ALGOMA CENTRAL CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2024 and 2023

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ALGOMA CENTRAL CORPORATION

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For the Three and Six Months Ended June 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 six months ended June 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 June 30 (unaudited, in thousands of dollars, except per share date)	Notes	Three Months Ended		Six Months Ended	
		2024	2023	**2024**	2023
Revenue	4	**$ 180,968**	$ 202,406	**$ 290,182**	$ 314,010
Operating expenses		**(136,740)**	(138,997)	**(245,738)**	(256,557)
Selling, general and administrative expenses		**(10,182)**	(10,715)	**(21,823)**	(21,102)
Depreciation and amortization		**(18,122)**	(16,495)	**(35,250)**	(32,491)
Operating earnings (loss)		**15,924**	36,199	**(12,629)**	3,860
Interest expense	6	**(5,227)**	(5,123)	**(9,886)**	(10,248)
Interest income		**581**	573	**1,489**	1,538
Gain (loss) on sale of assets	9	**57**	(123)	**421**	4,613
Foreign exchange gain (loss)		**(291)**	3,619	**(168)**	3,989
		11,044	35,145	**(20,773)**	3,752
Income tax recovery (expense)	7	**(606)**	(7,747)	**10,407**	1,717
Net earnings from investments in joint ventures	5	**7,026**	5,746	**10,577**	8,035
Net earnings		**$ 17,464**	$ 33,144	**$ 211**	$ 13,504
Basic earnings per share	17	**$ 0.44**	$ 0.86	**$ 0.01**	$ 0.35
Diluted earnings per share	17	**$ 0.44**	$ 0.79	**$ 0.01**	$ 0.35

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Earnings

For the periods ended June 30 (unaudited, in thousands of dollars)	Three Months Ended		Six Months Ended	
	2024	2023	**2024**	2023
Net earnings	**$ 17,464**	$ 33,144	**$ 211**	$ 13,504
Other comprehensive earnings (loss):				
Items that may be subsequently reclassified to net earnings:				
Unrealized gain (loss) on translation of financial statements of foreign operations	**5,980**	(11,904)	**18,940**	(11,999)
Unrealized gain (loss) on hedging instruments, net of income tax	**(1,992)**	3,044	**(6,705)**	3,695
Foreign exchange gain (loss) on purchase commitment hedge reserve, net of income tax, transferred to:				
Vessels under construction	**—**	(47)	**752**	(47)
Net earnings	**—**	419	**—**	(110)
Items that will not be subsequently reclassified to net earnings:				
Employee future benefits actuarial gain (loss), net of income tax	**(1,050)**	1,559	**1,590**	2,164
	2,938	(6,929)	**14,577**	(6,297)
Comprehensive earnings	**$ 20,402**	$ 26,215	**$ 14,788**	$ 7,207

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheet

As at (unaudited, in thousands of dollars)	Notes	June 30 2024	December 31 2023
Assets			
Current			
Cash		**$ 31,237**	$ 32,831
Accounts receivable		**71,101**	79,091
Income taxes recoverable		**697**	3,275
Mortgage receivable	11	**18,000**	18,000
Other current assets	8	**33,759**	28,194
		154,794	161,391
Property, plant, and equipment	9	**901,095**	808,752
Investments in joint ventures	5	**292,566**	260,915
Goodwill	10	**7,910**	7,910
Employee future benefits		**23,874**	22,151
Other assets	12	**69,785**	83,037
		$ 1,450,024	$ 1,344,156
Liabilities			
Current			
Accounts payable and accrued charges		**$ 102,259**	$ 82,739
Short-term borrowings	13	**95,586**	—
Current portion of long-term debt	16	**33,320**	60,663
Income taxes payable		**833**	385
Other current liabilities	14	**4,794**	3,400
		236,792	147,187
Long-term debt	16	**323,694**	316,358
Employee future benefits		**19,223**	19,456
Deferred income taxes		**66,908**	80,620
Other long-term liabilities	15	**1,382**	2,226
		647,999	565,847
Commitments	20		
Shareholders' Equity			
Share capital	17	**57,093**	29,175
Contributed surplus		**2,312**	—
Convertible debentures		**—**	2,218
Accumulated other comprehensive loss	18	**(12,997)**	(22,467)
Retained earnings		**755,617**	769,383
		802,025	778,309
		$ 1,450,024	$ 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 17)	(Note 16)	(Note 18)		
Balance at January 1, 2023	$ 11,732	$ 2,852	$ (8,105)	$ 719,545	$ 726,024
Net earnings	—	—	—	13,504	13,504
Dividends	—	—	—	(13,568)	(13,568)
Repurchase and cancellation of common shares	(303)	(646)	—	(6,805)	(7,754)
Debenture conversions	13,642	(40)	—	—	13,602
Share-based compensation	—	64	—	—	64
Reclassified to earnings	—	—	(3,697)	—	(3,697)
Reclassified to vessels under construction	—	—	(926)	—	(926)
Other comprehensive earnings (loss)	—	—	(8,461)	2,164	(6,297)
Balance at June 30, 2023	$ 25,071	$ 2,230	$ (21,189)	$ 714,840	$ 720,952
Balance at January 1, 2024	$ 29,175	$ 2,218	$ (22,467)	$ 769,383	$ 778,309
Net earnings	—	—	—	211	211
Dividends	—	—	—	(14,714)	(14,714)
Repurchase and cancellation of common shares	(41)	—	—	(748)	(789)
Debenture conversions	27,959	(35)	—	—	27,924
Share-based compensation	—	129	—	(105)	24
Reclassified to property, plant and equipment (Note 9)	—	—	(3,517)	—	(3,517)
Other comprehensive earnings	—	—	12,987	1,590	14,577
Balance at June 30, 2024	**$ 57,093**	**$ 2,312**	**$ (12,997)**	**$ 755,617**	**$ 802,025**

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the periods ended June 30 (unaudited, in thousands of dollars)	Notes	Three Months Ended 2024	Three Months Ended 2023	Six Months Ended 2024	Six Months Ended 2023
Net Inflow (Outflow) of Cash Related to the Following Activities					
Operating					
Net earnings		**$ 17,464**	$ 33,144	**$ 211**	$ 13,504
Net earnings from investments in joint ventures	5	**(7,026)**	(5,746)	**(10,577)**	(8,035)
Items not affecting cash					
Depreciation and amortization		**18,122**	16,495	**35,250**	32,491
Loss (gain) on sale of assets	9	**(57)**	123	**(421)**	(4,613)
Other non-cash items		**6,013**	8,922	**(1,134)**	3,584
Net change in non-cash working capital		**4,557**	(21,790)	**17,302**	3,771
Income taxes received (paid), net		**27**	(1,059)	**(763)**	(8,250)
Employee future benefits paid		**(282)**	(548)	**(582)**	(1,323)
Net cash generated from operating activities		**38,818**	29,541	**39,286**	31,129
Investing					
Additions to property, plant, and equipment	19	**(9,768)**	(11,701)	**(87,021)**	(23,846)
Distributions received from joint ventures	5	**3,327**	2,648	**3,327**	6,920
Investment in joint ventures	5	**(12,208)**	(5,577)	**(15,093)**	(13,749)
Additions to vessels under construction		**(13,919)**	(7,718)	**(14,403)**	(31,898)
Issuance of loan receivable	5	**(5,498)**	—	**(5,498)**	(10,150)
Net proceeds on sale of assets	9	**57**	(123)	**926**	19,151
Net cash used in investing activities		**(38,009)**	(22,471)	**(117,762)**	(53,572)
Financing					
Interest paid		**(8,054)**	(8,838)	**(9,142)**	(9,438)
Interest received		**581**	1,316	**1,489**	2,033
Net proceeds from short-term borrowings		**30,733**	5,000	**95,332**	25,000
Repayment of long-term debt		**—**	—	**—**	(5,197)
Proceeds from long-term debt		**411**	—	**411**	—
Repurchase of shares for cancellation	17	**—**	(6,496)	**(789)**	(7,754)
Dividends paid		**(7,353)**	(6,785)	**(14,675)**	(63,581)
Net cash generated from (used in) financing activities		**16,318**	(15,803)	**72,626**	(58,937)
Net change in cash		**17,127**	(8,733)	**(5,850)**	(81,380)
Effects of exchange rate changes on cash held in foreign currencies		**241**	(293)	**4,256**	914
Cash, beginning of period		**13,869**	70,528	**32,831**	141,968
Cash, end of period		**$ 31,237**	$ 61,502	**$ 31,237**	$ 61,502

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 six months ended June 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 50% interests 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 vessels; one owned by G3 Canada Limited and two by NovaAlgoma Cement Carriers Limited ("NACC"), a related party.

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 seven product tankers employed in Canadian flag service, one tanker on dry-dock and expected to join the Canadian fleet in July, and one tanker currently under international bareboat charter. The segment also includes the Company's 50% interest in a new international joint venture comprising ten tankers, including nine which are under construction, and an interest in a foreign-flagged tanker. 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 August 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. Revenue

Disaggregated revenue by segment is as follows:

For the three months ended June 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2024					
Contract of Affreightment	$ 103,781	$ —	$ —	$ —	$ 103,781
Time Charter	(157)	33,600	—	—	33,443
Pool Revenue Share	—	—	42,818	—	42,818
Other	307	—	—	619	926
	$ 103,931	**$ 33,600**	**$ 42,818**	**$ 619**	**$ 180,968**
2023					
Contract of Affreightment	$ 123,864	$ —	$ —	$ —	$ 123,864
Time Charter	2,380	21,006	—	—	23,386
Pool Revenue Share	—	—	47,120	—	47,120
Other	340	7,040	—	656	8,036
	$ 126,584	$ 28,046	$ 47,120	$ 656	$ 202,406

For the six months ended June 30 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
2024					
Contract of Affreightment	$ 122,719	$ 3,329	$ —	$ —	$ 126,048
Time Charter	11,874	64,317	—	—	76,191
Pool Revenue Share	—	—	86,018	—	86,018
Other	412	—	—	1,513	1,925
	$ 135,005	**$ 67,646**	**$ 86,018**	**$ 1,513**	**$ 290,182**
2023					
Contract of Affreightment	$ 148,677	$ —	$ —	$ —	$ 148,677
Time Charter	11,951	45,689	—	—	57,640
Pool Revenue Share	—	—	91,505	—	91,505
Other	455	14,439	—	1,294	16,188
	$ 161,083	$ 60,128	$ 91,505	$ 1,294	$ 314,010

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

As at (unaudited, in thousands of dollars)	**June 30 2024**	December 31 2023
Unbilled revenue (included in accounts receivable)	**$ 20,800**	$ 24,631
Deferred revenue (included in accounts payable and accrued charges)	**1,586**	1,525

5. Investments in Joint Ventures

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

As at (unaudited)			**June 30 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 two product tankers within Northern European markets	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 June 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 10,943	$ 1,869	$ 6,294	$ 67,706
Operating expenses	(6,500)	(1,268)	(5,314)	(41,449)
General and administrative	(259)	(131)	(707)	(1,535)
Depreciation and amortization	(1,314)	(83)	(92)	(9,178)
Operating earnings	2,870	387	181	15,544
Interest income (expense)	(1,342)	25	3	(1,966)
Foreign exchange gain (loss)	141	—	—	(204)
Gain on sale of asset	—	—	—	1,624
Earnings before undernoted	1,669	412	184	14,998
Net earnings of joint ventures	—	—	—	1,376
Net earnings attributable to non-controlling interest	(458)	—	—	(723)
Income tax expense	—	—	(65)	(3,020)
Net earnings	**$ 1,211**	**$ 412**	**$ 119**	**$ 12,631**
Company share of net earnings	$ 606	$ 206	$ 58	$ 6,316
Amortization of vessel purchase price allocation and intangibles	—	—	—	(160)
Company share included in net earnings of joint ventures	**$ 606**	**$ 206**	**$ 58**	**$ 6,156**

For the three months ended June 30, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 2,478	$ 2,049	$ —	$ 70,288
Operating expenses	(769)	(1,216)	—	(44,934)
General and administrative	(125)	(135)	—	(2,455)
Depreciation and amortization	(620)	21	—	(8,500)
Operating earnings	964	719	—	14,399
Interest expense	—	—	—	(2,068)
Foreign exchange gain (loss)	(278)	1	—	144
Earnings before undernoted	686	720	—	12,475
Net earnings of joint ventures	—	—	—	1,540
Net earnings attributable to non-controlling interest	(224)	—	—	(1,476)
Income tax expense	—	—	—	(1,915)
Net earnings	$ 462	$ 720	$ —	$ 10,624
Company share of net earnings	$ 231	$ 360	$ —	$ 5,312
Amortization of vessel purchase price allocation and intangibles	—	—	—	(157)
Company share included in net earnings of joint ventures	$ 231	$ 360	$ —	$ 5,155

For the six months ended June 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 14,327	$ 3,342	$ 18,037	$ 126,961
Operating expenses	(7,815)	(2,352)	(12,092)	(83,081)
General and administrative	(432)	(284)	(1,575)	(3,261)
Depreciation and amortization	(2,264)	(166)	(183)	(18,148)
Operating earnings	3,816	540	4,187	22,471
Interest income (expense)	(1,342)	32	11	(3,850)
Foreign exchange loss	(299)	—	(1)	(341)
Gain on sale of asset	—	—	—	1,593
Earnings before undernoted	2,175	572	4,197	19,873
Net earnings of joint ventures	—	—	—	1,618
Net earnings attributable to non-controlling interest	(718)	—	—	(1,626)
Income tax expense	—	—	(985)	(3,256)
Net earnings	**$ 1,457**	**$ 572**	**$ 3,212**	**$ 16,609**
Company share of net earnings	$ 729	$ 286	$ 1,574	$ 8,305
Amortization of vessel purchase price allocation and intangibles	—	—	—	(317)
Company share included in net earnings of joint ventures	**$ 729**	**$ 286**	**$ 1,574**	**$ 7,988**

For the six months ended June 30, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Revenue	$ 3,559	$ 4,110	$ —	$ 136,040
Operating expenses	(1,395)	(2,600)	—	(92,293)
General and administrative	(225)	(275)	—	(4,048)
Depreciation and amortization	(620)	(172)	—	(17,891)
Operating earnings	1,319	1,063	—	21,808
Interest expense	—	—	—	(4,257)
Foreign exchange gain (loss)	(278)	1	—	110
Earnings before undernoted	1,041	1,064	—	17,661
Net earnings of joint ventures	—	—	—	2,886
Net earnings attributable to non-controlling interest	(341)	—	—	(3,392)
Income tax expense	—	—	—	(2,219)
Net earnings	$ 700	$ 1,064	$ —	$ 14,936
Company share of net earnings	$ 350	$ 532	$ —	$ 7,468
Amortization of vessel purchase price allocation and intangibles	—	—	—	(315)
Company share included in net earnings of joint ventures	$ 350	$ 532	$ —	$ 7,153

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

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Product Tankers	**$ 606**	$ 231	**$ 729**	$ 350
Ocean Self-Unloaders	**206**	360	**286**	532
Corporate	**58**	—	**1,574**	—
Global Short Sea Shipping	**6,156**	5,155	**7,988**	7,153
	$ 7,026	$ 5,746	**$ 10,577**	$ 8,035

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

As at June 30, 2024 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	$ 12,964	$ 2,860	$ 2,120	$ 15,676
Other current assets	4,047	730	5,505	41,128
Income taxes recoverable	3	52	—	399
Property, plant, and equipment	66,137	2,702	1,806	444,722
Investment in joint ventures	—	—	—	55,194
Other assets	89,437	—	—	30,966
Current liabilities	(2,777)	(1,408)	(2,480)	(39,745)
Income taxes payable	—	—	(559)	—
Current portion of long-term debt	(3,597)	—	(312)	(24,679)
Long-term debt	(36,789)	—	(889)	(62,748)
Other long-term liabilities	—	—	—	(14,918)
Non-controlling interest	(5,017)	—	—	(16,014)
Net assets of joint ventures	**$ 124,408**	**$ 4,936**	**$ 5,191**	**$ 429,981**
Company share of net assets	$ 62,204	$ 2,468	$ 2,543	$ 214,991
Goodwill and other purchase price adjustments	—	—	4,048	6,312
Company share of joint ventures	**$ 62,204**	**$ 2,468**	**$ 6,591**	**$ 221,303**

As at December 31, 2023 (unaudited, in thousands of dollars)	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping
Cash	$ 3,129	$ 2,268	$ 2,237	$ 17,996
Other current assets	1,988	375	3,429	54,440
Income taxes recoverable	—	50	—	552
Assets held for sale	—	—	—	7,933
Property, plant, and equipment	13,257	1,694	1,747	408,276
Investment in joint ventures	—	—	—	52,234
Other assets	89,445	—	—	23,442
Current liabilities	(3,106)	(171)	(2,686)	(54,849)
Income taxes payable	—	—	(505)	—
Current portion of long-term debt	—	—	(223)	(28,129)
Long-term debt	(6,018)	—	(827)	(64,214)
Other long-term liabilities	—	—	—	(3,921)
Non-controlling interest	(4,246)	—	—	(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)	**June 30 2024**	December 31 2023
Product Tankers	**$ 62,204**	$ 47,225
Ocean Self-Unloaders	**2,468**	2,108
Corporate	**6,591**	5,415
Global Short Sea Shipping	**221,303**	206,167
	$ 292,566	$ 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		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Revenue	**$ 323**	$ 341	**$ 640**	$ 645
Operating expenses	**3,685**	—	**10,591**	—

As at (unaudited, in thousands of dollars)	**June 30 2024**	December 31 2023
Accounts receivable	**$ 4,380**	$ 7,232
Loan receivable	**5,475**	—
Accounts payable	**(878)**	(404)
Loans guaranteed by the Company	**(14,258)**	(6,269)

In the second quarter of 2024, the Company issued a non-interest bearing loan of $4,000 USD to the NovaAlgoma joint venture which is expected to be repaid in full before the end of the fiscal year. The loan receivable is reflected in the other current assets of the Corporate segment.

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

For the three months ended June 30 (unaudited, in thousands of dollars)	**2024**		2023	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ —**	**$ (11,593)**	$ —	$ (5,577)
Ocean Self-Unloaders	**—**	**—**	—	—
Corporate	**586**	**—**	—	—
Global Short Sea Shipping	**2,741**	**(615)**	2,648	—
	$ 3,327	**$ (12,208)**	$ 2,648	$ (5,577)

For the six months ended June 30 (unaudited, in thousands of dollars)	**2024**		2023	
	Distributions received	**Investment in joint ventures**	Distributions received	Investment in joint ventures
Product Tankers	**$ —**	**$ (12,269)**	$ —	$ (13,749)
Ocean Self-Unloaders	**—**	**—**	889	—
Corporate	**586**	**(187)**	—	—
Global Short Sea Shipping	**2,741**	**(2,637)**	6,031	—
	$ 3,327	**$ (15,093)**	$ 6,920	$ (13,749)

6. Interest Expense

The components of interest expense are as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Interest expense on borrowings	**$ 5,502**	$ 4,942	**$ 10,583**	$ 9,565
Amortization of financing costs	**271**	425	**588**	851
Interest expense (income) on employee future benefits, net	**66**	(58)	**104**	123
Capitalized interest	**(612)**	(186)	**(1,389)**	(291)
	$ 5,227	$ 5,123	**$ 9,886**	$ 10,248

7. Income Taxes

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

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Combined federal and provincial statutory income tax rate	**26.5%**	26.5%	**26.5%**	26.5%
Net earnings (loss) before income tax and net earnings from investments in joint ventures	**$ 11,044**	$ 35,145	**$ (20,773)**	$ 3,752
Expected income tax recovery (expense)	**$ (2,927)**	$ (9,313)	**$ 5,505**	$ (994)
Tax effects resulting from:				
Foreign tax rates different from Canadian statutory rate	**1,828**	2,042	**4,151**	3,149
Effect of items that are non-taxable	**—**	(225)	**276**	(225)
Deferred tax items recognized	**508**	—	**508**	—
Adjustments to prior period provision	**—**	(101)	**—**	(101)
Other	**(15)**	(150)	**(33)**	(112)
Actual tax recovery (expense)	**$ (606)**	$ (7,747)	**$ 10,407**	$ 1,717

8. Other Current Assets

The components of other current assets are as follows:

As at (unaudited, in thousands of dollars)		**June 30 2024**		December 31 2023
Materials, fuel and supplies	**$**	**16,111**	$	15,789
Prepaid expenses		**12,173**		9,640
Loan receivable (Note 5)		**5,475**		—
Derivative asset		**—**		2,765
	$	**33,759**	$	28,194

9. Property, Plant, and Equipment

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

Cost (unaudited, in thousands of dollars)		Domestic Dry-Bulk		Product Tankers		Ocean Self-Unloaders		Corporate		Total
Balance at January 1, 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		42,963		43,031		4,745		156		90,895
Transfer from vessels under construction		29,267		—		—		—		29,267
Disposals		(9,510)		—		—		—		(9,510)
Effect of foreign currency exchange differences		—		—		14,376		2		14,378
Balance at June 30, 2024	**$**	**745,138**	**$**	**250,936**	**$**	**427,161**	**$**	**27,239**	**$**	**1,450,474**

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		13,239		8,337		12,926		660		35,162
Disposals		(9,005)		—		—		—		(9,005)
Effect of foreign currency exchange differences		—		—		6,529		1		6,530
Balance at June 30, 2024	**$**	**235,294**	**$**	**97,921**	**$**	**200,566**	**$**	**15,598**	**$**	**549,379**

Net Book Value (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Total
June 30, 2024					
Cost	$ 745,138	$ 250,936	$ 427,161	$ 27,239	$ 1,450,474
Accumulated depreciation	235,294	97,921	200,566	15,598	549,379
	$ 509,844	**$ 153,015**	**$ 226,595**	**$ 11,641**	**$ 901,095**
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 $421.

Also, in the first quarter of 2024, the Company purchased two used product tankers for a total purchase price of $36,783. The vessels have been initially on bareboat charters back to the seller, with one joining the Canadian fleet in July and the other expected to join the joint venture fleet later in the year.

10. Goodwill

As part of a business acquisition in 2011, the Company recognized goodwill of $7,910 within the Domestic Dry-Bulk segment on the allocation of the purchase price, determined as the excess over the fair values of the net tangible and identifiable intangible assets acquired.

11. Mortgage Receivable

On June 30, 2022, the Company finalized the sale of a shopping centre located in Sault Ste. Marie, Ontario. Proceeds of the sale included a vendor take-back ("VTB") mortgage for $18,000, secured by a first lien against the shopping centre. The VTB mortgage bore interest-only payments at 5.5% for a 24 month term and was fully open for prepayment of any part of the principal outstanding at any time. The first payment of interest was received on June 30, 2023 and interest-only payments have been received monthly thereafter.

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.

12. Other Assets

Other assets consist of the following:

As at (unaudited, in thousands of dollars)	**June 30 2024**	December 31 2023
Vessels under construction (see below)	**$ 69,407**	$ 82,578
Right-of-use assets	**287**	368
Other	**91**	91
	$ 69,785	$ 83,037

The components of vessels under construction are as follows:

As at (unaudited, in thousands of dollars)	**June 30 2024**	December 31 2023
Progress payments	**$ 65,664**	$ 73,578
Supervision and other	**2,784**	7,359
Capitalized interest	**959**	1,641
	$ 69,407	$ 82,578

13. Short-term borrowings

Short-term borrowings comprise the following:

As at (unaudited, in thousands of dollars)		**June 30 2024**		December 31 2023
Draws under Bank Facility, expiring October 11, 2027				
SOFR loans, U.S. $26,000, interest at 7.93%, due within the year	**$**	**35,586**	$	—
Bankers' Acceptance, interest at 7.38%, due within the year		**60,000**		—
	$	**95,586**	$	—

The Company's bank credit facility (the "Facility") comprises a $75 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 bankers' acceptance, adjusted SOFR 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 June 30, 2024 and December 31, 2023, the Company was in compliance with all of its covenants.

Subsequent to the quarter, the Company amended the Facility to increase the available Canadian dollar bank credit to $125 million. All other material terms remain unchanged.

14. Other Current Liabilities

The components of other current liabilities are as follows:

As at (unaudited, in thousands of dollars)		**June 30 2024**		December 31 2023
Accrued interest	**$**	**2,004**	$	681
Dividends payable		**2,625**		2,588
Lease obligations		**165**		131
	$	**4,794**	$	3,400

15. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

As at (unaudited, in thousands of dollars)		**June 30 2024**		December 31 2023
Deferred compensation	**$**	**1,260**	$	2,005
Lease obligations		**122**		221
	$	**1,382**	$	2,226

16. Long-Term Debt

As at (unaudited, in thousands of dollars)	**June 30 2024**	December 31 2023
Convertible unsecured subordinated debentures, due June 30, 2024, interest at 5.25%	**$ 33,115**	$ 60,898
Senior Secured Notes		
U.S. $20,000, interest at 3.37%, due December 10, 2027	**27,374**	26,452
U.S. $42,000, interest at 3.60%, due December 10, 2030	**57,485**	55,549
U.S. $35,000, interest at 3.70%, due December 10, 2032	**47,905**	46,291
U.S. $50,000, interest at 3.80%, due December 10, 2035	**68,435**	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%	**411**	—
	362,725	383,320
Less: unamortized financing expenses	**5,711**	6,299
	357,014	377,021
Less: current portion of long-term debt and unamortized financing expenses	**33,320**	60,663
	$ 323,694	$ 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 June 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 totalling $300 USD. The mortgage carries an annual interest rate of 7.75% for the first five years, adjusting to 7.375% thereafter. Monthly blended payments of principal and interest are required, with the option for principal prepayments at any time without penalty. The mortgage is secured against a freighter vessel.

17. 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 June 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 September 3, 2024 to shareholders of record on August 20, 2024.

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

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Net earnings	**$ 17,464**	$ 33,144	**$ 211**	$ 13,504
Interest expense on debentures, net of tax	**—**	840	**—**	1,710
Net earnings for diluted earnings per share	**$ 17,464**	$ 33,984	**$ 211**	$ 15,214
Basic weighted average common shares	**39,931,871**	38,488,105	**39,570,931**	38,483,075
Shares due to dilutive effect of debentures	**—**	4,555,623	**—**	4,715,131
Diluted weighted average common shares	**39,931,871**	43,043,728	**39,570,931**	43,198,206
Basic earnings per common share	**$ 0.44**	$ 0.86	**$ 0.01**	$ 0.35
Diluted earnings per common share	**$ 0.44**	$ 0.79	**$ 0.01**	$ 0.35

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 June 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.

18. 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)	(6,777)	752	18,940	12,915
Reclassified to vessels under construction	—	(3,517)	—	(3,517)
Income tax recovery	72	—	—	72
Net gain (loss)	(6,705)	(2,765)	18,940	9,470
Balance at June 30, 2024	**$ (33,333)**	**$ —**	**$ 20,336**	**$ (12,997)**

19. Supplementary Disclosure of Cash Flow Information

Additions to property, plant and equipment are as follows:

	Three Months Ended		Six Months Ended	
For the periods ended June 30 (unaudited, in thousands of dollars)	**2024**	2023	**2024**	2023
Additions to property, plant, and equipment (Note 9)	**$ 11,524**	$ 9,649	**$ 90,895**	$ 24,109
Amounts included in working capital	**(1,529)**	2,052	**(6,455)**	(281)
Capitalized interest	**(227)**	—	**(613)**	—
Other non-cash adjustments	**—**	—	**3,194**	18
	$ 9,768	$ 11,701	**$ 87,021**	$ 23,846

20. Commitments

The table below reflects the commitments of the Company at June 30, 2024. Annual expected payments are detailed in Note 21.

(unaudited, in thousands of dollars)	
Construction of a domestic dry-bulk self-unloader (see below)	$ 65,949
Construction of two ice-class product tankers	105,072
Construction of three ocean self-unloaders	237,866
Construction of nine product tankers through a joint venture (Algoma share)	189,509
Construction of two general cargo ships through a joint venture (Algoma share)	13,591
Purchase of remaining AMI shares (Note 5)	5,757
Leases	314
	$ 618,058

Subsequent to the quarter, a notice of rescission was served to the shipyard due to delays in the construction timelines. The Company is currently in negotiation for new purchase terms.

21. Financial Instruments and Risk Management

The Company's financial instruments included in the interim condensed consolidated balance sheet comprise cash, accounts receivable, loan 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)	**June 30 2024**	December 31 2023
Long-term debt		
Carrying value	**$ 362,725**	$ 383,320
Fair value, classified as Level 2	**315,902**	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 including convertible debentures	$ 33,129	$ 29	$ 31	$ 27,408	$ 37	$ 302,091	$ 362,725
Vessel purchase commitments (Note 20)	43,842	232,623	79,289	53,133	—	—	408,887
Vessel purchase commitments through joint ventures (Algoma share)	66,649	95,649	40,802	—	—	—	203,100
Interest payments on long-term debt	7,145	12,528	12,525	12,522	11,597	65,421	121,738
AMI share purchase	—	—	—	—	—	5,757	5,757
Leases	73	157	84	—	—	—	314
	$ 150,838	**$ 340,986**	**$ 132,731**	**$ 93,063**	**$ 11,634**	**$ 373,269**	**$ 1,102,521**

Foreign Exchange Risk

At June 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 $13,037 (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 June 30, 2024, the Company had not entered into any foreign exchange forward contracts.

22. Segment Disclosures

The Company operates through five segments; Domestic Dry-Bulk, Product Tankers, Ocean Self-Unloaders, Corporate and Global Short Sea Shipping. The segment operating results include fully consolidated subsidiaries and interests in jointly controlled entities. Segment disclosures are based on how the Chief Executive Officer views operating results and how decisions are made about resources to be allocated to operating segments.

The following presents the Company's results by reportable segment.

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

For the three months ended June 30, 2023 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 126,584	$ 28,046	$ 47,120	$ 656	$ —	$ 202,406
Operating expenses	(84,172)	(21,924)	(32,633)	(268)	—	(138,997)
Selling, general and administrative	(3,203)	(1,273)	(546)	(5,693)	—	(10,715)
Depreciation and amortization	(6,403)	(3,771)	(5,938)	(383)	—	(16,495)
Operating earnings (loss)	32,806	1,078	8,003	(5,688)	—	36,199
Interest, net	—	—	—	(4,550)	—	(4,550)
Gain (loss) on sale of assets	—	(148)	—	25	—	(123)
Foreign currency gain	—	—	—	3,619	—	3,619
	32,806	930	8,003	(6,594)	—	35,145
Income tax recovery (expense)	(8,694)	(751)	—	1,698	—	(7,747)
Net earnings from investments in joint ventures	—	231	360	—	5,155	5,746
Net earnings (loss)	$ 24,112	$ 410	$ 8,363	$ (4,896)	$ 5,155	$ 33,144

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

For the six months ended June 30, 2023 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Revenue	$ 161,083	$ 60,128	$ 91,505	$ 1,294	$ —	$ 314,010
Operating expenses	(142,289)	(47,813)	(65,934)	(521)	—	(256,557)
Selling, general and administrative	(6,773)	(2,729)	(1,097)	(10,503)	—	(21,102)
Depreciation and amortization	(12,859)	(7,363)	(11,518)	(751)	—	(32,491)
Operating earnings (loss)	(838)	2,223	12,956	(10,481)	—	3,860
Interest, net	—	—	—	(8,710)	—	(8,710)
Gain on sale of assets	—	4,588	—	25	—	4,613
Foreign exchange gain	—	—	—	3,989	—	3,989
	(838)	6,811	12,956	(15,177)	—	3,752
Income tax recovery (expense)	240	(2,264)	—	3,741	—	1,717
Net earnings from investments in joint ventures	—	350	532	—	7,153	8,035
Net earnings (loss)	$ (598)	$ 4,897	$ 13,488	$ (11,436)	$ 7,153	$ 13,504

As at June 30, 2024 (unaudited, in thousands of dollars)	Domestic Dry-Bulk	Product Tankers	Ocean Self-Unloaders	Corporate	Global Short Sea Shipping	Total
Assets						
Current assets	$ 59,811	$ 6,669	$ 40,175	$ 48,139	$ —	$ 154,794
Property, plant, and equipment	509,844	153,015	226,595	11,641	—	901,095
Investments in joint ventures	—	62,204	2,468	6,591	221,303	292,566
Goodwill	7,910	—	—	—	—	7,910
Other assets	1,300	40,617	27,499	24,243	—	93,659
	$ 578,865	**$ 262,505**	**$ 296,737**	**$ 90,614**	**$ 221,303**	**$ 1,450,024**
Liabilities						
Current liabilities	$ 54,734	$ 23,731	$ 14,161	$ 110,846	$ —	$ 203,472
Current portion of long-term debt	205	—	—	33,115	—	33,320
Long-term liabilities	997	14,962	—	71,554	—	87,513
Long-term debt	205	—	—	323,489	—	323,694
	56,141	38,693	14,161	539,004	—	647,999
Shareholders' Equity	522,724	223,812	282,576	(448,390)	221,303	802,025
	$ 578,865	**$ 262,505**	**$ 296,737**	**$ 90,614**	**$ 221,303**	**$ 1,450,024**

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

23. 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 June 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 June 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	2.66
$15.82	240,000	3.65
$15.01	220,352	4.65
	606,602	

For the six months ended June 30, 2024, the Company recognized compensation expense for stock option awards of $270 (2023 - $180). For the six months ended June 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).

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