**	1,154	**(4,540)**	(1,065)	(2,438)	(3,475)
Net earnings of joint ventures	**1,259**	635	**2,877**	3,521	624	(644)
Net earnings attributable to non-controlling interest	**(161)**	(1,236)	**(1,788)**	(4,628)	1,075	2,840
Net earnings	**$ 12,243**	$ 16,456	**$ 28,852**	$ 31,392	$ (4,213)	$ (2,540)
Company share of net earnings above	**$ 6,122**	$ 8,228	**$ 14,426**	$ 15,696	$ (2,106)	$ (1,270)
Amortization of vessel purchase price allocation and intangibles	**(161)**	(157)	**(478)**	(472)	(4)	(6)
Company share included in net earnings from investments in joint ventures	**$ 5,961**	$ 8,071	**$ 13,948**	$ 15,224	$ (2,110)	$ (1,276)

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 nine months ended September 30, 2024 and 2023, and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Company share of net earnings from investments in joint ventures	**$ 5,961**	$ 8,071	**$ 13,948**	$ 15,224	$ (2,110)	$ (1,276)
Adjustments to net earnings (company's share):						
Depreciation and amortization	**5,145**	3,656	**14,536**	12,916	1,489	1,620
Interest expense	**833**	980	**2,758**	3,108	(147)	(350)
Income tax expense	**642**	(577)	**2,270**	533	1,219	1,737
Foreign exchange loss (gain)	**(332)**	118	**(162)**	63	(450)	(225)
Loss (gain) on sale of vessel	**75**	—	**(723)**	—	75	(723)
Company share of EBITDA[1]	**$ 12,324**	$ 12,248	**$ 32,627**	$ 31,844	$ 76	$ 783

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

2024 Third Quarter Compared to the Corresponding Period in 2023

Revenues were lower in the third quarter primarily driven by decreased freight rates in the mini-bulker fleet compared to the prior year period, partially offset by higher revenue in the cement fleet as a result of three additional vessels in operations this year compared to the 2023 third quarter. Revenue is the handy-size fleets remained flat quarter-over-quarter.

Operating expenses and depreciation increased mainly as a result of the larger fleet size in the cement segment. These higher expenditures were partially offset by lower operating costs in the mini-bulker fleet compared to the same period in 2023.

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

Outlook

We anticipate steady earnings from the cement fleet, with the majority of assets committed to long-term time charter contracts. The handy-size segment is expected to remain stable, supported by current market conditions. Performance from the mini-bulker fleet is projected to remain consistent with its results for the remainder of the year. We do not currently foresee negative impacts on volumes and utilization from ongoing global economic and geopolitical issues.

The two newbuild 8,000 deadweight tonne mini-bulkers are expected to be delivered in 2025 and 2026. These vessels will bring the newbuilds added to the fleet to six.

Corporate Segment

Financial Results Overview

For the periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2024	2023	**2024**	2023	Three Months	Nine Months
Revenue	**$ 613**	$ 836	**$ 2,126**	$ 2,130	$ (223)	$ (4)
Operating expenses	**(170)**	(334)	**(700)**	(855)	164	155
Selling, general and administrative	**(4,466)**	(3,266)	**(14,729)**	(13,768)	(1,200)	(961)
Depreciation	**(440)**	(407)	**(1,188)**	(1,158)	(33)	(30)
Operating loss	**(4,463)**	(3,171)	**(14,491)**	(13,651)	(1,292)	(840)
Gain on sale of property	**—**	169	**—**	194	(169)	(194)
Foreign exchange gain (loss)	**317**	(971)	**149**	3,018	1,288	(2,869)
Interest expense, net	**(4,994)**	(3,992)	**(13,391)**	(12,702)	(1,002)	(689)
Income tax recovery	**2,881**	2,301	**7,911**	6,042	580	1,869
Net earnings (loss) from investment in joint venture	**(20)**	57	**1,554**	57	(77)	1,497
Net loss	**$ (6,279)**	$ (5,607)	**$ (18,268)**	$ (17,042)	$ (672)	$ (1,226)

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

Revenues in the segment are also generated from rental income provided by third-party tenants in the Company's head office building. Operating expenses include the operating costs of that office building.

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario. Proceeds of the sale included a vendor take-back mortgage for $18,000, secured by a first lien against the shopping centre. The principal repayment was due June 30, 2024 and has not been received. The loan is now in default and the Company has commenced legal action to collect the principal amount on the secured mortgage.

Consolidated

Interest Expense

For the periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2024	2023	**2024**	2023	Three Months	Nine Months
Interest expense on borrowings	**$ 5,470**	$ 4,457	**$ 16,053**	$ 14,022	$ (1,013)	$ (2,031)
Amortization of financing costs	**198**	425	**786**	1,275	227	489
Interest on employee future benefits, net	**66**	258	**170**	382	192	212
Capitalized interest	**(443)**	(351)	**(1,832)**	(642)	92	1,190
	$ 5,291	$ 4,789	**$ 15,177**	$ 15,037	$ (502)	$ (140)

Income Taxes

For the periods ended September 30	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
	2024	2023	**2024**	2023	Three Months	Nine Months
Combined federal and provincial statutory income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %	— %	— %
Net earnings before income tax and net earnings from investments in joint ventures	**$ 39,478**	$ 33,908	**$ 18,705**	$ 37,660	$ 5,570	$ (18,955)
Expected income tax expense	**$ (10,462)**	$ (8,986)	**$ (4,957)**	$ (9,980)	$ (1,476)	$ 5,023
Tax effects resulting from:						
Foreign tax rates different from Canadian statutory rate	**3,537**	1,345	**7,689**	4,494	2,192	3,195
Effect of items that are non-taxable	**662**	575	**938**	350	87	588
Deferred tax items recognized	**—**	—	**508**	—	—	508
Adjustments to prior period provision	**(36)**	—	**(36)**	(101)	(36)	65
Other	**(121)**	174	**(155)**	62	(295)	(217)
Actual tax recovery (expense)	**$ (6,420)**	$ (6,892)	**$ 3,987**	$ (5,175)	$ 472	$ 9,162

Earnings from the Company’s foreign subsidiaries are taxed in jurisdictions which have nil income tax rates. The Canadian statutory rate for the Company for both 2024 and 2023 was 26.5%. 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 30 of the Consolidated Financial Statements for the years ending December 31, 2023 and 2022. There have been no significant changes in the items presented since December 31, 2023.

Capital Resources

The Company has cash on hand of $29,778 at September 30, 2024. Available credit facilities along with projected cash from operations for 2024 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 September 30, 2024, $100,696 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 September 30, 2024, the Company was in compliance with all of its covenants.

Transactions with Related Parties

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

There were no transactions with these related parties for the three and nine months ended September 30, 2024.

Financial Condition, Liquidity and Capital Resources

Cash Flows

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Net cash generated from operating activities	**$ 54,155**	$ 61,647	**$ 93,441**	$ 92,776	$ (7,492)	$ 665
Net cash used in investing activities	**(17,400)**	(56,273)	**(135,162)**	(109,845)	38,873	(25,317)
Net cash generated from (used in) financing activities	**(37,823)**	(31,359)	**34,803**	(90,296)	(6,464)	125,099
Net change in cash	**(1,068)**	(25,985)	**(6,918)**	(107,365)	24,917	100,447
Effects of exchange rate changes on cash held in foreign currencies	**(391)**	(223)	**3,865**	691	(168)	3,174
Cash, beginning of period	**31,237**	61,502	**32,831**	141,968	(30,265)	(109,137)
Cash, end of period	**$ 29,778**	$ 35,294	**$ 29,778**	$ 35,294	$ (5,516)	$ (5,516)

Investing Activities

Higher net cash used in investing activities in 2024 primarily relates to the acquisition of two product tankers and investments into the joint venture fleets, offset by less spending on vessel construction this year, due to the timing of progress payments.

Financing Activities

Changes in cash from financing activities in 2024 is reflective of higher short-term borrowings and repayments. 2023 figures include the payment of a special dividend.

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 nine months ended September 30, 2024 and 2023, and presented herein:

	Three Months Ended		Nine Months Ended		Favourable/(Unfavourable)	
For the periods ended September 30	**2024**	2023	**2024**	2023	Three Months	Nine Months
Net cash generated from operating activities	**$ 54,155**	$ 61,647	**$ 93,441**	$ 92,776	$ (7,492)	$ 665
Net debt service repayments	**(36,169)**	(25,311)	**(44,900)**	(14,946)	(10,858)	(29,954)
Capital required for maintenance of existing assets	**(8,489)**	(8,484)	**(18,358)**	(29,429)	(5)	11,071
Free cash flow[(1)]	**$ 9,497**	$ 27,852	**$ 30,183**	$ 48,401	$ (18,355)	$ (18,218)

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

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

Normal Course Issuer Bid

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

Subject to prescribed exceptions, the Company is allowed to purchase up to 2,201 Shares on the TSX during any trading day, representing approximately 25% of the average daily trading volume of the Shares on the TSX for the previous six calendar months, being 8,807 Shares. Any Shares purchased under the 2024 NCIB are cancelled. Under the current NCIB, no Shares have been purchased and cancelled for the nine months ended September 30, 2024.

In conjunction with the 2024 renewal of the NCIB, Algoma entered into a new automatic share purchase plan (the “ASPP”) with a designated broker to allow for the purchase of its Shares under the 2024 NCIB at times when Algoma normally would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods. Before the commencement of any particular internal trading black-out period, Algoma may, but is not required to, instruct its designated broker to make purchases of Shares under the 2024 NCIB during the ensuing black-out period in accordance with the terms of the ASPP. Such purchases will be determined by the broker in its sole discretion based on parameters established by Algoma prior to commencement of the applicable black-out period in accordance with the terms of the ASPP and applicable TSX rules. Outside of these black-out periods, Shares will continue to be purchasable by Algoma at its discretion under its 2024 NCIB.

The ASPP will commence on the Company’s behalf during any quarterly blackout period of the Company and will terminate on the earliest of the date on which: (a) the maximum annual purchase limit under the 2024 NCIB has been reached; (b) Algoma terminates the ASPP in accordance with its terms; or (c) the 2024 NCIB expires. The ASPP constitutes an “automatic securities purchase plan” under applicable Canadian securities laws.

Commitments

The table below provides aggregate information about the Company's contractual obligations as at September 30, 2024 that affect the Company's liquidity and capital resource needs.

	2024	2025	2026	2027	2028	2029 and Beyond	Total
Long-term debt	$ 11	$ 46	$ 50	$ 27,052	$ 34	$ 299,436	$ 326,629
Vessel purchase commitments[(1)]	42,491	215,859	78,200	52,403	—	—	388,953
Vessel purchase commitments through joint ventures (Algoma share)[(2)]	45,571	108,762	51,464	—	—	—	205,797
Interest payments on long-term debt	6,202	12,409	12,406	12,402	11,488	64,958	119,865
AMI share purchase	—	—	—	—	—	5,757	5,757
	$ 94,312	$ 337,230	$ 142,203	$ 91,857	$ 11,522	$ 370,151	$ 1,047,275

(1) Subsequent to the quarter, all conditions required under a revised contract with the shipyard for the construction of a domestic self-unloader were met, resulting in favourable terms. The revised commitment value is reflected in the table above.

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

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 September 30, 2024. Under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, Management has concluded that the Company's disclosure controls and procedures were effective as of September 30, 2024.

Internal Controls over Financial Reporting

The Company's management is responsible for designing, establishing and maintaining an adequate system of internal controls over financial reporting. The internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with IFRS. 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 September 30, 2024.

Changes in Internal Controls over Financial Reporting

During the period ended September 30, 2024, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Adoption of New and Amended Accounting Pronouncements

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

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

Accounting Pronouncements Issued But Not Yet Effective

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

Amendments to IAS 21 *Lack of exchangeability*

On August 15, 2023, the IASB issued amendments to IAS 21 *Lack of exchangeability* to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025.

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

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

IFRS 18 *Presentation and Disclosures in Financial Statements*

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

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In May, 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures.* The new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. 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 Nine Months Ended September 30, 2024 and 2023

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 nine months ended September 30, 2024 and 2023 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 September 30 (unaudited, in thousands of dollars, except per share date)	Notes	Three Months Ended 2024	Three Months Ended 2023	Nine Months Ended 2024	Nine Months Ended 2023
Revenue	5	**$ 204,644**	$ 205,888	**$ 494,826**	$ 519,898
Operating expenses		**(133,657)**	(142,606)	**(379,395)**	(399,163)
Selling, general and administrative expenses		**(9,609)**	(8,312)	**(31,432)**	(29,414)
Depreciation and amortization		**(18,206)**	(16,268)	**(53,456)**	(48,759)
Operating earnings		**43,172**	38,702	**30,543**	42,562
Interest expense	7	**(5,291)**	(4,789)	**(15,177)**	(15,037)
Interest income		**297**	797	**1,786**	2,335
Gain on sale of assets	10	**983**	169	**1,404**	4,782
Foreign exchange gain (loss)		**317**	(971)	**149**	3,018
		39,478	33,908	**18,705**	37,660
Income tax recovery (expense)	8	**(6,420)**	(6,892)	**3,987**	(5,175)
Net earnings from investments in joint ventures	6	**6,856**	8,729	**17,433**	16,764
Net earnings		**$ 39,914**	$ 35,745	**$ 40,125**	$ 49,249
Basic earnings per share	18	**$ 0.98**	$ 0.93	**$ 1.01**	$ 1.28
Diluted earnings per share	18	**$ 0.98**	$ 0.85	**$ 1.01**	$ 1.20

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the periods ended September 30 (unaudited, in thousands of dollars)	Three Months Ended 2024	Three Months Ended 2023	Nine Months Ended 2024	Nine Months Ended 2023
Net earnings	**$ 39,914**	$ 35,745	**$ 40,125**	$ 49,249
Other comprehensive earnings (loss):				
Items that may be subsequently reclassified to net earnings:				
Unrealized gain (loss) on translation of financial statements of foreign operations	**(7,111)**	10,647	**11,829**	(1,352)
Unrealized gain (loss) on hedging instruments, net of income tax	**2,734**	(3,024)	**(3,971)**	671
Foreign exchange gain (loss) on purchase commitment hedge reserve, net of income tax, transferred to:				
Vessels under construction	**—**	(44)	**752**	(91)
Net earnings	**—**	100	**—**	(10)
Items that will not be subsequently reclassified to net earnings:				
Employee future benefits actuarial gain, net of income tax	**1,080**	2,270	**2,670**	4,434
	(3,297)	9,949	**11,280**	3,652
Comprehensive earnings	**$ 36,617**	$ 45,694	**$ 51,405**	$ 52,901

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	**September 30 2024**	December 31 2023
Assets			
Current			
Cash		**$ 29,778**	$ 32,831
Accounts receivable		**83,936**	79,091
Income taxes recoverable		**2,841**	3,275
Mortgage receivable	12	**18,000**	18,000
Other current assets	9	**25,485**	28,194
		160,040	161,391
Property, plant, and equipment	10	**868,070**	808,752
Investments in joint ventures	6	**318,853**	260,915
Goodwill	11	**7,910**	7,910
Employee future benefits		**25,748**	22,151
Other assets	13	**79,358**	83,037
		$ 1,459,979	$ 1,344,156
Liabilities			
Current			
Accounts payable and accrued charges		**$ 103,024**	$ 82,739
Short-term borrowings	14	**100,696**	—
Current portion of long-term debt	17	**45**	60,663
Income taxes payable		**241**	385
Other current liabilities	15	**7,662**	3,400
		211,668	147,187
Long-term debt	17	**320,796**	316,358
Employee future benefits		**19,660**	19,456
Deferred income taxes		**73,993**	80,620
Other long-term liabilities	16	**1,854**	2,226
		627,971	565,847
Commitments	21		
Shareholders' Equity			
Share capital	18	**57,093**	29,175
Contributed surplus	17	**3,226**	—
Convertible debentures	17	**—**	2,218
Accumulated other comprehensive loss	19	**(17,374)**	(22,467)
Retained earnings		**789,063**	769,383
		832,008	778,309
		$ 1,459,979	$ 1,344,156

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 Loss	Retained Earnings	Total Equity
	(Note 18)	(Note 17)	(Note 19)		
Balance at January 1, 2023	$ 11,732	$ 2,852	$ (8,105)	$ 719,545	$ 726,024
Net earnings	—	—	—	49,249	49,249
Dividends	—	—	—	(20,339)	(20,339)
Repurchase and cancellation of common shares	(303)	(645)	—	(6,806)	(7,754)
Debenture conversions	14,743	(137)	—	—	14,606
Share-based compensation	—	174	—	—	174
Reclassified to earnings	—	—	(5,207)	—	(5,207)
Other comprehensive earnings (loss)	—	—	(782)	4,434	3,652
Balance at September 30, 2023	$ 26,172	$ 2,244	$ (14,094)	$ 746,083	$ 760,405
Balance at January 1, 2024	$ 29,175	$ 2,218	$ (22,467)	$ 769,383	$ 778,309
Net earnings	—	—	—	40,125	40,125
Dividends	—	—	—	(22,262)	(22,262)
Repurchase and cancellation of common shares	(41)	—	—	(748)	(789)
Debenture conversions	27,959	750	—	—	28,709
Share-based compensation	—	258	—	(105)	153
Reclassified to property, plant and equipment (Note 10)	—	—	(3,517)	—	(3,517)
Other comprehensive earnings	—	—	8,610	2,670	11,280
Balance at September 30, 2024	**$ 57,093**	**$ 3,226**	**$ (17,374)**	**$ 789,063**	**$ 832,008**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the periods ended September 30 (unaudited, in thousands of dollars)	Notes	Three Months Ended 2024	Three Months Ended 2023	Nine Months Ended 2024	Nine Months Ended 2023
Net Inflow (Outflow) of Cash Related to the Following Activities					
Operating					
Net earnings		**$ 39,914**	$ 35,745	**$ 40,125**	$ 49,249
Net earnings from investments in joint ventures	6	**(6,856)**	(8,729)	**(17,433)**	(16,764)
Items not affecting cash					
Depreciation and amortization		**18,206**	16,268	**53,456**	48,759
Gain on sale of assets	10	**(983)**	(169)	**(1,404)**	(4,782)
Other non-cash items		**11,579**	12,156	**10,445**	15,740
Net change in non-cash working capital		**(5,613)**	6,339	**11,689**	10,110
Income taxes received (paid), net		**(1,706)**	374	**(2,469)**	(7,876)
Employee future benefits paid		**(386)**	(337)	**(968)**	(1,660)
Net cash generated from operating activities		**54,155**	61,647	**93,441**	92,776
Investing					
Additions to property, plant, and equipment	20	**(9,451)**	(14,433)	**(96,472)**	(38,279)
Distributions received from joint ventures	6	**3,449**	—	**6,776**	6,920
Investment in joint ventures	6	**(20,509)**	(13,508)	**(41,100)**	(27,257)
Additions to vessels under construction		**(9,630)**	(28,500)	**(24,033)**	(60,398)
Issue of loan receivable		**—**	—	**—**	(10,150)
Net proceeds on sale of assets	10	**18,741**	168	**19,667**	19,319
Net cash used in investing activities		**(17,400)**	(56,273)	**(135,162)**	(109,845)
Financing					
Interest paid		**(2,838)**	(311)	**(11,980)**	(9,749)
Interest received		**380**	714	**1,869**	2,747
Net proceeds from short-term borrowings		**5,495**	—	**100,827**	25,000
Repayment of long-term debt	17	**(33,331)**	(25,000)	**(33,331)**	(30,197)
Proceeds from long-term debt	17	**—**	—	**411**	—
Repurchase of shares for cancellation	18	**—**	—	**(789)**	(7,754)
Dividends paid		**(7,529)**	(6,762)	**(22,204)**	(70,343)
Net cash generated from (used in) financing activities		**(37,823)**	(31,359)	**34,803**	(90,296)
Net change in cash		**(1,068)**	(25,985)	**(6,918)**	(107,365)
Effects of exchange rate changes on cash held in foreign currencies		**(391)**	(223)	**3,865**	691
Cash, beginning of period		**31,237**	61,502	**32,831**	141,968
Cash, end of period		**$ 29,778**	$ 35,294	**$ 29,778**	$ 35,294

See accompanying notes to the interim condensed consolidated financial statements

Notes to the Consolidated Financial Statements

1. Organization and Description of Business

Algoma Central Corporation (the "Company") is incorporated in Canada and listed on the Toronto Stock Exchange. The address of the Company's registered office is 63 Church St, Suite 600, St. Catharines, Ontario, Canada. The Interim Condensed Consolidated Financial Statements of the Company for the three and nine months ended September 30, 2024 and 2023 comprise the Company, its subsidiaries and the Company's interests in jointly controlled entities.

The principal subsidiaries are Algoma Shipping Ltd. and Algoma Tankers Limited. The principal jointly controlled entities are NovaAlgoma Cement Carriers Limited (50%), NovaAlgoma Short-Sea Holding Limited (50%) and FureBear AB (50%). In addition, Algoma Shipping Ltd. is a member of an international pool arrangement (the "Pool"), under which revenues and related voyage expenses are distributed to each Pool member based on an agreed formula reflecting the earnings capacity of the vessels each member has placed in the Pool.

Algoma Central Corporation owns and operates the largest fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Seaway, including self-unloading dry-bulk carriers, gearless dry-bulk carriers and product tankers. Algoma also owns and operates ocean-going self-unloading dry-bulk vessels trading in international markets and holds a 50% interest in global joint ventures that own diversified portfolios of dry and liquid bulk fleets operating internationally. In addition to its owned vessels, the Company provides operational management for three other vessels.

The Company reports the results of its operations for five business units or segments. The largest is the Domestic Dry-Bulk segment, which includes the Company's 18 Canadian dry-bulk carriers. This segment serves a wide variety of major industrial sectors, including iron and steel producers, aggregate producers, cement and building material producers, salt producers, and agricultural product distributors.

The Product Tankers fleet consists of eight product tankers employed in Canadian flag service. The segment also includes the Company's 50% interest in a new international joint venture comprising ten tankers, eight 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.

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.

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

The nature of the Company's business is such that the earnings in the first quarter of each year are not indicative of the results for the other three quarters in the year. Due to the closing of the canal system and the winter weather conditions on the Great Lakes - St. Lawrence Seaway, the majority of the Domestic Dry-Bulk fleet does not operate for most of the first quarter. In addition, significant repair and maintenance costs are incurred in the first quarter to prepare the Domestic Dry-Bulk fleet for the upcoming navigation season. As a result, first quarter revenues and earnings are significantly lower than those of the remaining quarters in the year.

2. Statement of Compliance

The 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, 2023, except for changes described in Note 3. The financial statements should be read in conjunction with the Company's Consolidated Financial Statements for the year ended December 31, 2023.

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 November 1, 2024.

3. Adoption of New and Amended Accounting Pronouncements

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

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

4. 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 IAS 21 *Lack of exchangeability*

On August 15, 2023, the IASB issued amendments to IAS 21 *Lack of exchangeability* to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025.

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

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

IFRS 18 *Presentation and Disclosures in Financial Statements*

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

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In May, 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures.* The new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

5. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended September 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2024					
Contract of Affreightment	$ 119,207	$ 2,677	$ —	$ —	$ 121,884
Time Charter	—	36,029	—	—	36,029
Pool Revenue Share	—	—	45,803	—	45,803
Other	315	—	—	613	928
	$ 119,522	**$ 38,706**	**$ 45,803**	**$ 613**	**$ 204,644**
2023					
Contract of Affreightment	$ 128,117	$ 11,819	$ —	$ —	$ 139,936
Time Charter	—	22,315	—	—	22,315
Pool Revenue Share	—	—	42,469	—	42,469
Other	332	—	—	836	1,168
	$ 128,449	$ 34,134	$ 42,469	$ 836	$ 205,888

For the nine months ended September 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2024					
Contract of Affreightment	$ 241,925	$ 6,006	$ —	$ —	$ 247,931
Time Charter	11,874	100,346	—	—	112,220
Pool Revenue Share	—	—	131,821	—	131,821
Other	728	—	—	2,126	2,854
	$ 254,527	**$ 106,352**	**$ 131,821**	**$ 2,126**	**$ 494,826**
2023					
Contract of Affreightment	$ 276,793	$ 26,258	$ —	$ —	$ 303,051
Time Charter	11,950	68,004	—	—	79,954
Pool Revenue Share	—	—	133,974	—	133,974
Other	789	—	—	2,130	2,919
	$ 289,532	$ 94,262	$ 133,974	$ 2,130	$ 519,898

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

As at (unaudited, in thousands of dollars)	**September 30 2024**	December 31 2023
Unbilled revenue (included in accounts receivable)	**$ 28,260**	$ 24,631
Deferred revenue (included in accounts payable and accrued charges)	**$ 1,558**	$ 1,525

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)			**September 30 2024**	December 31 2023
Name of Joint Venture	Principal Activity	Place of Incorporation and Principal Place of Business	Ownership Interest	
Product Tankers Segment:				
FureBear AB ("FureBear")	Owns and operates product tankers within Northern European markets, and holds a 67% interest in a foreign tanker operation	Sweden/Sweden	**50%**	50%
Ocean Self-Unloaders Segment:				
Marbulk Canada Inc. ("Marbulk")	Holds a 50% interest in a specialized self-unloader	Canada/Europe	**50%**	50%
Corporate Segment:				
Allied Marine & Industrial ("AMI")	Provides mechanical, machining, and fabrication services to the marine and other industrial sectors throughout Southern Ontario	Canada/Canada	**49%**	49%
Global Short-Sea Shipping Segment:				
NovaAlgoma Cement Carriers Limited ("NACC")	Owns and operates pneumatic cement carriers to support infrastructure projects worldwide	Bermuda/ Switzerland	**50%**	50%
NovaAlgoma Short-Sea Holding Ltd. ("NASC")	Owns and manages a fleet of short sea mini-bulkers operating in global markets	Bermuda/ Switzerland	**50%**	50%
NovaAlgoma Bulk Holdings Ltd. ("NABH")	Participates in the trade of purchasing and selling handy-size vessels	Bermuda/ Switzerland	**50%**	50%

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

For the three months ended September 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 6,391	$ 2,129	$ 3,783	$ 72,108
Operating expenses	(3,206)	(1,273)	(3,084)	(47,004)
General and administrative	(169)	(138)	(700)	(1,556)
Depreciation and amortization	(712)	(84)	(93)	(9,968)
Operating earnings (loss)	2,304	634	(94)	13,580
Interest income (expense)	(985)	30	2	(1,665)
Foreign exchange gain (loss)	(403)	(2)	—	663
Loss on sale of asset	—	—	—	(149)
Earnings before undernoted	916	662	(92)	12,429
Net earnings of joint ventures	252	—	—	1,259
Net earnings attributable to non-controlling interest	—	—	—	(161)
Income tax recovery (expense)	—	—	51	(1,284)
Net earnings (loss)	**$ 1,168**	**$ 662**	**$ (41)**	**$ 12,243**
Company share of net earnings (loss)	$ 584	$ 331	$ (20)	$ 6,122
Amortization of vessel purchase price allocation and intangibles	—	—	—	(161)
Company share included in net earnings of joint ventures	**$ 584**	**$ 331**	**$ (20)**	**$ 5,961**

For the three months ended September 30, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ —	$ 2,514	$ 2,322	$ 78,438
Operating expenses	—	(1,416)	(1,715)	(51,609)
General and administrative	—	(131)	(426)	(1,734)
Depreciation and amortization	—	(82)	(50)	(6,997)
Operating earnings	—	885	131	18,098
Interest income (expense)	—	10	3	(1,959)
Foreign exchange gain (loss)	—	(1)	24	(236)
Earnings before undernoted	—	894	158	15,903
Net earnings of joint ventures	307	—	—	635
Net earnings attributable to non-controlling interest	—	—	—	(1,236)
Income tax recovery (expense)	—	—	(42)	1,154
Net earnings	$ 307	$ 894	$ 116	$ 16,456
Company share of net earnings	$ 154	$ 447	$ 57	$ 8,228
Amortization of vessel purchase price allocation and intangibles	—	—	—	(157)
Company share included in net earnings of joint ventures	$ 154	$ 447	$ 57	$ 8,071

For the nine months ended September 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 11,195	$ 5,471	$ 21,820	$ 199,068
Operating expenses	(5,859)	(3,625)	(15,176)	(130,085)
General and administrative	(342)	(422)	(2,275)	(4,817)
Depreciation and amortization	(1,380)	(250)	(276)	(28,116)
Operating earnings	3,614	1,174	4,093	36,050
Interest income (expense)	(2,008)	62	13	(5,515)
Foreign exchange gain (loss)	(691)	(1)	(1)	323
Gain on sale of asset	—	—	—	1,445
Earnings before undernoted	915	1,235	4,105	32,303
Net earnings of joint ventures	1,710	—	—	2,877
Net earnings attributable to non-controlling interest	—	—	—	(1,788)
Income tax expense	—	—	(934)	(4,540)
Net earnings	**$ 2,625**	**$ 1,235**	**$ 3,171**	**$ 28,852**
Company share of net earnings	$ 1,313	$ 618	$ 1,554	$ 14,426
Amortization of vessel purchase price allocation and intangibles	—	—	—	(478)
Company share included in net earnings of joint ventures	**$ 1,313**	**$ 618**	**$ 1,554**	**$ 13,948**

For the nine months ended September 30, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ —	$ 6,624	$ 2,322	$ 214,478
Operating expenses	—	(4,016)	(1,715)	(143,902)
General and administrative	—	(406)	(426)	(5,782)
Depreciation and amortization	—	(254)	(50)	(24,888)
Operating earnings	—	1,948	131	39,906
Interest income (expense)	—	10	3	(6,216)
Foreign exchange loss	—	—	—	(126)
Gain on sale of assets	—	—	24	—
Earnings before undernoted	—	1,958	158	33,564
Net earnings of joint ventures	1,007	—	—	3,521
Net earnings attributable to non-controlling interest	—	—	—	(4,628)
Income tax expense	—	—	(42)	(1,065)
Net earnings	$ 1,007	$ 1,958	$ 116	$ 31,392
Company share of net earnings	$ 504	$ 979	$ 57	$ 15,696
Amortization of vessel purchase price allocation and intangibles	—	—	—	(472)
Company share included in net earnings of joint ventures	$ 504	$ 979	$ 57	$ 15,224

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

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Product Tankers	**$ 584**	$ 154	**$ 1,313**	$ 504
Ocean Self-Unloaders	**331**	447	**618**	979
Corporate	**(20)**	57	**1,554**	57
Global Short Sea Shipping	**5,961**	8,071	**13,948**	15,224
	$ 6,856	$ 8,729	**$ 17,433**	$ 16,764

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

As at September 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	$ 13,123	$ 3,480	$ 2,100	$ 20,575
Other current assets	1,223	1,186	4,661	40,030
Income taxes recoverable	4	52	—	612
Property, plant, and equipment	103,204	2,646	1,749	447,005
Investment in joint ventures	22,882	—	—	55,944
Other assets	87,833	—	—	29,232
Current liabilities	(4,342)	(1,838)	(1,940)	(39,463)
Income taxes payable	—	—	(295)	—
Current portion of long-term debt	(3,508)	—	(312)	(25,363)
Long-term debt	(65,785)	—	(813)	(54,616)
Other long-term liabilities	—	—	—	(5,912)
Non-controlling interest	—	—	—	(15,952)
Net assets of joint ventures	**$ 154,634**	**$ 5,526**	**$ 5,150**	**$ 452,092**
Company share of net assets	$ 77,317	$ 2,763	$ 2,523	$ 226,046
Goodwill and other purchase price adjustments	—	—	4,048	6,156
Company share of joint ventures	**$ 77,317**	**$ 2,763**	**$ 6,571**	**$ 232,202**

As at December 31, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	$ 315	$ 2,268	$ 2,237	$ 17,996
Other current assets	—	375	3,429	54,440
Income taxes recoverable	—	50	—	552
Assets held for sale	—	—	—	7,933
Property, plant, and equipment	—	1,694	1,747	408,276
Investment in joint ventures	8,623	—	—	52,234
Other assets	85,523	—	—	23,442
Current liabilities	(12)	(171)	(2,686)	(54,849)
Income taxes payable	—	—	(505)	—
Current portion of long-term debt	—	—	(223)	(28,129)
Long-term debt	—	—	(827)	(64,214)
Other long-term liabilities	—	—	—	(3,921)
Non-controlling interest	—	—	—	(13,890)
Net assets of joint ventures	$ 94,449	$ 4,216	$ 3,172	$ 399,870
Company share of net assets	$ 47,225	$ 2,108	$ 1,554	$ 199,935
Goodwill and other purchase price adjustments	—	—	3,861	6,232
Company share of joint ventures	$ 47,225	$ 2,108	$ 5,415	$ 206,167

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

As at (unaudited, in thousands of dollars)	**September 30 2024**	December 31 2023
Product Tankers	**$ 77,317**	$ 47,225
Ocean Self-Unloaders	**2,763**	2,108
Corporate	**6,571**	5,415
Global Short Sea Shipping	**232,202**	206,167
	$ 318,853	$ 260,915

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

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Revenue	**$ 322**	$ 332	**$ 962**	$ 977
Operating expenses	**(1,640)**	(1,316)	**(12,231)**	(1,316)

	September 30	December 31
As at (unaudited, in thousands of dollars)	**2024**	2023
Accounts receivable	**$ 4,060**	$ 4,145
Loan receivable	**—**	10,140
Accounts payable	**(184)**	(579)
Loans guaranteed by the Company	**22,443**	7,662

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

For the three months ended September 30 (unaudited, in thousands of dollars)	**2024**		2023	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ —**	**$ (14,498)**	$ —	$ (5,500)
Ocean Self-Unloaders	**—**	**—**	—	—
Corporate	**—**	**—**	—	(5,549)
Global Short Sea Shipping	**3,449**	**(6,011)**	—	(2,459)
	$ 3,449	**$ (20,509)**	$ —	$ (13,508)

For the nine months ended September 30 (unaudited, in thousands of dollars)	**2024**		2023	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ —**	**$ (26,767)**	$ —	$ (19,249)
Ocean Self-Unloaders	**—**	**—**	889	—
Corporate	**586**	**(187)**	—	(5,549)
Global Short Sea Shipping	**6,190**	**(14,146)**	6,031	(2,459)
	$ 6,776	**$ (41,100)**	$ 6,920	$ (27,257)

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

7. Interest Expense

The components of interest expense are as follows:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Interest expense on borrowings	**$ 5,470**	$ 4,457	**$ 16,053**	$ 14,022
Amortization of financing costs	**198**	425	**786**	1,275
Interest expense on employee future benefits, net	**66**	258	**170**	382
Capitalized interest	**(443)**	(351)	**(1,832)**	(642)
	$ 5,291	$ 4,789	**$ 15,177**	$ 15,037

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 periods ended September 30 (unaudited, in thousands of dollars)	Three Months Ended		Nine Months Ended	
	2024	2023	**2024**	2023
Combined federal and provincial statutory income tax rate	**26.5%**	26.5%	**26.5%**	26.5%
Net earnings before income tax and net earnings from investments in joint ventures	**$ 39,478**	$ 33,908	**$ 18,705**	$ 37,660
Expected income tax expense	**$ (10,462)**	$ (8,986)	**$ (4,957)**	$ (9,980)
Tax effects resulting from:				
Foreign tax rates different from Canadian statutory rate	**3,537**	1,345	**7,689**	4,494
Effect of items that are non-taxable	**662**	575	**938**	350
Deferred tax items recognized	**—**	—	**508**	—
Adjustments to prior period provision	**(36)**	—	**(36)**	(101)
Other	**(121)**	174	**(155)**	62
Actual tax recovery (expense)	**$ (6,420)**	$ (6,892)	**$ 3,987**	$ (5,175)

9. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)	**September 30 2024**	December 31 2023
Materials, fuel and supplies	**$ 15,577**	$ 15,789
Prepaid expenses	**9,908**	9,640
Derivative asset	**—**	2,765
	$ 25,485	$ 28,194

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, 2023	$ 672,009	$ 254,445	$ 412,201	$ 21,042	$ 1,359,697
Additions	6,792	14,472	17,214	6,192	44,670
Disposals	—	(57,162)	—	—	(57,162)
Transferred to held for sale	—	57	—	—	57
Fully depreciated assets no longer in use	(1,035)	(3,907)	(11,204)	(153)	(16,299)
Adjustment to presentation of previously recognized impairment	4,652	—	—	—	4,652
Effect of foreign currency exchange differences	—	—	(10,171)	—	(10,171)
Balance at December 31, 2023	$ 682,418	$ 207,905	$ 408,040	$ 27,081	$ 1,325,444
Additions	42,880	47,495	6,221	276	96,872
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)	(2,394)	(5,517)	—	(9,093)
Effect of foreign currency exchange differences	(8)	—	8,511	—	8,503
Balance at September 30, 2024	**$ 743,865**	**$ 234,560**	**$ 417,255**	**$ 27,357**	**$ 1,423,037**

Accumulated depreciation (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
Balance at January 1, 2023	$ 201,788	$ 120,990	$ 172,658	$ 13,723	$ 509,159
Depreciation expense	25,655	14,593	24,261	1,367	65,876
Disposals	—	(42,131)	—	—	(42,131)
Transferred to held for sale	—	39	—	—	39
Fully depreciated assets no longer in use	(1,035)	(3,907)	(11,204)	(153)	(16,299)
Adjustment to presentation of previously recognized impairment	4,652	—	—	—	4,652
Effect of foreign currency exchange differences	—	—	(4,604)	—	(4,604)
Balance at December 31, 2023	$ 231,060	$ 89,584	$ 181,111	$ 14,937	$ 516,692
Depreciation expense	20,363	12,451	19,454	1,058	53,326
Disposals	(9,005)	(688)	—	—	(9,693)
Fully depreciated assets no longer in use	(1,182)	(2,394)	(5,517)	—	(9,093)
Effect of foreign currency exchange differences	—	—	3,735	—	3,735
Balance at September 30, 2024	**$ 241,236**	**$ 98,953**	**$ 198,783**	**$ 15,995**	**$ 554,967**

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
September 30, 2024					
Cost	$ 743,865	$ 234,560	$ 417,255	$ 27,357	$ 1,423,037
Accumulated depreciation	241,236	98,953	198,783	15,995	554,967
	$ 502,629	**$ 135,607**	**$ 218,472**	**$ 11,362**	**$ 868,070**
December 31, 2023					
Cost	$ 682,418	$ 207,905	$ 408,040	$ 27,081	$ 1,325,444
Accumulated depreciation	231,060	89,584	181,111	14,937	516,692
	$ 451,358	$ 118,321	$ 226,929	$ 12,144	$ 808,752

In the first quarter of 2024, the Company took delivery of the first of two domestic dry-bulk self-unloaders under construction. The vessel entered service in the second quarter. One domestic dry-bulk self-unloader, at the end of its useful life, was sent for environmental recycling for a gain on sale of $438.

Also, in the first quarter of 2024, the Company purchased two second-hand product tankers for a total purchase price of $36,783. One vessel joined the Canadian fleet in July and the second was sold to FureBear's joint venture for $18,724 resulting in a gain on sale of $966.

Subsequent to the quarter, the refund guarantee required under a revised contract for the construction of a domestic self-unloader was received. The vessel is expected to be delivered in the first quarter of 2025.

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. 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 June 30, 2024.

The principal repayment was due June 30, 2024 and has not been received. The loan is now in default and the Company has commenced legal action to collect the principal amount on the secured mortgage. A recent appraisal of the shopping centre indicates there is sufficient security to fully support the mortgage.

13. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Vessels under construction (see below)	$ 79,107	$ 82,578
Right-of-use assets	242	368
Other	9	91
	$ 79,358	$ 83,037

The components of vessels under construction are as follows:

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Progress payments	$ 73,967	$ 73,578
Supervision and other	3,738	7,359
Capitalized interest	1,402	1,641
	$ 79,107	$ 82,578

14. Short-term borrowings

Short-term borrowings comprise the following:

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Draws under Bank Facility, expiring October 11, 2027		
CORRA loans, interest at 7.48%, due within the year	$ 71,000	$ —
SOFR loan, U.S. $22,000, interest at 8.35%, due within the year	29,696	—
	$ 100,696	$ —

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. The Facility bears interest at rates ranging from 170 to 325 basis points above adjusted SOFR, CORRA, or EURIBOR rates.

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 September 30, 2024 and December 31, 2023, the Company was in compliance with all of its covenants.

15. Other Current Liabilities

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Accrued interest	$ 4,904	$ 681
Dividends payable	2,644	2,588
Lease obligations	114	131
	$ 7,662	$ 3,400

16. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Deferred compensation	$ 1,714	$ 2,005
Lease obligations	140	221
	$ 1,854	$ 2,226

17. Long-Term Debt

As at (unaudited, in thousands of dollars)	September 30 2024	December 31 2023
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	**$ —**	$ 60,898
Senior Secured Notes		
U.S. $20,000, interest at 3.37%, due December 10, 2027	**26,998**	26,452
U.S. $42,000, interest at 3.60%, due December 10, 2030	**56,695**	55,549
U.S. $35,000, interest at 3.70%, due December 10, 2032	**47,247**	46,291
U.S. $50,000, interest at 3.80%, due December 10, 2035	**67,495**	66,130
Canadian $128,000, interest at 4.01%, due December 10, 2035	**128,000**	128,000
Mortgage payable, due June 27, 2034, interest at 7.75%	**194**	—
	326,629	383,320
Less: unamortized financing expenses	**5,788**	6,299
	320,841	377,021
Less: current portion of long-term debt and unamortized financing expenses	**45**	60,663
	$ 320,796	$ 316,358

Under the terms of the senior secured notes the Company is subject to certain covenants, including ones with respect to maintaining defined financial ratios and other conditions. As at September 30, 2024 and December 31, 2023, the Company was in compliance with all of its covenants.

The convertible debentures due June 30, 2024, were repaid in full on July 2, 2024, which was the first business day after the due date. The equity component relating to the unconverted debentures in the amount of $2,183 was transferred to Contributed Surplus.

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

18. 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 and 38,649,996 common shares outstanding and no preferred shares issued or outstanding as at September 30, 2024 and December 31, 2023 respectively.

The Company's Board of Directors authorized payment of a quarterly dividend to shareholders of $0.19 per common share. The dividend will be paid on December 2, 2024 to shareholders of record on November 18, 2024.

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

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Net earnings	**$ 39,914**	$ 35,745	**$ 40,125**	$ 49,249
Interest expense on debentures, net of tax	**—**	866	**—**	2,575
Net earnings for diluted earnings per share	**$ 39,914**	$ 36,611	**$ 40,125**	$ 51,824
Basic weighted average common shares	**40,567,816**	38,509,127	**39,903,226**	38,491,759
Shares due to dilutive effect of debentures	**—**	4,441,066	**—**	4,623,776
Diluted weighted average common shares	**40,567,816**	42,950,193	**39,903,226**	43,115,535
Basic earnings per common share	**$ 0.98**	$ 0.93	**$ 1.01**	$ 1.28
Diluted earnings per common share	**$ 0.98**	$ 0.85	**$ 1.01**	$ 1.20

Normal Course Issuer Bid

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

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

Under the 2024 NCIB, no Shares were purchased and cancelled for the period ended September 30, 2024.

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

19. Accumulated Other Comprehensive Loss

	Hedges			
(unaudited, in thousands of dollars)	Net investment	Purchase Commitment	Foreign exchange translation	Total
Balance at January 1, 2023	$ (31,253)	$ 8,557	$ 14,591	$ (8,105)
Gain (loss)	4,675	(600)	(13,195)	(9,120)
Reclassified to earnings	—	(3,494)	—	(3,494)
Reclassified to vessels under construction	—	(1,698)	—	(1,698)
Income tax expense	(50)	—	—	(50)
Net gain (loss)	4,625	(5,792)	(13,195)	(14,362)
Balance at December 31, 2023	$ (26,628)	$ 2,765	$ 1,396	$ (22,467)
Gain (loss)	(4,014)	752	11,829	8,567
Reclassified to vessels under construction	—	(3,517)	—	(3,517)
Income tax recovery	43	—	—	43
Net gain (loss)	(3,971)	(2,765)	11,829	5,093
Balance at September 30, 2024	**$ (30,599)**	**$ —**	**$ 13,225**	**$ (17,374)**

20. Supplementary Disclosure of Cash Flow Information

Additions to property, plant and equipment are as follows:

	Three Months Ended		Nine Months Ended	
For the periods ended September 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Additions to property, plant, and equipment (Note 10)	**$ (5,978)**	$ (15,154)	**$ (96,872)**	$ (39,263)
Amounts included in working capital	**(3,473)**	721	**2,981**	1,002
Capitalized interest	**—**	—	**613**	—
Other non-cash adjustments	**—**	—	**(3,194)**	(18)
	$ (9,451)	$ (14,433)	**$ (96,472)**	$ (38,279)

21. Commitments

The table below reflects the commitments of the Company at September 30, 2024. Annual expected payments are detailed in Note 22.

(unaudited, in thousands of dollars)	
Construction of a domestic dry-bulk self-unloader (see below)	$ 59,391
Construction of two ice-class product tankers	103,629
Construction of three ocean self-unloaders	225,933
Construction of eight product tankers through a joint venture (Algoma share)	166,744
Construction of two general cargo ships through a joint venture (Algoma share)	13,405
Construction of a cement carrier through a joint venture (Algoma share)	25,648
Purchase of remaining AMI shares (Note 6)	5,757
Leases	274
	$ 600,781

Subsequent to the quarter, all conditions required under a revised contract with the shipyard for the construction of the domestic self-unloader were met, resulting in favourable terms. The revised commitment value is reflected in the table above.

22. Financial Instruments and Risk Management

The Company's financial instruments included in the interim condensed consolidated balance sheet comprise cash, accounts receivable, derivative asset, mortgage receivable, 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)	**September 30 2024**	December 31 2023
Long-term debt		
Carrying value	**$ 326,629**	$ 383,320
Fair value, classified as Level 2	**295,230**	341,468

The difference in the fair value of long-term debt compared to the carrying value is due to the difference in the rates on the debt compared to current market rates for similar instruments with similar terms.

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)	2024	2025	2026	2027	2028	2029 and Beyond	Total
Long-term debt	$ 11	$ 46	$ 50	$ 27,052	$ 34	$ 299,436	$ 326,629
Vessel purchase commitments (Note 21)	42,491	215,859	78,200	52,403	—	—	388,953
Vessel purchase commitments through joint ventures (Algoma share)	45,571	108,762	51,464	—	—	—	205,797
Interest payments on long-term debt	6,202	12,409	12,406	12,402	11,488	64,958	119,865
AMI share purchase	—	—	—	—	—	5,757	5,757
Leases	37	154	83	—	—	—	274
	$ 94,312	**$ 337,230**	**$ 142,203**	**$ 91,857**	**$ 11,522**	**$ 370,151**	**$ 1,047,275**

Foreign Exchange Risk

At September 30, 2024 approximately 42% (December 31, 2023 - 41%) of the Company's total assets were denominated in U.S. dollars, including U.S. cash of $16,754 (December 31, 2023 - $16,235).

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.

The Company has also utilized foreign exchange forward contracts as a hedge on purchase commitments to manage foreign exchange risk associated with shipbuilding contract payments. At December 31, 2023, the Company had one U.S. dollar denominated foreign exchange forward contract outstanding with a notional principal of $26,280 and a fair value gain of $2,765. At September 30, 2024, the Company had not entered into any foreign exchange forward contracts.

23. 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 September 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 119,522	$ 38,706	$ 45,803	$ 613	$ —	$ 204,644
Operating expenses	(76,215)	(30,018)	(27,254)	(170)	—	(133,657)
Selling, general and administrative	(3,304)	(1,376)	(463)	(4,466)	—	(9,609)
Depreciation and amortization	(7,124)	(4,114)	(6,528)	(440)	—	(18,206)
Operating earnings (loss)	32,879	3,198	11,558	(4,463)	—	43,172
Interest, net	—	—	—	(4,994)	—	(4,994)
Gain on sale of assets	17	966	—	—	—	983
Foreign currency gain	—	—	—	317	—	317
	32,896	4,164	11,558	(9,140)	—	39,478
Income tax recovery (expense)	(8,808)	(493)	—	2,881	—	(6,420)
Net earnings (loss) from investments in joint ventures	—	584	331	(20)	5,961	6,856
Net earnings (loss)	**$ 24,088**	**$ 4,255**	**$ 11,889**	**$ (6,279)**	**$ 5,961**	**$ 39,914**

For the three months ended September 30, 2023 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 128,449	$ 34,134	$ 42,469	$ 836	$ —	$ 205,888
Operating expenses	(83,452)	(27,954)	(30,866)	(334)	—	(142,606)
Selling, general and administrative	(3,248)	(1,265)	(533)	(3,266)	—	(8,312)
Depreciation and amortization	(6,408)	(3,156)	(6,297)	(407)	—	(16,268)
Operating earnings (loss)	35,341	1,759	4,773	(3,171)	—	38,702
Interest, net	—	—	—	(3,992)	—	(3,992)
Gain on sale of assets	—	—	—	169	—	169
Foreign currency loss	—	—	—	(971)	—	(971)
	35,341	1,759	4,773	(7,965)	—	33,908
Income tax recovery (expense)	(9,537)	344	—	2,301	—	(6,892)
Net earnings from investments in joint ventures	—	154	447	57	8,071	8,729
Net earnings (loss)	$ 25,804	$ 2,257	$ 5,220	$ (5,607)	$ 8,071	$ 35,745

For the nine months ended September 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 254,527	$ 106,352	$ 131,821	$ 2,126	$ —	$ 494,826
Operating expenses	(210,189)	(83,807)	(84,699)	(700)	—	(379,395)
Selling, general and administrative	(10,787)	(4,523)	(1,393)	(14,729)	—	(31,432)
Depreciation and amortization	(20,363)	(12,451)	(19,454)	(1,188)	—	(53,456)
Operating earnings (loss)	13,188	5,571	26,275	(14,491)	—	30,543
Interest, net	—	—	—	(13,391)	—	(13,391)
Gain on sale of assets	438	966	—	—	—	1,404
Foreign exchange gain	—	—	—	149	—	149
	13,626	6,537	26,275	(27,733)	—	18,705
Income tax recovery (expense)	(3,586)	(303)	(35)	7,911	—	3,987
Net earnings from investments in joint ventures	—	1,313	618	1,554	13,948	17,433
Net earnings (loss)	**$ 10,040**	**$ 7,547**	**$ 26,858**	**$ (18,268)**	**$ 13,948**	**$ 40,125**

For the nine months ended September 30, 2023 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 289,532	$ 94,262	$ 133,974	$ 2,130	$ —	$ 519,898
Operating expenses	(225,741)	(75,767)	(96,800)	(855)	—	(399,163)
Selling, general and administrative	(10,022)	(3,994)	(1,630)	(13,768)	—	(29,414)
Depreciation and amortization	(19,267)	(10,519)	(17,815)	(1,158)	—	(48,759)
Operating earnings (loss)	34,502	3,982	17,729	(13,651)	—	42,562
Interest, net	—	—	—	(12,702)	—	(12,702)
Gain on sale of assets	—	4,588	—	194	—	4,782
Foreign exchange gain	—	—	—	3,018	—	3,018
	34,502	8,570	17,729	(23,141)	—	37,660
Income tax recovery (expense)	(9,297)	(1,920)	—	6,042	—	(5,175)
Net earnings from investments in joint ventures	—	504	979	57	15,224	16,764
Net earnings (loss)	$ 25,205	$ 7,154	$ 18,708	$ (17,042)	$ 15,224	$ 49,249

As at September 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	$ 73,927	$ 5,441	$ 38,313	$ 42,359	$ —	$ 160,040
Property, plant, and equipment	502,629	135,607	218,472	11,362	—	868,070
Investments in joint ventures	—	77,317	2,763	6,570	232,203	318,853
Goodwill	7,910	—	—	—	—	7,910
Other assets	1,586	41,596	35,934	25,990	—	105,106
	$ 586,052	**$ 259,961**	**$ 295,482**	**$ 86,281**	**$ 232,203**	**$ 1,459,979**
Liabilities						
Current liabilities	$ 62,302	$ 21,029	$ 14,457	$ 113,835	$ —	$ 211,623
Current portion of long-term debt	45	—	—	—	—	45
Long-term liabilities	1,166	16,660	—	77,681	—	95,507
Long-term debt	149	—	—	320,647	—	320,796
	63,662	37,689	14,457	512,163	—	627,971
Shareholders' Equity	522,390	222,272	281,025	(425,882)	232,203	832,008
	$ 586,052	**$ 259,961**	**$ 295,482**	**$ 86,281**	**$ 232,203**	**$ 1,459,979**

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

24. 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 23, 2029.
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, 2023	372,460	$ 14.91
Granted	266,250	15.82
Exercised	(113,542)	(8.83)
Exercise price adjustment	—	(1.92)
Number outstanding, at December 31, 2023	525,168	$ 14.94
Granted	220,352	15.01
Exercised	(112,668)	(12.77)
Forfeited/cancelled	(26,250)	(15.82)
Number outstanding, at September 30, 2024	**606,602**	**$ 15.80**

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

The following table summarizes information relating to stock options outstanding as at September 30, 2024.

	Options outstanding	
Exercise price per share (unaudited, amounts not stated in thousands)	Number of shares	Remaining contractual life (years)
$15.02	146,250	2.40
$15.82	240,000	3.40
$15.01	220,352	4.40
	606,602	

For the nine months ended September 30, 2024, the Company recognized compensation expense for stock option awards of $400 (2023 - $289). For the nine months ended September 30, 2024, 220,352 options (2023 - 266,250) were granted by the Company at a weighted average fair value of $2.34 per option (2023 - $2.73).

Your Marine Carrier of Choice™

2024

ALGOMA CENTRAL CORPORATION
63 Church Street, Suite 600, St. Catharines, Ontario L2R 3C4
(905) 687-7888
www.algonet.com