

# Earnings Call Presentation

For the Quarter ended September 30<sup>th</sup>, 2024

# Disclaimer

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking information” under applicable Canadian securities legislation and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, “forward looking statements”). Forward-looking statements and information generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans”, “budget”, “continue” or similar expressions suggesting future outcomes or events. Forward-looking statements and information include, but are not limited to, statements regarding the operations, business, financial condition, expected financial results, performance, opportunities, strategies, outlook and guidance of Algoma Steel Group Inc. (the “Company” or “Algoma”), Algoma’s strategic objectives, its plate mill modernization project, its expectation to pay a quarterly dividend, potential purchases under its normal course issuer bid, and Algoma’s transformation to electric arc furnace steelmaking (the “EAF Transformation”), including the expected timing of the EAF Transformation and the resulting effects on the Company, expectations regarding future economic conditions, including the price of steel, inflation and interest rates and Algoma’s capitalization and ability to create value for its shareholders.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Readers should consider the other risks and uncertainties set forth in the section entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Information” in Algoma’s Annual Information Form for the year ended March 31, 2024, filed by Algoma with applicable Canadian securities regulatory authorities (available under the company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca)) and with the U.S. Securities and Exchange

Commission (the “SEC”), as part of Algoma’s Annual Report on Form 40-F (available at [www.sec.gov](http://www.sec.gov)), as well as in Algoma’s current reports with the Canadian securities regulatory authorities and the SEC.

Given these risks, uncertainties and other factors, readers should not place undue reliance on forward-looking statements or information as a prediction of actual results. The forward-looking statements and information reflects management’s current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking statements and information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking statements and information contained herein is current as of the date hereof and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances.

Certain information in this presentation may be considered as “financial outlook” within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding the Company’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

## PRESENTATION OF FINANCIAL INFORMATION

The Company’s fiscal year runs from April 1st to March 31st. The Company and its subsidiaries’ functional currency is the United States dollar (“US dollar” or “US\$”). The US dollar is the currency of the primary economic environment in which the Company and subsidiaries operate. The items included in the unaudited consolidated financial statements are measured using the US dollar.

For reporting purposes, the unaudited consolidated financial statements are presented in millions of Canadian dollars (“C\$” or “\$”). The assets and liabilities are translated into the reporting currency using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at average exchange rates for the reporting period. Exchange differences arising are recognized in other comprehensive

(loss) income and accumulated in equity under the heading ‘Foreign exchange on translation to presentation currency.’

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). IFRS differs in certain material respects from U.S. generally accepted accounting principles (“U.S. GAAP”). As such, the Company’s financial statements are not comparable to the financial statements of U.S. companies prepared in accordance with U.S. GAAP.

This presentation should be read in conjunction with, the Company’s September 30<sup>th</sup>, 2024, unaudited consolidated interim financial statements and the accompanying notes, and the related management’s discussion & analysis.

## NON-IFRS MEASURES

To supplement our financial statements, we use certain non-IFRS measures to evaluate the performance of Algoma. These terms do not have any standardized meaning prescribed within IFRS and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of our financial performance from management’s perspective and providing management and investors with additional information for comparison of our operating results across different time periods and to the operating results of other companies. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Please refer to the Company’s most recent MD&A for further discussion of these non-IFRS financial measures, including Adjusted EBITDA, and for a reconciliation to comparable IFRS measures, including net (loss) income. See also Annex: Adjusted EBITDA Reconciliation on slide 19.

# Agenda

**01 Safety Performance**

**02 Financial Performance**

**03 Strategic Update**

**04 Market Update**

**05 Questions & Answers**

## Today's Presentors



**Michael D. Garcia,**  
Chief Executive Officer



**Rajat Marwah,**  
Chief Financial Officer

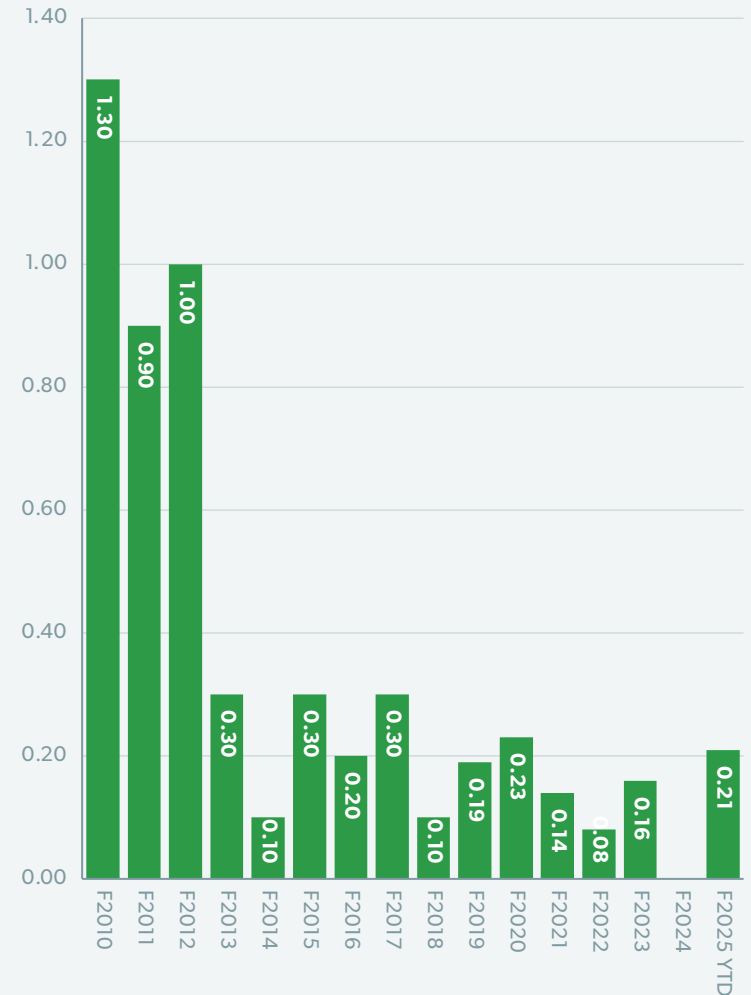
# Safety Without Compromise

## Health & Safety Performance

- Ongoing commitment to superior Health & Safety performance has led to sustained improvement of safety metrics over time.
- Health & safety remains our highest priority and to further the Company's efforts to improve, we are implementing an ISO 45001 Safety Management System.
- Algoma employs a Joint Health and Safety System to provide a healthy and safe workplace.
- Proud participants in the WSIB Health & Safety Excellence Program, joining businesses from across Ontario in the exchange of best practices, training and development.

1-Continued Focus and Improvement in Lost Time Injury Frequency Rate (LTIFR)

## Continued Focus and Improvement in Lost Time Injury Frequency Rate (LTIFR)<sup>1</sup>



# Key Performance Highlights

## Q2 FY2025 - Ended September 30<sup>th</sup>, 2024

- **Shipping Volume** was 520K NT in Q2 FY2025, up 3% from 503K NT in Q1 FY2025 and down 5% from 549K NT in Q2 FY2024.
- **Steel Revenue** was \$539 million in Q2 FY2025, down 10% from \$597 million in Q1 FY2025 and down 19% from \$666 million in Q2 FY2024.
- **Adjusted EBIDTA** was \$4 million in Q2 FY2025, down 91% from \$38 million in Q1 FY2025 and down 96% from \$81 million in Q2 FY2024.
- **Net Income** was \$-107 million in Q2 FY2025, down \$-113 million from \$6 million in Q1 FY2025 and down \$138 million from \$31 million in Q2 FY2024.
- **Cash Position** was \$452 million at the end of Q2 FY2025 with availability of \$343 million under the Revolving Credit Facility.
- **Adjusted EBIDTA margin Q2 FY2025 was 0.6%.**

## Q2 FY2025 YTD Highlights

**1,024 kNT**

Shipments

**\$1,136M**

Steel Revenue

**\$41M**

Adjusted EBIDTA

**3.3%**

Adjusted EBIDTA Margin



# Fiscal Second Quarter Financial Highlights

	Q2 FY2025	Q2 FY2024	Change		Q1 FY2025	Change	
Shipping volume ('000s tons)	520	549	↓	-5%	503	↑	3%
Net Sales Realization per ton (\$/ton)	1,036	1,213	↓	-15%	1,187	↓	-13%
Steel Revenue (\$ million)	539	666	↓	-19%	597	↓	-10%
Cost of Steel Products Sold (\$/ton)	1,032	1,021	↑	1%	1069	↓	-3%
Adjusted EBITDA (\$ million)	4	81	↓	-96%	38	↓	-91%
Net Income (\$ million)	(107)	31	↓	-	6	↓	-

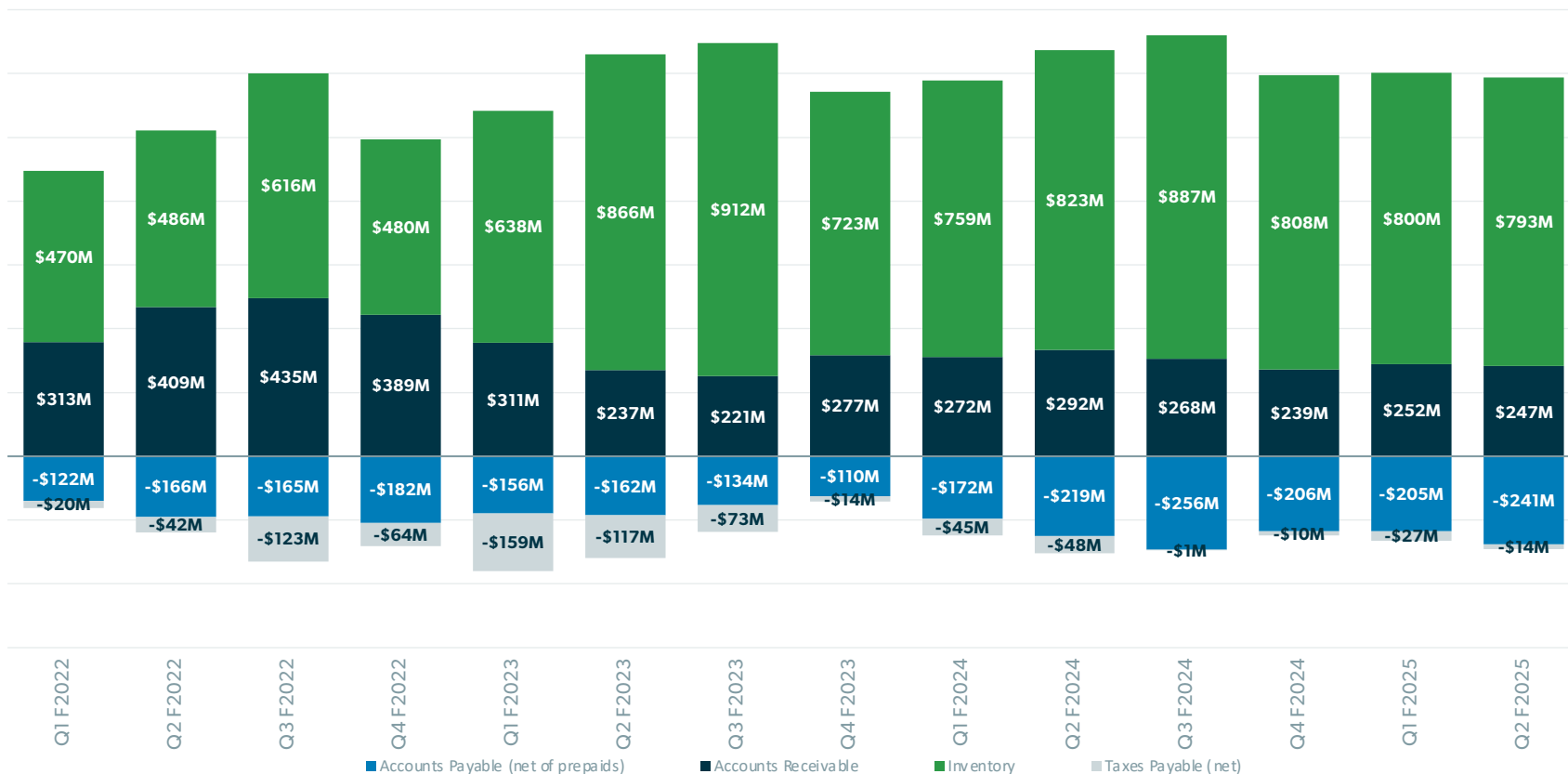
→ Algoma Q2 FY2025 Quarterly Adjusted EBITDA  
Margin was 0.6%

Source: Company Q2 FY2025 Management's Discussion and Analysis.  
Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures.  
See Annex: Adjusted EBITDA Reconciliation.



# Overview of Net Working Capital Seasonality<sup>1</sup>

Net Working Capital (\$M)	\$ 641	\$ 687	\$ 762	\$ 623	\$ 633	\$ 825	\$ 926	\$ 875	\$ 815	\$ 849	\$ 897	\$ 830	\$ 820	\$ 785
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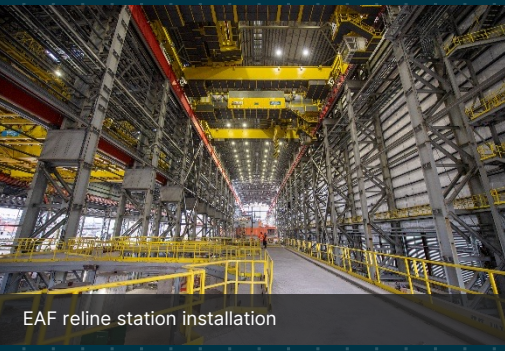


Source Company Notes to the Financial Statements:

<sup>1</sup>Please note that the chart shown includes Inventory, Trade Receivables, Payables Net of Prepaids, and Taxes Payable Net of Taxes Receivable

# Construction Update<sup>1</sup>

<sup>1</sup>Photos taken October 15, 2024.



EAF reline station installation



Stacks on Fume Treatment Plant (FTP) installation



Daniell Q-One power systems





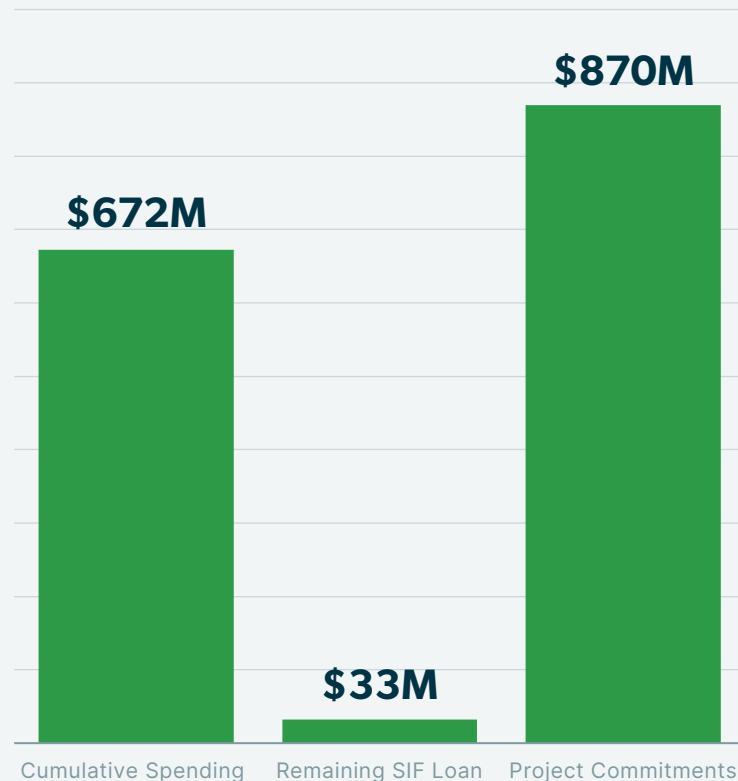
# Project Statistics<sup>1</sup>

## Project Estimates

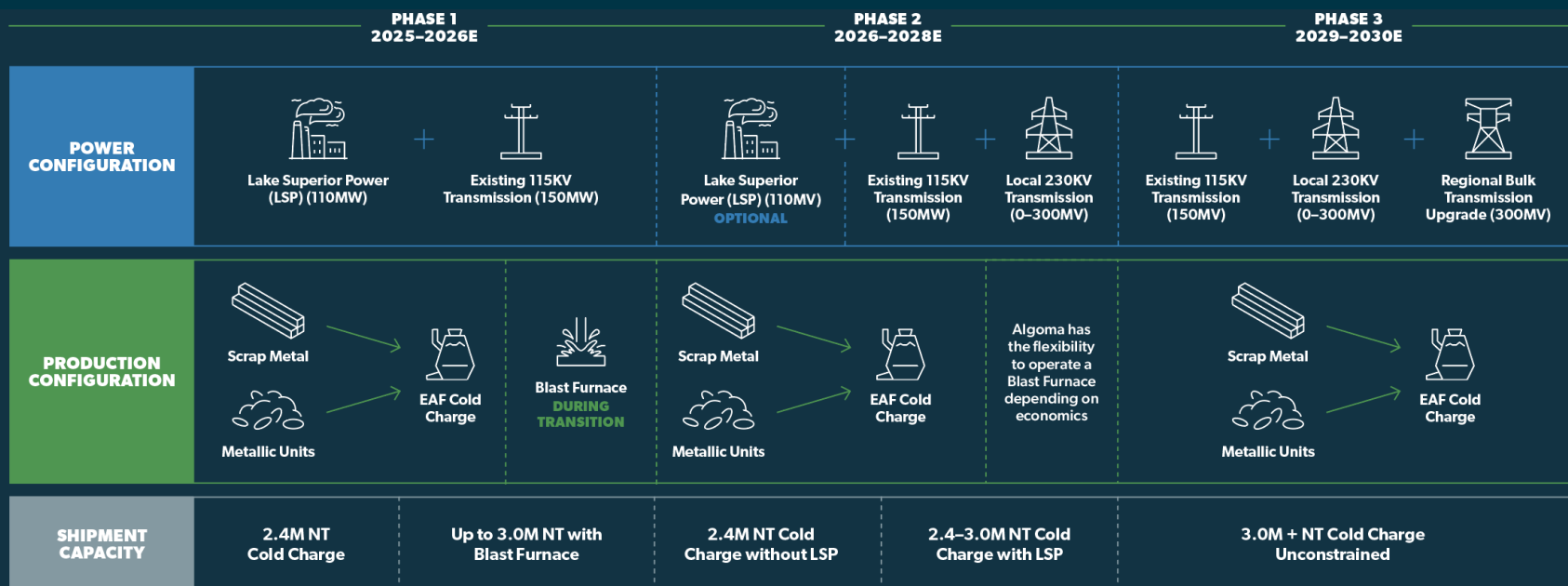
<b>22,083</b> Cubic Metres of Concrete	<b>12,000</b> Tonnes of Structural Steel	<b>100%</b> Shell Reline Foundations
<b>100%</b> Dust Hood	<b>100%</b> EAF Substation	<b>90%</b> Meltshop Roofing
<b>100%</b> #2 EAF Operation Floor - Structural Steel	<b>99%</b> Utility Room #1 – Structural Steel	<b>95%</b> Utility Room #2 Electrical - Transformers
<b>90%</b> Utility Room #2 Electrical - Cable Tray & Lighting	<b>90%</b> Concrete poured on #2 EAF lower dog house walls	<b>33%</b> Concrete poured on #2 EAF upper dog house walls

<sup>1</sup>Project Estimates at September 30, 2024

## Project Financials



# Powering Algoma's Transformation



## Algoma has secured all required power to operate EAFs at current shipment volumes derisking the power requirements on startup

- Fully Refurbished Lake Superior Power Plant to 110MW including two new GE gas turbines.
- Received System Impact Assessment Approval from regulatory authorities for initial phase.
- Internal transformers sourced, installed, and tested as part of EAF construction.
- EAF115Kv substation 100% complete and expected now energized.

## Algoma has made substantial progress on the development of the local 230KV line with PUC Transmission

- PUC Transmission has completed an environmental assessment, and public consultation and filed all requirements for the Ontario Energy Board's (OEB) regulatory approval process.<sup>3</sup>
- Algoma has received system impact assessments for operating both with and without LSP.
- **Update:** PUC transmission has received formal approval from the OEB for construction of the 230KV local power line.

## Algoma has received significant support and commitment from the Ontario government on installing regional bulk power upgrades by 2029

- The Ontario Government issued an Order-in-Council prioritizing the transmission lines, streamlining the Ontario Energy Board's (OEB) regulatory approval process.<sup>2</sup>
- Hydro One partners with First Nations communities through Hydro One's Equity Partnership model
- Update: Hydro One received ministerial directive to proceed with regional transmission upgrades, expediting progress.



# De-Risked Transition and Ramp-Up Plan

## Integrated Steel Making - Today

- Operating primary facilities including Coke Making, Blast Furnace #7, Basic Oxygen Furnace while construction is completed
- Unimpeded steel flow during construction
- Currently training EAF workforce within the current headcount
- **Finished Steel ~ 2.1- 2.2 Million Net Tons**

## EAF Transition Steel Making – 2025-26

- EAF Steel Making expected to begin early 2025
- Continue operating Integrated Steel Making Operations in parallel with EAF operations, derisking EAF ramp-up
- EAF steel flow is expected to add incremental tonnage to integrated volumes improving fixed cost per net ton
- **Finished Steel ~ 2.4 -2 .5 Million Net Tons**

## EAF Steel Making – 2027 Onwards

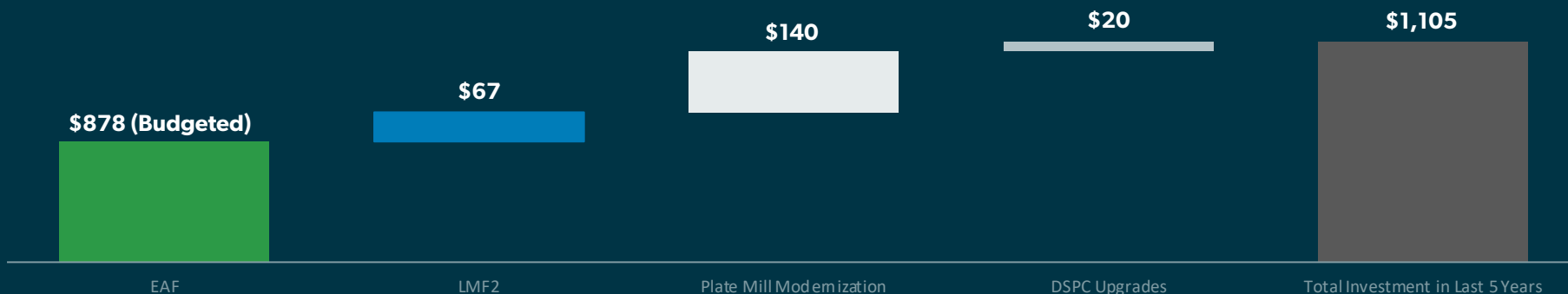
- Shut Down Coke Making, BOF and Blast Furnace # 7
- Reduce emissions by approximately 70%
- Improve conversion costs and enhance margins
- **Finished Steel ~ 3.0 Million Net Tons**

(1) See Glossary for acronyms

# Investment in State-of-the-Art Equipment Throughout Production Process

(C\$ in millions, except per ton data)

The EAF is expected to conclude a +\$1 billion modernization of Algoma's facilities over 5 Years



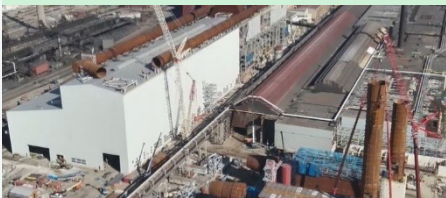
Algoma will have modernized equipment through its production process

## EAFF

State-of-the-Art Crude Steel Production

First Production: 2025E

Fully-Ramped Capacity: 3.7mm tons of Liquid Steel

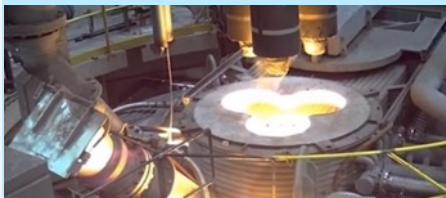


## LMF2

Efficient Alloy Mixing and Transportation to Rolling Facilities

First Production: 2021

Capacity: 2.1mm tons of Liquid Steel



## Plate Mill

High Quality Plate Products with Enhanced Volume

First Production: 2023

Capacity: 650k-700k NT



## DSPC

State-of-the-Art, Cost Advantaged Rolling Mill Directly Integrated into Crude Steelmaking

Ann. Production Capability: 2.4mm tons of HRC

Conversion Cost Advantage: \$30-\$40/t



# Plate Mill Modernization Highlights



## PRIMARY AND MILL DESCALERS

Algoma Steel's new Primary Descaler improves surface quality by eliminating primary furnace scale before rolling. It incorporates cutting-edge nozzle design, maximizes water impact force, boasts a height-adjustable top header, optimizes surface descaling, and minimizes slab cooling.



## DIVIDE SHEAR

Algoma Steel's new divide shear will boost our shear capability to 2" for as-rolled plates and 1.5" for heat-treated plates. This modernization doesn't just improve cut quality—it significantly reduces handling and processing time for each plate.



## HOT LEVELER

Our new hot leveler boasts a 4000 ton capacity, a significant upgrade from our previous 1000 ton capacity. It features bending and descaling capabilities, enabling us to achieve superior product flatness and an expanded product portfolio.



## MARKING MACHINES

The addition of 3 new robotic marking machines on the shear line will revolutionize plate identification. The robots have the ability to stamp, stencil, and barcode plates identification on the surface and edge of the plate. The edge stenciled plate allows for easy plate identification while in pile form, drastically improving our ability to ship products to our customers on-time!



## COOLING BED UNITS

Our newly coupled rolling and cutting units enable continuous processing of plates. This enhancement, which significantly reduces our handling and processing time, will improve our ship-on-time performance—making our plate production more reliable than ever.



## PLATE PILER

Algoma Steel's new plate piler enables direct loading of plates up to 2" thick onto rail cars or staging for truck shipments. This modernization will minimize plate handling, further reduce the risk of damage, and improve our shipping efficiency.

# Market Update

## Macro Economic Drivers

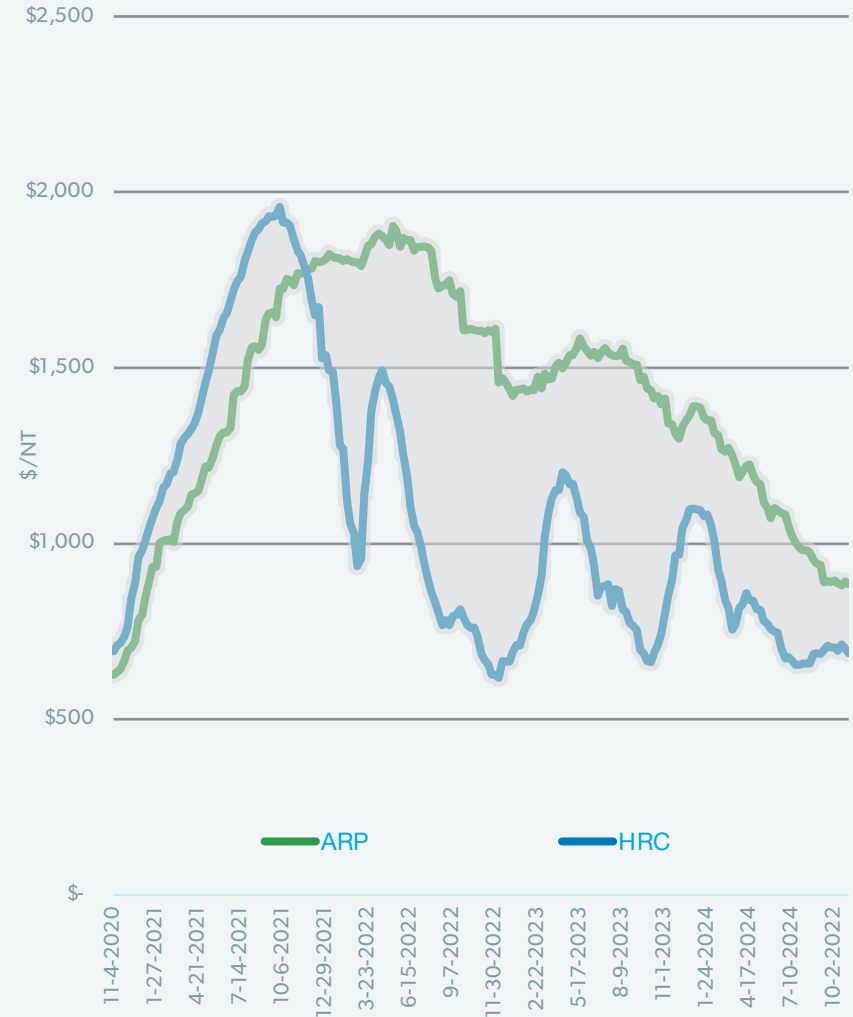
- The Bank of Canada recently reduced their policy rate by 50bps with the Federal Reserve expected to follow with a rate cut as well. Both country's inflation rates have decreased to within or near target.
- More rate cuts are possible soon as Canadian GDP growth came in flat for the month of August.
- Recent US election results have initially had a positive effect on the stock markets and US Dollar. The coming weeks and months will provide clearer insight into the priorities of the Republican controlled White House and Senate.

## Key Market Drivers

- The Canadian Federal government has imposed a 25% tariff on Chinese steel and aluminum citing an unfair advantage over domestic producers.
- Flat rolled and plate prices continue to be flat with index HRC prices ranging from \$656-\$709 since July 1<sup>st</sup>.

Source: Market data as of October 30, 2024.

## Historical Hot Rolled Coil (HRC) and As Rolled Plate Prices (ARP) (US\$/ton)



# Committed to our Path Forward

We are positioning Algoma for a new era in steel, well-capitalized to make critical investments that enhance long-term performance and create value for our shareholders.

## STRATEGIC DIRECTION

<p><b>OPERATIONAL &amp; CAPITAL IMPROVEMENTS</b></p> <p>Algoma has developed and executed numerous operational and capital projects that add long term value to the business.</p>	<p><b>LADLE MET FURNACE #2</b></p> <p>Debottlenecks operations and increases capacity.</p> <p>Feb 2021</p>	<p><b>EAF APPROVAL</b></p> <p>Received Board approval to begin construction of Electric Arc Furnace.</p> <p>Nov 2021</p>	<p><b>PMM PHASE 1</b></p> <p>Enhancing quality and expanding grade range on Canada's only discrete plate mill.</p> <p>2022</p>	<p><b>LSP POWER PLANT</b></p> <p>Installation of new turbines to support power generation for EAF project.</p> <p>Jun 2023</p>	<p><b>EAF PROJECT</b></p> <p>Construction progresses on transformative electric arc furnace.</p> <p>2021-2024E</p>	<p><b>PMM PHASE 2</b></p> <p>Commissioning Heavy Gauge Inline Shear.</p> <p>Oct 2023</p>	<p><b>PMM PHASE 2</b></p> <p>Final installation of key elements substantially complete.</p> <p>2024</p>
<p><b>FINANCIAL DISCIPLINE</b></p> <p>Algoma has focused on streamlining its balance sheet, finding effective sources of capital to fund its strategic initiatives and providing long-term value to stakeholders.</p>	<p><b>RETURN TO PUBLIC MARKETS</b></p> <p>Including Equity injection of \$306M USD.</p> <p>Oct 2021</p>	<p><b>REGULAR DIVIDEND</b></p> <p>Algoma commenced quarterly dividend of \$.05 per share.</p> <p>Mar 2022</p>	<p><b>SUBSTANTIAL ISSUER BID</b></p> <p>Algoma buys back approximately 1/3 of outstanding shares.</p> <p>Aug 2022</p>	<p><b>NORMAL COURSE ISSUER BID</b></p> <p>Algoma renewed its NCIB for share repurchases.</p> <p>2023/24</p>	<p><b>ABL RENEWAL</b></p> <p>Amend and extend Algoma's now upsized US\$300M asset-based loan.</p> <p>May 2023</p>	<p><b>DEBT OFFERING</b></p> <p>Opportunistically raised \$350M USD to strengthen balance sheet and mitigate risk.</p> <p>Apr 2024</p>	<p><b>LOW NET LEVERAGE PROFILE</b></p> <p>Algoma maintains a robust balance sheet with liquidity to support market fluctuations and its capital initiatives.</p> <p>Ongoing</p>
<p><b>STRATEGIC PARTNERSHIPS</b></p> <p>Algoma continues to develop partnerships focused on de-risking the organization and creating long-term value for stakeholders.</p>	<p><b>WALTERS</b></p> <p>Selected to fabricate and construct EAF Meltshop Building and other EAF equipment.</p> <p>2023-2025E</p>	<p><b>ELLISDON</b></p> <p>Construction management support contract for EAF construction.</p> <p>2023-2025E</p>	<p><b>DSV</b></p> <p>Global logistics support for delivery of EAF equipment.</p> <p>2023-2025E</p>	<p><b>UNITED STATES STEEL</b></p> <p>2-year extension ore contract de-risking transformation to EAF.</p> <p>Sep 2023</p>	<p><b>IESO</b></p> <p>Provides Conditional Approval of Phase 1 &amp; 2 System Impact Assessment.</p> <p>2023</p>	<p><b>ONTARIO GOVERNMENT</b></p> <p>Issued Order in Council to expedite transition lines construction</p> <p>2029E</p>	<p><b>EAF CONTRACTORS</b></p> <p>Remaining contract awards partnering with select contractors for equipment and infrastructure installation.</p> <p>2024E</p>
<p><b>ESG FOCUS</b></p> <p>Algoma is committed to initiatives geared at driving performance, reducing risk and developing a culture of organizational excellence that improve our ESG performance.</p>	<p><b>FOCUS ON SAFETY</b></p> <p>Including zero lost time incidents for the past 2 Fiscal Quarters.</p> <p>Apr-Sep 2021</p>	<p><b>NEWLY CONSTITUTED BOARD</b></p> <p>Diversity of experience, thought and perspective.</p> <p>Oct 2021</p>	<p><b>PERFORMANCE MANAGEMENT</b></p> <p>Implemented a robust performance management system.</p> <p>May 2019</p>	<p><b>ENTERPRISE RISK MANAGEMENT</b></p> <p>Develop a culture of risk management.</p> <p>Nov 2019</p>	<p><b>ESG POSITION STATEMENT</b></p> <p>Published Algoma's approach to ESG.</p> <p>Apr 2023</p>	<p><b>ESG REPORT</b></p> <p>Algoma publishes its second annual ESG report.</p> <p>2024</p>	<p><b>EMISSION REDUCTION</b></p> <p>EAF project expects to reduce emissions 70% and improve GHG performance.</p>

# Appendices






# Social Updates

For more updates follow our social channels:




**Algoma Steel Inc.** 952 posts Follow

**Algoma Steel Inc.** @AlgomaSteelInc · Oct 23  
We are proud to share a significant step in advancing our low-carbon supply chain through our partnership with @McKeilMarine and the utilization of the M/V Blair McKeil. This vessel boosts delivery efficiency and reduces emissions, supporting our commitment to a greener future.




**Algoma Steel Inc.** @AlgomaSteelInc · Oct 22  
#AlgomaSteel has again been recognized through @CaterpillarInc's Supplier Excellence Certification Program! Thank you Caterpillar for your continued trust and partnership—we look forward to many more years of success together.




**Algoma Steel Inc.** 955 posts Follow

**Algoma Steel Inc.** @AlgomaSteelInc · Jun 28  
We had a great time at @AlgomaU's Golf Classic yesterday! We're committed to supporting our local academic institutions and investing in the future of our community. Thank you, Algoma University, for the great day! #AlgomaSteel #AlgomaUniversity #BuildingBetterLives



**Algoma Steel Inc.** @AlgomaSteelInc · Jun 28  
Last week, our VP of Strategy and Chief Legal Officer, presented at @MineConnect's Mine Service & Supply Ecosystem Conference in #SaultSteMarie. Thank you to MineConnect for having us. We're proud to be apart of this dynamic community shaping the future of mining and steelmaking



**Algoma Steel Inc.** @AlgomaSteelInc · Oct 25  
We've successfully installed the Fume Treatment Plant stacks for our EAFs! Standing at 230' tall, these stacks are engineered to release filtered air through an efficient dust collection process, maintaining compliance with Ontario's environmental standards. #AlgomaEAF



**Algoma Steel Inc.** @AlgomaSteelInc · Oct 24  
Meet Jay Percy, Director – Canadian Sales. For 16 years, Jay has been an integral part of #AlgomaSteel. Beginning in automotive sales, Jay has built a reputation for connecting with customers and fostering strong internal relationships. #PoweredByOurPeople



# Annex: Steel Revenue and Cost of Sales

		Three months ended September 30,		Six months ended September 30,		
		2024	2023	2024	2023	
<i>tons</i>						
<b>Steel Shipments</b>	↓ 5.2%	520,443	548,998	↓ 8.5%	1,023,595	1,118,431
<i>millions of dollars</i>						
<b>Revenue</b>	↓ 18.1%	C\$ 600.3	C\$ 732.6	↓ 19.8%	C\$ 1,250.8	C\$ 1,559.8
Less:						
Freight included in revenue		(46.6)	(50.4)		(92.5)	(102.6)
Non-steel revenue		(14.7)	(16.4)		(21.9)	(36.9)
<b>Steel revenue</b>	↓ 19.0%	\$ <u>539.0</u>	\$ <u>665.8</u>	↓ 20.0%	C\$ <u>1,136.4</u>	C\$ <u>1,420.3</u>
<b>Cost of steel revenue</b>	↓ 2.0%	C\$ 585.9	C\$ 598.0	↑ 0.2%	C\$ 1,166.6	C\$ 1,164.8
Depreciation included in cost of steel revenue		(36.1)	(25.2)		(69.2)	(48.4)
Carbon tax included in cost of steel revenue		(12.5)	(12.2)		(22.0)	(14.7)
<b>Cost of steel products sold</b>	↓ 4.2%	C\$ <u>537.3</u>	C\$ <u>560.6</u>	↓ 2.4%	C\$ <u>1,075.4</u>	C\$ <u>1,101.7</u>
<i>dollars per ton</i>						
<b>Revenue per ton of steel sold</b>	↓ 13.6%	C\$ 1,153	C\$ 1,334	↓ 12.4%	C\$ 1,222	C\$ 1,395
<b>Cost of steel revenue per ton of steel sold</b>	↑ 3.4%	C\$ 1,126	C\$ 1,089	↑ 9.5%	C\$ 1,140	C\$ 1,041
Average net sales realization on steel sales (i)	↓ 14.6%	C\$ 1,036	C\$ 1,213	↓ 12.6%	C\$ 1,110	C\$ 1,270
Cost per ton of steel products sold	↑ 1.1%	C\$ 1,032	C\$ 1,021	↑ 6.7%	C\$ 1,051	C\$ 985

(i) Represents Steel revenue (being Revenue less (a) Freight included in revenue and (b) Non-steel revenue) divided by the number of tons of Steel Shipments during the applicable period.

Source: Company Q2 FY2025 Management's Discussion and Analysis

# Annex: Adjusted EBITDA Reconciliation

<i>millions of dollars</i>	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Net (loss) income	C\$ (106.6)	C\$ 31.1	C\$ (100.5)	C\$ 162.0
Depreciation of property, plant and equipment and amortization of intangible assets	36.3	25.3	69.5	48.6
Finance costs	19.2	5.4	35.6	10.5
Interest on pension and other post-employment benefit obligations	5.3	4.8	10.7	9.6
Income taxes	(17.2)	11.9	(21.5)	51.2
Foreign exchange loss (gain)	9.6	(11.6)	2.8	(0.6)
Finance income	(7.0)	(3.1)	(12.4)	(6.4)
Inventory write-downs ( <i>depreciation on property, plant and equipment in inventory</i> )	(1.7)	4.3	4.7	4.7
Carbon tax	12.5	12.2	22.0	14.7
Increase (decrease) in fair value of warrant liability	27.3	0.3	11.7	(17.2)
Increase (decrease) in fair value of earnout liability	5.4	(0.7)	2.9	(2.7)
Increase (decrease) in fair value of share-based payment compensation liability	12.5	(1.3)	6.7	(5.3)
Share-based compensation	7.9	2.4	9.0	3.0
<b>Adjusted EBITDA (i)</b>	<b>C\$ 3.5</b>	<b>C\$ 81.0</b>	<b>C\$ 41.2</b>	<b>C\$ 272.1</b>
<b>Net (Loss) Income Margin</b>	<b>(17.8%)</b>	<b>4.2%</b>	<b>(8.0%)</b>	<b>10.4%</b>
<b>Net (Loss) Income / ton</b>	<b>C\$ (204.8)</b>	<b>C\$ 56.6</b>	<b>C\$ (98.2)</b>	<b>C\$ 144.8</b>
<b>Adjusted EBITDA Margin (ii)</b>	<b>0.6%</b>	<b>11.1%</b>	<b>3.3%</b>	<b>17.4%</b>
<b>Adjusted EBITDA / ton</b>	<b>C\$ 6.7</b>	<b>C\$ 147.5</b>	<b>C\$ 40.3</b>	<b>C\$ 243.3</b>

(i) See "Non-IFRS Measures" for information regarding the limitations of using Adjusted EBITDA.

(ii) Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of revenue.

Source: Company Q2 FY2025 Management's Discussion and Analysis

# Annex: Selected Quarterly Information

(in millions of dollars, except where otherwise noted)

As at and for the three months ended <sup>1</sup>	2025		2024				2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Financial results</b>									
Total revenue	C\$ 600.3	C\$ 650.5	C\$ 620.6	C\$ 615.4	C\$ 732.6	C\$ 827.2	C\$ 677.4	C\$ 567.8	C\$ 599.2
Steel products	539.0	597.4	568.1	556.9	665.8	754.5	609.2	512.0	551.5
Non-steel products	14.7	7.2	4.9	10.4	16.4	20.5	14.1	12.1	8.2
Freight	46.6	45.9	47.6	48.1	50.4	52.2	54.1	43.7	39.5
Cost of sales	647.2	633.8	585.4	623.8	664.8	639.5	630.7	611.8	569.4
Administrative and selling expenses	36.7	29.2	32.1	28.5	31.0	23.4	25.0	21.7	24.2
Income (loss) from operations	(83.6)	(12.5)	3.1	(38.9)	36.8	164.3	21.7	(65.7)	5.6
Net income (loss)	(106.6)	6.1	28.0	(84.8)	31.1	130.9	(20.4)	(69.8)	87.2
Adjusted EBITDA	C\$ 3.5	C\$ 37.7	C\$ 41.5	C\$ (1.0)	C\$ 81.0	C\$ 191.2	C\$ 47.9	C\$ (36.9)	C\$ 82.7
<b>Per common share (diluted)<sup>3</sup></b>									
Net income (loss)	C\$ (0.98)	C\$ (0.07)	C\$ 0.10	C\$ (0.78)	C\$ 0.24	C\$ 0.85	C\$ (0.2)	C\$ (0.6)	C\$ 0.36
<b>Financial position</b>									
Total assets	C\$ 3,095.9	C\$ 3,123.2	C\$ 2,676.0	C\$ 2,651.6	C\$ 2,713.1	C\$ 2,627.8	C\$ 2,455.6	C\$ 2,549.0	C\$ 2,716.0
Total non-current liabilities	1201.3	1187.2	745.1	744.3	660.1	666.0	650.0	663.4	693.3
<b>Operating results</b>									
Average NSR	C\$ 1,036	C\$ 1,187	C\$ 1,260	C\$ 1,079	C\$ 1,213	C\$ 1,323	C\$ 1,066	C\$ 1,116	C\$ 1,266
Adjusted EBITDA per mt <sup>2</sup>	6.7	74.9	92.0	(1.9)	147.5	335.8	83.8	(78.3)	189.9
Shipping volume (in thousands of mt)									
Sheet	446	442	381	453	485	498	505	421	411
Plate	73	61	69	59	64	70	66	37	23
Slab	1	-	-	4	-	2	1	1	-

1 - Period end date refers to the following: "Q4" - March 31, "Q3" - December 31, "Q2" - September 30 and "Q1" - June 30.

2 - The definition and reconciliation of these non-IFRS measures are included in the "Non-IFRS Financial Measures" section of this MD&A.

3 - Pursuant to the Merger with Legato, on October 19, 2021, the Company effected a reverse stock split retroactively, such that each outstanding common share became such number of common shares, each valued at \$10.00 per share, as determined by the conversion factor of 71.76775% (as defined in the Merger Agreement), with such common shares subsequently distributed to the equity holders of the Company's former ultimate parent company.

Further, on February 9, 2022, the Company issued 35,883,892 common shares in connection with the earnout rights granted to non-management shareholders that existed prior to the Merger.

On March 3, 2022, the Company commenced a normal course issuer bid for which the Company purchased and cancelled 3,364,262 common shares as at March 31, 2023.

On June 21, 2022, the Company commenced a substantial issuer bid in Canada and a Tender Offer (the "Offer") in the United States. On July 27, 2022, the Offer was completed and 41,025,641 common shares were purchased for cancellation.

During Q-1 Fiscal 2024, the Company converted 35,379 DSUs to common shares. During Q-3 Fiscal 2024, Replacement LTIP and Earnout units were exercised resulting in the issuance of 435,232 common shares. During Q-4 Fiscal 2024, the Company converted 64,577 DSUs to common shares. During Q-1 Fiscal 2025, the Company converted 20,000 PSUs to common shares. During Q-2 Fiscal 2025, the Company converted 300,000 PSUs to common shares. At September 30, 2024, 104,423,072 common shares were outstanding.

Source: Company Q2 FY2025 Management's Discussion and Analysis

# Glossary

Term	Definition
<b>Basic Oxygen Furnace (BOF)</b>	Vessel used to convert liquid hot metal from a blast furnace into steel.
<b>Blast Furnace (BF)</b>	Metallurgical furnace combining fuel, ores and flux to smelt iron ore to produce pig iron, which is fed downstream into a BOF.
<b>Cogeneration</b>	Also known as combined heat and power (CHP), a cogeneration plant uses gas generated from the steelmaking process to create electricity.
<b>Coke</b>	Fuel for a Blast Furnace that is made by heating coal in the absence of air.
<b>Cold Rolled Sheet</b>	Hot rolled steel that has been further processed to increase its strength and strength-to-weight ratio, providing better overall surface finish.
<b>Continuous Casting</b>	Process whereby molten metal is solidified into a "semi-finished" billet, bloom, or slab for subsequent rolling in the finishing mills.
<b>CRU Index</b>	Price index which is widely used throughout the steel industry. Prepared by CRU, a leading steel data provider ( <a href="http://cruindices.com">cruindices.com</a> ).
<b>Electric Arc Furnace (EAF)</b>	Method for producing steel with primary inputs of scrap steel and electricity. EAFs form new steel by heat charging material with an electric arc.
<b>Hard Coking Coal (HCC)</b>	A category of metallurgical coal that is converted to coke and used as fuel for the blast furnace in an integrated steel mill.
<b>Hot Briquetted Iron (HBI)</b>	Compacted form of direct reduced iron (DRI) that serves as a supplement for pig iron and scrap in electric arc furnace steel mills.
<b>Hot Metal</b>	Blast furnace iron ore that is charged to the BOF in hot liquid form.



Term	Definition
<b>Hot Rolled Sheet</b>	Carbon steel product commonly used for applications in which dimensional tolerances and surface finish quality is not critical (e.g. automotive accessories, stampings).
<b>Iron Ore Pellets</b>	Pellets are small balls of iron ore used in the production of steel that are agglomerated from fines.
<b>Limestone</b>	Also referred to as flux, limestone is an essential input in a blast furnace.
<b>Ladle Metallurgy Furnace (LMF)</b>	Holding furnace for hot metal coming out of the BOF or EAF, increases capacity of melt shop and allows for improvements to steel grade.
<b>Metallics</b>	Iron ore or similar products that are used to produce raw steel.
<b>NOx</b>	Nitrous oxide (NOx) is a greenhouse gas that traps heat in the atmosphere.
<b>Net Sales Realization (NSR)</b>	The average selling price of steel excluding costs of freight.
<b>Pig Iron</b>	Intermediate solid input made by smelting iron ore with a high-carbon fuel and reductant, such as coke, with flux for use as a feedstock in the BOF.
<b>Plate</b>	Includes steel sheet metal that is 5mm or thicker used for construction or structural purposes due to its low maintenance versatility (e.g. shipping containers, roofing, heavy equipment).
<b>Prime Scrap</b>	High quality, clean scrap metal that tends to trade at a premium to lower quality shredded scrap.
<b>Slab</b>	Thick semi-finished (intermediate) steel that is further converted into hot rolled sheet or plate.
<b>Service Center</b>	Wholesalers that may further process steel purchased from manufacturer (e.g. cutting or forming).
<b>SOx</b>	Sulfur oxide (SOx) is an air pollutant that has negative health consequences.



The background of the advertisement is a dark blue, semi-transparent image of a steel mill. It shows large rolls of steel on the left and a complex network of steel beams and structural supports on the right. The overall tone is industrial and professional.

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