FOR IMMEDIATE RELEASE

Tree Island Steel Announces Executive Appointments and Second Quarter 2023 Results

VANCOUVER, British Columbia, Canada - July 27, 2023 - Tree Island Steel (''Tree Island'' or the ''Company'') (TSX: TSL) announced today the appointment of Nancy Davies as Chief Operating Officer reporting to Executive Chairman Amar S. Doman and the appointment of Brian Liu as VP Finance and CFO. The Company also announced today its financial results for the six months ended June 30, 2023.

For the three-month period ended June 30, 2023, revenues decreased by $34.8 million to $63.6 million, from $98.4 million in the same period in 2022. The decrease was the result of a reduction in steel pricing, macroeconomic conditions, and lower shipped volume from the previously announced closure of our Etiwanda facility. Gross profit for the second quarter decreased to $9.1 million, from $21.6 million in the same period in 2022, impacted by lower volumes and return of margins to more historic levels particularly in the industrial wire products. Adjusted EBITDA amounted to $6.8 million, compared to $19.3 million during the same period in 2022 from lower gross profit. In the quarter, we also incurred $2.1 million in restructuring costs associated with headcount reductions.

For the six months ended June 30, 2023, revenues decreased by $52.3 million to $138.9 million compared to 2022 and gross profit decreased to $20.9 million from $42.4 million. The decrease is for the same factors as in the quarter. This resulted in an Adjusted EBITDA of $16.6 million, compared to $38.0 million during the same period in 2022.

In June 2023, the Company successfully completed an early exit of the Etiwanda facility. Relocation of higher performing equipment to other locations was also completed during the quarter. Installation and recommissioning of the relocated equipment is expected to complete through Q3, 2023.

“I am proud of our employees' commitment and contribution, which enabled us to deliver another positive quarter in a challenging business environment and, in parallel, successfully exit the Etiwanda property early. With the relocation of certain equipment from the Etiwanda facility progressing forward, this will provide further operating leverage in the latter part of 2023," said Nancy Davies, Chief Operating Officer of Tree Island Steel.

“With the reset in steel prices, we continue to closely engage and support our customers in all market segments, while prudently monitoring operations," said Amar S. Doman, Executive Chair of Tree Island Steel.

RESULTS FROM OPERATIONS

($'000 unless otherwise stated)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	63,591	98,370	138,861	191,116
Cost of sales	(53,304)	(75,477)	(115,461)	(145,972)
Depreciation	(1,205)	(1,305)	(2,534)	(2,721)
Gross profit	9,082	21,588	20,866	42,423
Selling, general and administrative expenses	(3,352)	(3,693)	(6,836)	(7,057)
Operating income	5,730	17,895	14,030	35,366
Foreign exchange gain (loss)	(125)	75	18	(38)
Loss on property, plant and equipment sale	(31)	-	(97)	-
Other expenses	-	(21)	-	(30)
Site shutdown expenses	(1,040)	-	(1,340)	-
Financing expenses	(118)	(660)	(417)	(1,154)
Reorganization costs	(2,097)	-	(2,097)	-
Income before income taxes	2,319	17,289	10,097	34,144
Income tax expense	(668)	(4,170)	(2,596)	(8,298)
Net income	1,651	13,119	7,501	25,846
Net income per share	0.06	0.46	0.27	0.91
Dividends per share	0.05	1.23	0.10	1.28

Financial position as at:	June 30, 2023	December 31, 2022
Total assets	174,409	176,326
Total non-current financial liabilities	26,196	27,557

Adjusted EBITDA

($'000 unless otherwise stated)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating income	5,730	17,895	14,030	35,366
Add back depreciation	1,205	1,305	2,534	2,721
Foreign exchange (loss) gain	(125)	75	18	(38)
Adjusted EBITDA[1]	6,810	19,275	16,582	38,049

[1] *See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the June 30, 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.

For further information contact:
Ali Mahdavi, Investor Relations
Tree Island Steel
(416) 962-3300
e-mail: amahdavi@treeisland.com
Website: www.treeisland.com