



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Full Year 2021 Results and Quarterly and Special Dividend

VANCOUVER, British Columbia, Canada - March 2, 2022 - Tree Island Steel ("Tree Island" or the "Company") (TSX: TSL) announced today its financial results for the year ended December 31, 2021.

For the three-month period ended December 31, 2021, revenues increased by \$21.8 million to \$76.0 million from higher demand particularly in commercial construction, along with pricing increases across all market segments. Gross profit for the fourth quarter increased to \$17.3 million, from \$6.6 million in the same period in 2020, from increased sales volumes in the period and cost management. Adjusted EBITDA amounted to \$12.6 million, compared to \$4.5 million during the same period in 2020.

For the year ended December 31, 2021, revenues increased by \$86.0 million to \$301.8 million when compared to 2020. The increase is primarily due to higher shipped volumes across all market segments as well as pricing increases. Gross profit increased to \$68.6 million from \$25.9 million. The increased gross profit for the period is the result of higher sales volume, improved efficiencies, operating leverage from increased volumes, and cost management. The higher gross margins also resulted in an Adjusted EBITDA of \$58.0 million, compared to \$17.8 million during the same period in 2020.

"With increased construction in both residential and commercial sectors, along with agricultural and industrial growth driving demand for wire and wire products, higher sales volumes were achieved in 2021," said Remy Stachowiak, President and COO of Tree Island Steel. "In this inflationary cost environment, with increases in raw materials, labour, freight, consumables and utilities, along with labour constraints, we continue to closely manage our inventory and operations."

In November 2021, we purchased the Calgary property, which we were previously leasing, for a total of \$11.3 million. This has not changed our operations in Calgary, but it will allow us to utilize the site in the future according to our business needs and eliminates the lease payment obligations.

In December 2021, we closed the sale of our Etiwanda land and building, with proceeds of this disposition driving a significant increase in net income and cash flow for the year. Following this transaction we entered into a two-year leaseback of the facility, and we are currently reviewing options for the relocation of operations.

On March 2, 2022 the Board of Directors declared a regular quarterly dividend of \$0.03 per share and an additional \$1.20 per share as a special dividend on the issued and outstanding Common Shares of the Company, both payable on April 14, 2022 to holders of record at the close of business on March 31, 2022.

"We are very pleased with the results in 2021, as we continue to adapt to supply chain and labour constraints, as well as increasing costs. Through this volatility, we remain focused in supporting our customers throughout our end-markets," said Amar S. Doman, Executive Chair of Tree Island Steel.



RESULTS FROM OPERATIONS

(\$'000 unless otherwise stated)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Revenue	75,954	54,199	301,848	215,894
Cost of sales	(57,191)	(46,105)	(227,378)	(184,008)
Depreciation	(1,440)	(1,487)	(5,843)	(6,036)
Gross profit	17,323	6,607	68,627	25,850
Selling, general and administrative expenses	(5,833)	(3,397)	(16,367)	(13,954)
Operating income	11,490	3,210	52,260	11,896
Foreign exchange loss	(373)	(226)	(140)	(173)
Gain on property, plant and equipment	63,897	-	63,896	5
Financing expenses	(679)	(590)	(2,532)	(4,335)
Other expenses	(4)	(20)	(6)	(217)
Income before income taxes	74,331	2,374	113,478	7,176
Income tax expense	(15,290)	(682)	(25,507)	(2,045)
Net income	59,041	1,692	87,971	5,131
Net income per share	2.08	0.06	3.09	0.18
Dividends per share	0.08	0.02	0.22	0.08

	December 31,	December 31,
Financial position as at:	2021	2020
Total assets	225,806	146,549
Total non-current financial liabilities	38,907	71,236

Adjusted EBITDA

(\$'000 unless otherwise states)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Operating income	11,490	3,210	52,260	11,896
Add back depreciation	1,440	1,487	5,843	6,036
Foreign exchange loss	(373)	(226)	(140)	(173)
Adjusted EBITDA ¹	12,557	4,471	57,963	17,759

¹ See definition on Adjusted EBITDA in Section 2 NON-IFRS MEASURES of the December 31, 2021, MD&A.



About Tree Island Steel

Tree Island Steel, headquartered in Richmond, British Columbia, since 1964, through its four 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®, Tough Strand® 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 COVID-19 pandemic impact on the company, 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, 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, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties

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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