FOR IMMEDIATE RELEASE

Tree Island Steel Announces First Quarter 2023 Results

VANCOUVER, British Columbia, Canada - May 4, 2023 - Tree Island Steel (''Tree Island'' or the ''Company'') (TSX: TSL) announced today its financial results for the three months ended March 31, 2023.

For the three-month period ended March 31, 2023, revenues of $75.3 million were $17.5 million (19%) lower than the same period of 2022. The previously announced closure of our Etiwanda site resulted in lower volumes from that facility while reduced construction of large-scale distribution warehouses contributed to a drop in our engineered structural products sales. To a lesser degree, lower unit sales prices negatively impacted revenue.

First quarter gross profit of $11.8 million was $9.0 million lower than the same period of 2022. Margins were reduced as unit sales prices did not offset higher year-over-year raw material costs. Adjusted EBITDA was $9.8 million compared to $18.8 million in Q1 2022 for the same reason.

In the first quarter the company exercised its early termination option on the Etiwanda property which had been sold in December 2021. The site maintained reduced operations in the quarter while decommissioning various equipment. Certain Etiwanda machines will be relocated to other Tree Island facilities and recommissioned in Q2 and Q3.

"Our goal is to relocate and recommission certain Etiwanda equipment to other Tree Island sites during the next two quarters providing operating leverage and additional volumes in 2024. We believe the strength of our balance sheet gives us a solid financial foundation to expand our business" said Nancy Davies, Interim President and COO of Tree Island Steel.

"We will maintain close oversight of the business, as the consolidation efforts progress, and continue to monitor operations as we move forward in an unpredictable economic environment" said Amar Doman, Executive Chairman of Tree Island Steel.

RESULTS FROM OPERATIONS

($'000 unless otherwise stated)	Three Months Ended March 31, 2023	2022
Revenue	75,271	92,746
Cost of sales	(62,157)	(70,495)
Depreciation	(1,329)	(1,416)
Gross profit	11,785	20,835
Selling, general and administrative expenses	(3,484)	(3,364)
Operating income	8,301	17,471
Foreign exchange gain (loss)	141	(113)
Loss on property, plant and equipment sale	(66)	-
Other expenses	-	(9)
Financing expenses	(299)	(494)
Site shutdown expenses	(300)	-
Income before income taxes	7,777	16,855
Income tax expense	(1,927)	(4,128)
Net income	5,850	12,727
Net income per share	0.21	0.45
Dividends per share	0.05	1.23

Financial position as at:	March 31, 2023	December 31, 2022
Total assets	188,038	176,326
Total non-current financial liabilities	27,211	27,557

Adjusted EBITDA

($'000 unless otherwise stated)	Three Months Ended March 31, 2023	2022
Operating income	8,301	17,471
Add back depreciation	1,329	1,416
Foreign exchange gain (loss)	141	(113)
Adjusted EBITDA[1]	9,771	18,774

[1] *See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the March 31, 2023, MD&A.*

About Tree Island Steel

Tree Island Steel, headquartered in Richmond, British Columbia since 1964, through its operating facilities in Canada and the United States, produces wire products for a diverse range of industrial, residential construction, commercial construction and agricultural applications. Its products include galvanized wire, bright wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products; concrete reinforcing mesh; fencing and other fabricated wire products. The Company markets these products under the Tree Island®, Halsteel®, K-Lath®, TI Wire®, ToughStrand® and ToughPanel® brand names.

Forward-Looking Statements

This press release includes forward-looking information with respect to Tree Island including its business, operations and strategies, its dividend policy and the declaration and payment of dividends thereunder as well as financial performance and conditions. The use of forward-looking words such as, "may," "will," "expect" or similar variations generally identify such statements. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including risks and uncertainties discussed under the heading “Risk Factors” in Tree Island’s most recent annual information form and management discussion and analysis.

The forward-looking statements contained herein reflect management's current beliefs and are based upon certain assumptions that management believes to be reasonable based on the information currently available to management. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, prospective investors should specifically consider various factors including the risks outlined in the Company’s most recent annual information form and management discussion and analysis which may cause actual results to differ materially from any forward-looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the impact of global health pandemics on the Company, its customers and vendors, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, volume and price pressure from import competition, deterioration in the Company’s liquidity, disruption in the supply of raw materials, volatility in the costs of raw materials, transportation costs and availability, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, relocation of certain production equipment from the Etiwanda operations, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties set forth in our publicly filed materials.

This press release has been reviewed by the Company's Board of Directors and its Audit Committee, and contains information that is current as of the date of this press release, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities laws.

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