



Investor Presentation

BMO Metals, Mining & Critical Minerals Conference
February 2025

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) 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), 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 30th, 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 40.

Investment Highlights

- Premier Canadian Steel Producer and one of the Leading Flat Steel Producers in North America.
- Generated \$2.8B of EBITDA and over \$2B of free Cash flow over the past 5 years.
- Transitioning to Electric Arc Furnace technology expected to unlock significant value.
- Significantly de-risked critical EAF enablers, including construction, electricity and metallics.
- Well invested asset base, with modernized facilities throughout the facility.
- Generating Long-term value for Shareholders building better lives and a greener future.

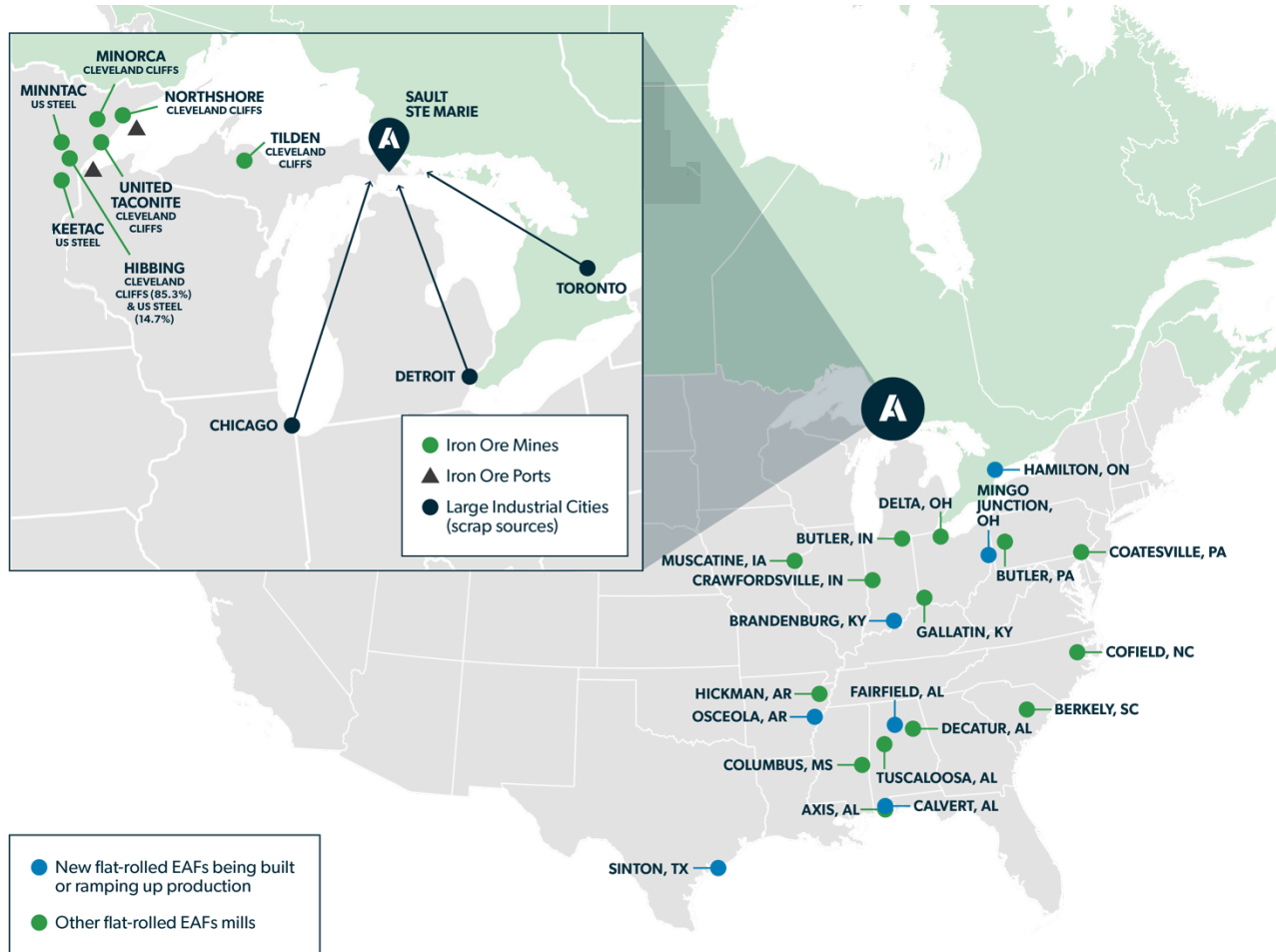
Today's Presenter



Rajat Marwah,
Chief Financial Officer

Premier Canadian Steel Producer

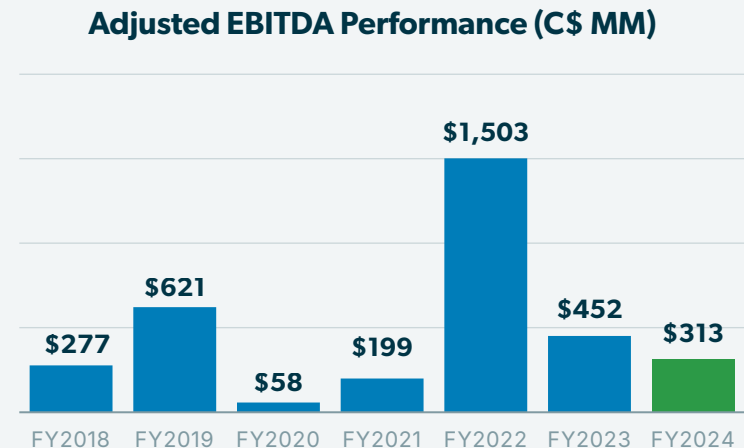
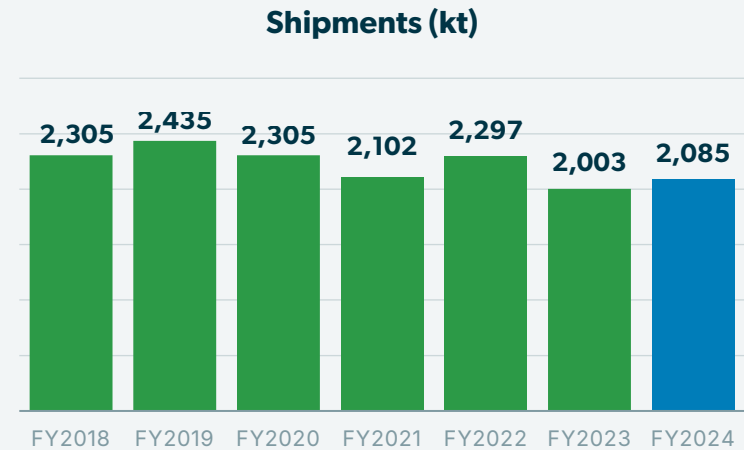
→ Leading North American Flat-Rolled Producer Located in the Great Lakes Region in Sault Ste. Marie, Ontario.



Premier Canadian Steel Producer

- Raw steel capacity of 2.8mm tons (with incremental 0.9mm tons from idled blast furnace capacity) per year.
- Broad range of high-quality finished sheet and plate steel for automotive, construction, energy, infrastructure and manufacturing end markets.
- Expanded capabilities versus traditional Blast Furnace/Basic Oxygen Furnace ("BOF") competitors.
- Advanced 2.3mm ton Direct Strip Production Complex ("DSPC") is the newest thin slab caster with direct hot rolling capability in North America coupled to a BOF melt shop, and provides a \$30-\$40/t cost advantage.
- Significant investments in asset base to increase profitability including Plate Mill Modernization and LMF#2 enhancing complete range of high-quality heat-treated products, including abrasion resistant, ballistic and other specialty plate applications.
- Transformational EAF investment expected to improve product mix, reduce fixed costs, increase production capacity and improve environmental footprint.

Historical Performance (FY end March 31)

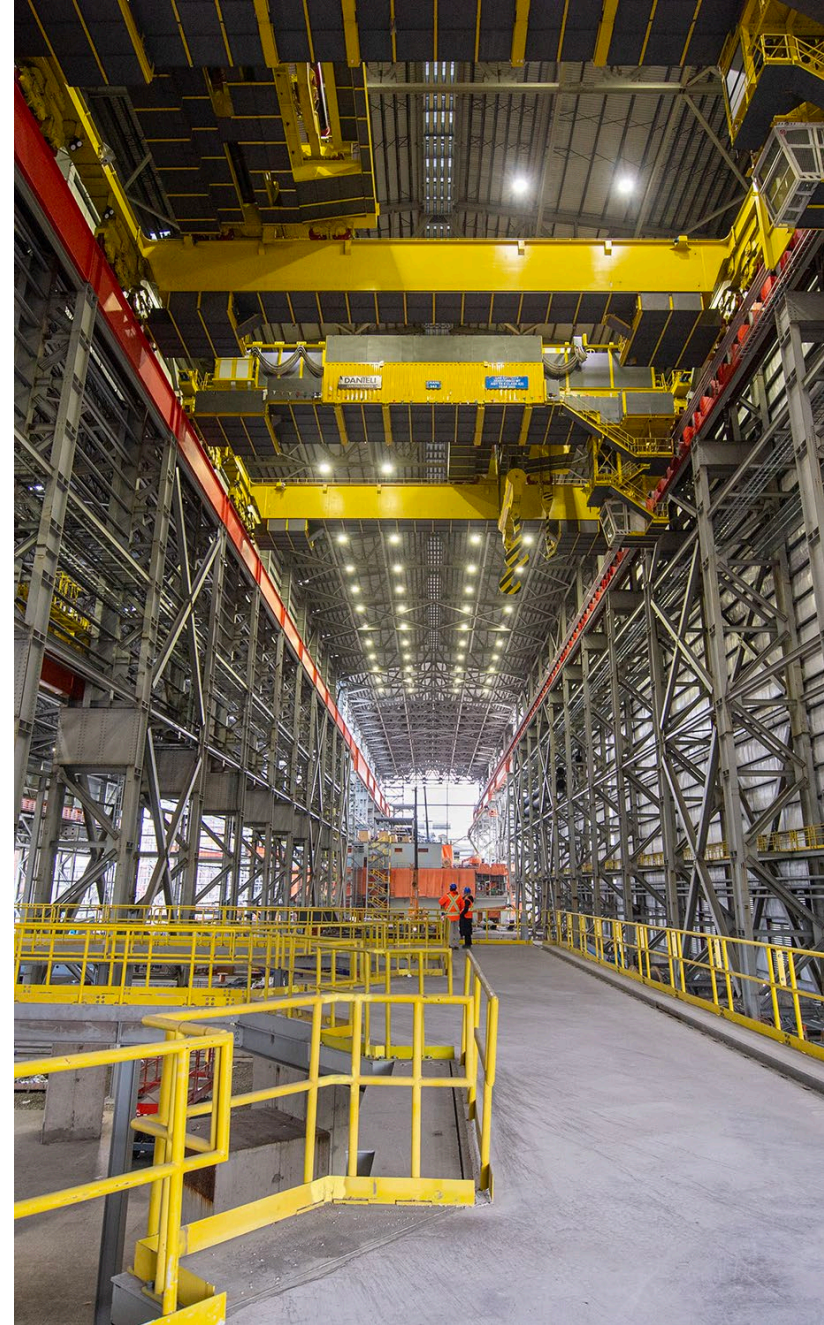


EAF Conversion Project: A Generational Investment Unlocking Significant Value

Expected Benefits of EAF

- ~Adds ~700kt of finished steel capacity aligning steelmaking capacity to rolling capacity.
- Reduced conversion cost and expanded margins expected to increase EBITDA by approx. \$150M per annum.
- Significantly reduced earnings volatility as input costs more closely track selling prices.
- ~70% fewer total CO₂ emissions (annual reduction of 3 million tonnes of CO₂).
- More flexible operations capable of responding dynamically to market conditions.
- Reduced sustaining CapEx.
- Improves employee productivity (as measured in tons per employee).

Transforms Algoma into one of the leading producers of green steel in North America.



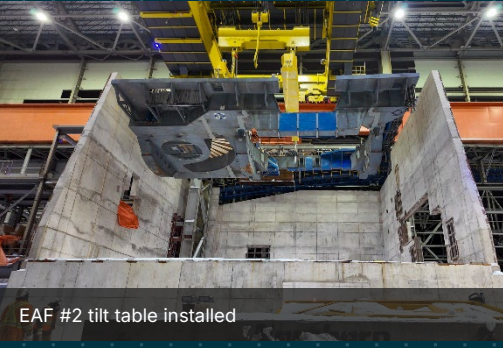
Electric Arc Furnace Construction Update: Rendering Becoming Reality

Photo taken January 7, 2025

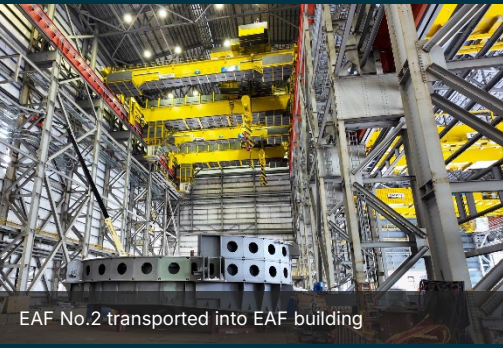


EAF Construction Update

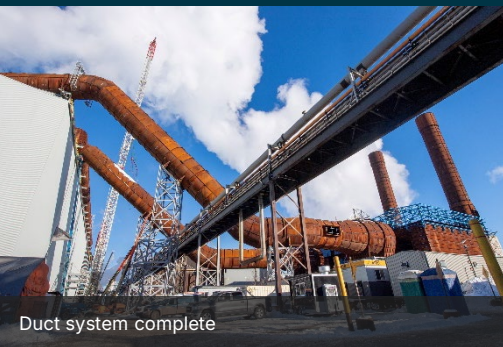
February 2025



EAF #2 tilt table installed



EAF No.2 transported into EAF building



Duct system complete



EAF #2 ready for assembly and installation

Significantly De-Risked EAF Execution



1. Balance Sheet Strength



2. Construction On Track



3. Secure Supply of Metallics



4. Secure Supply of Energy





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

Market Update

Macro Economic Drivers

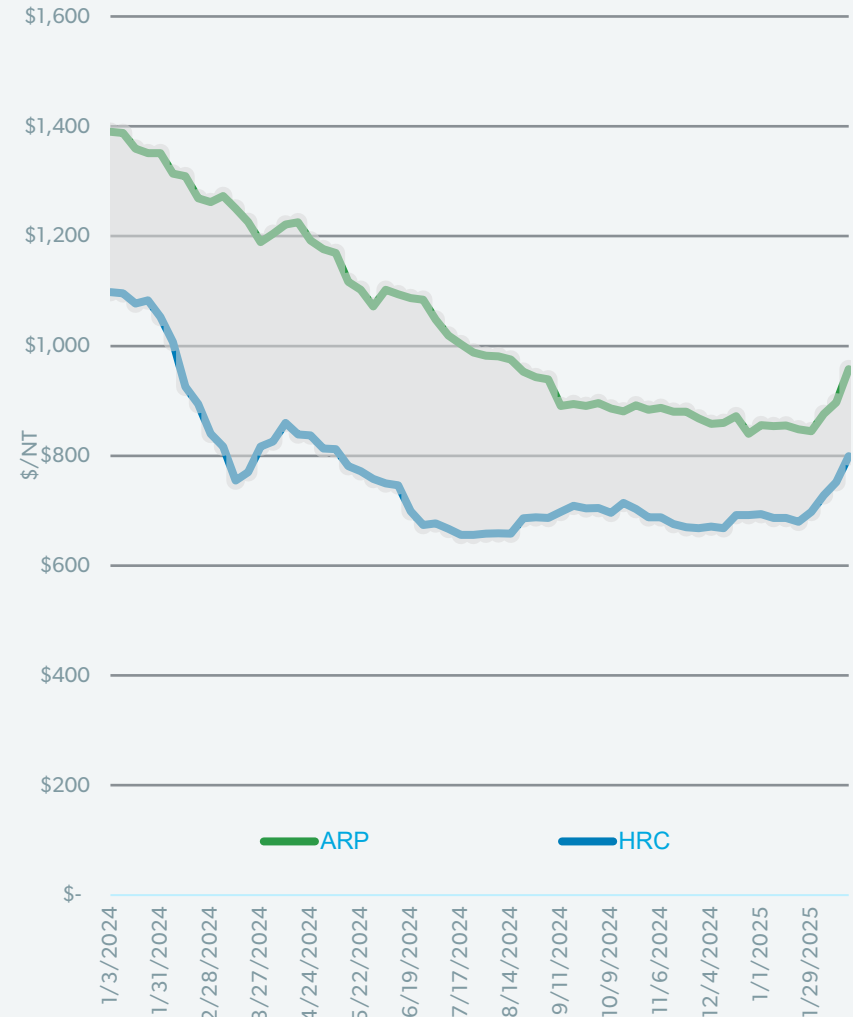
- Trade Policy and Tariffs
- Global Supply Chain Disruptions
- Economic Indicators – Canada
- Automotive Industry Dynamics
- Inflation

Key Market Drivers

- US Tariffs on Steel and Aluminum and the expected response from other countries will have a dramatic impact on pricing and supply chains in North America
- Flat rolled sheet and plate prices have fallen persistently since the beginning of 2024, however, they have recently shown improvement.

Source: Market data as of February, 2025.

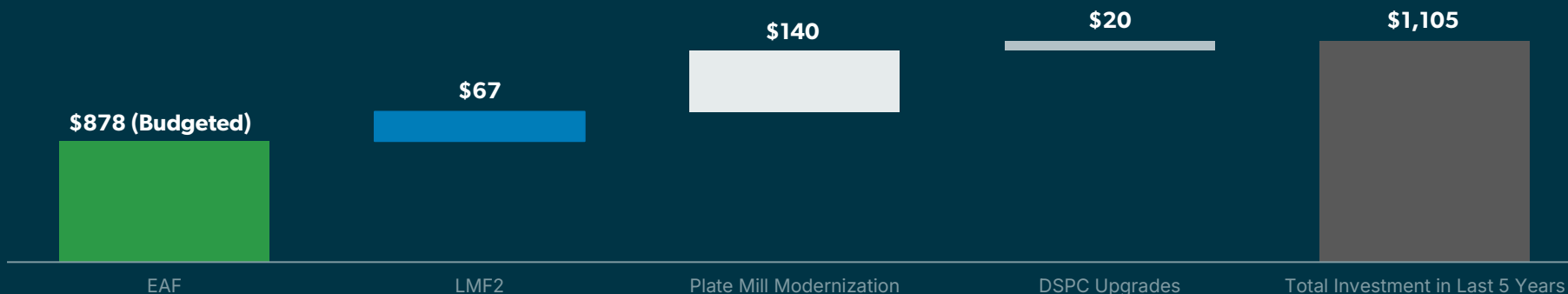
Historical Hot Rolled Coil (HRC) and As Rolled Plate Prices (ARP) (US\$/ton)



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

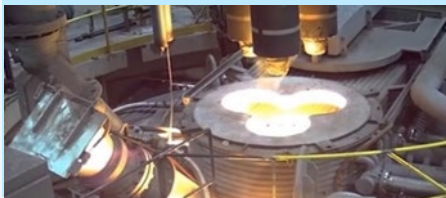


Plate Mill

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





Building Better Lives and a **Greener Future**

Safety • Teamwork • Integrity • Caring

With every decision, every action, every day, we will work safely with teamwork, integrity and deep care for our people, their families and the environment.

WWW.ALGOMA.COM

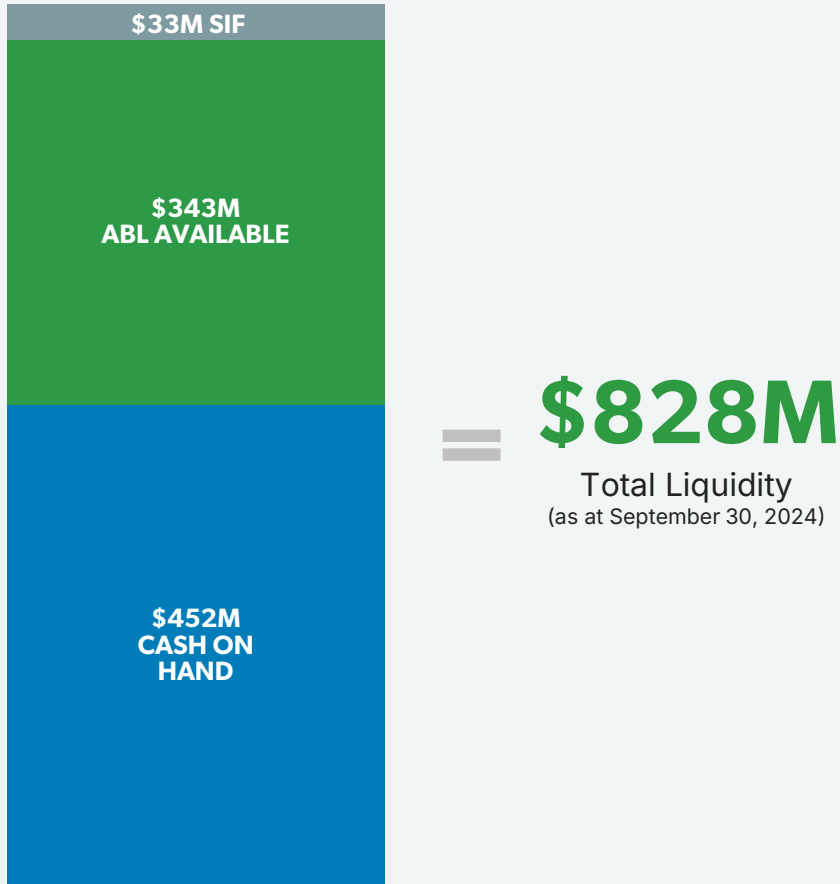
Supplemental Materials



1. Balance Sheet Strength

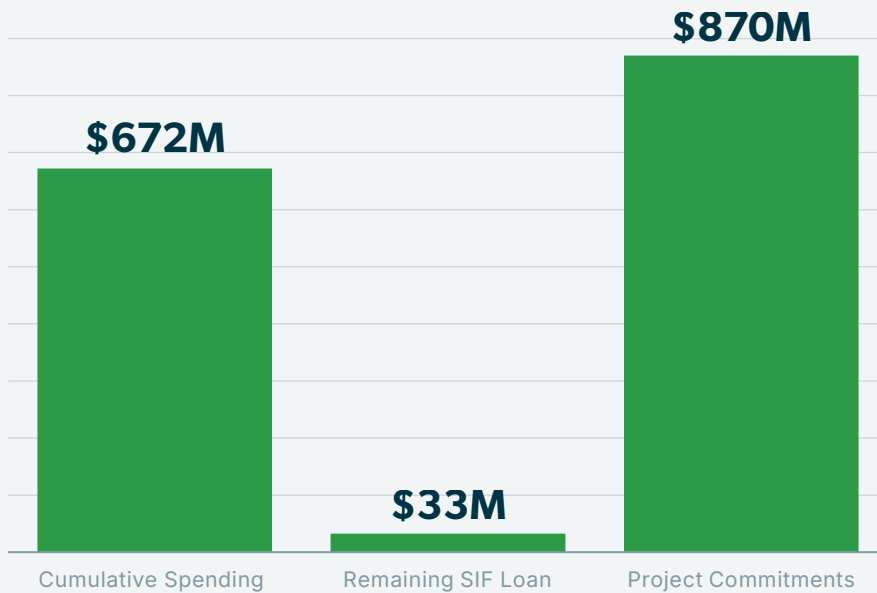


→ Algoma is in a strong financial position to manage market volatility

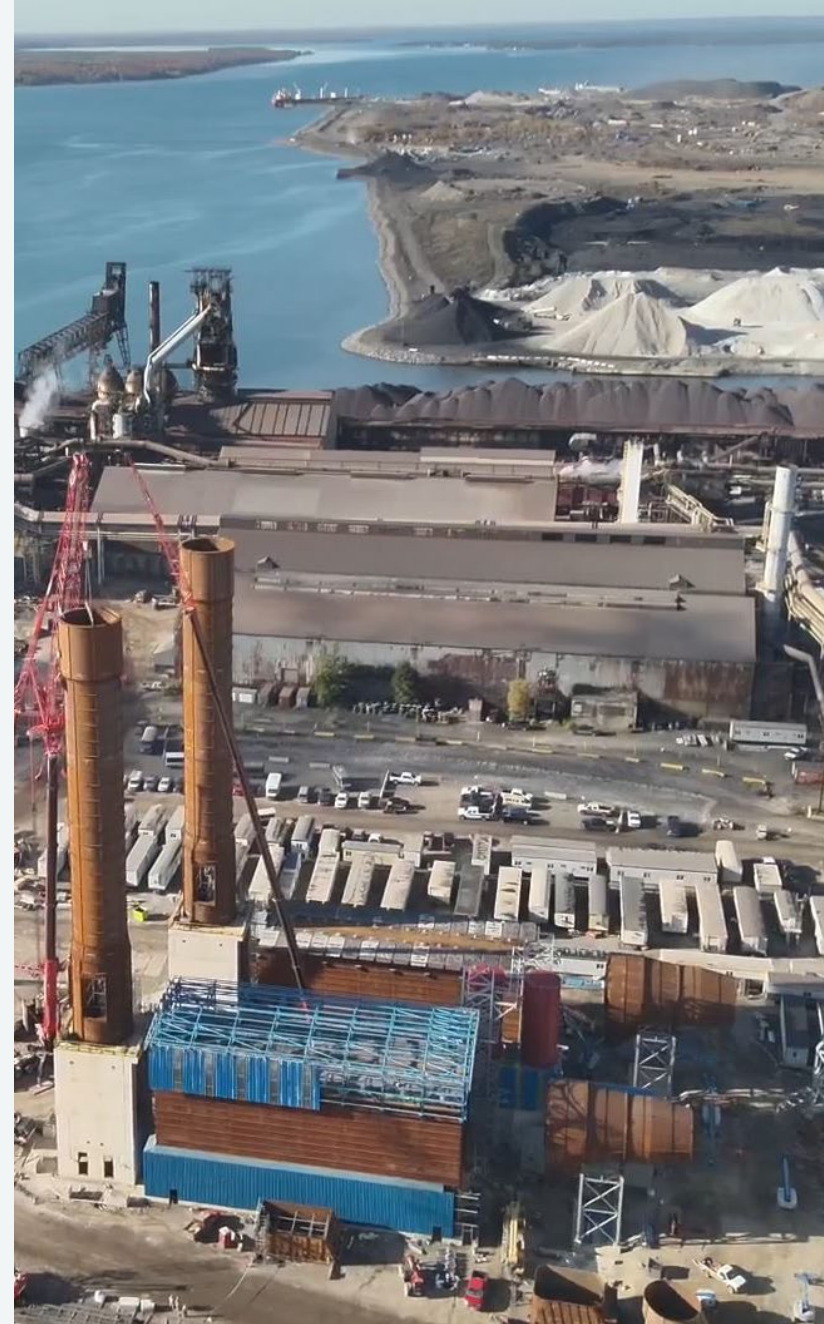


2. Construction On Track

- #2 EAF Operating Floor Structural Steel: **100% complete**
- EAF Substation: **100% Complete**
- Utility Room #1 Structural Steel: **100% Complete**
- Steel Reline Station: **100% Complete**
- Melt Shop Roofing: **90% Complete**
- EAF #2 Tilt Table and Shell Assembly: **90% Complete**



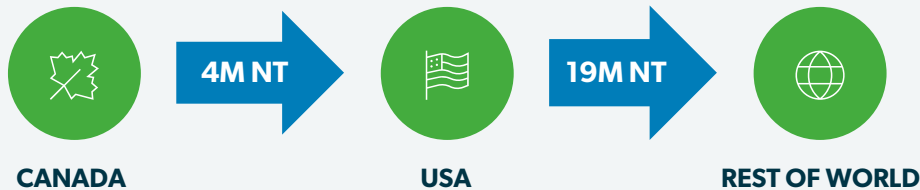
(1) Project estimates as of September 30, 2024



3. Secure Supply of Metallics

- **Joint Venture with Triple M Metals** Strengthening Algoma Steel's access to high-quality scrap.
- **Geographic Proximity to Significant Scrap Trade Flows:** Leveraging our strategic location near major scrap sources.
- **Prime Scrap Access from the Great Lakes Industrial Region:** Ensuring competitive and reliable scrap supply for our EAF transition.
- **Blast Furnace Assets:** Available depending on market conditions.

Scrap Trade Flows¹



(1) Source: US Trade Census Bureau 2020-2023 average exports



4. Secure Supply of Energy

- In June 2023 new turbines were installed to support power generation for the EAF project.
- EAF 115KV substation electrical infrastructure is energized and in operation.
- Danieli Q-One power system being installed.
- PUC Transmission and Hydro One Sault Ste. Marie have secured approval for the new 230kV transmission line.



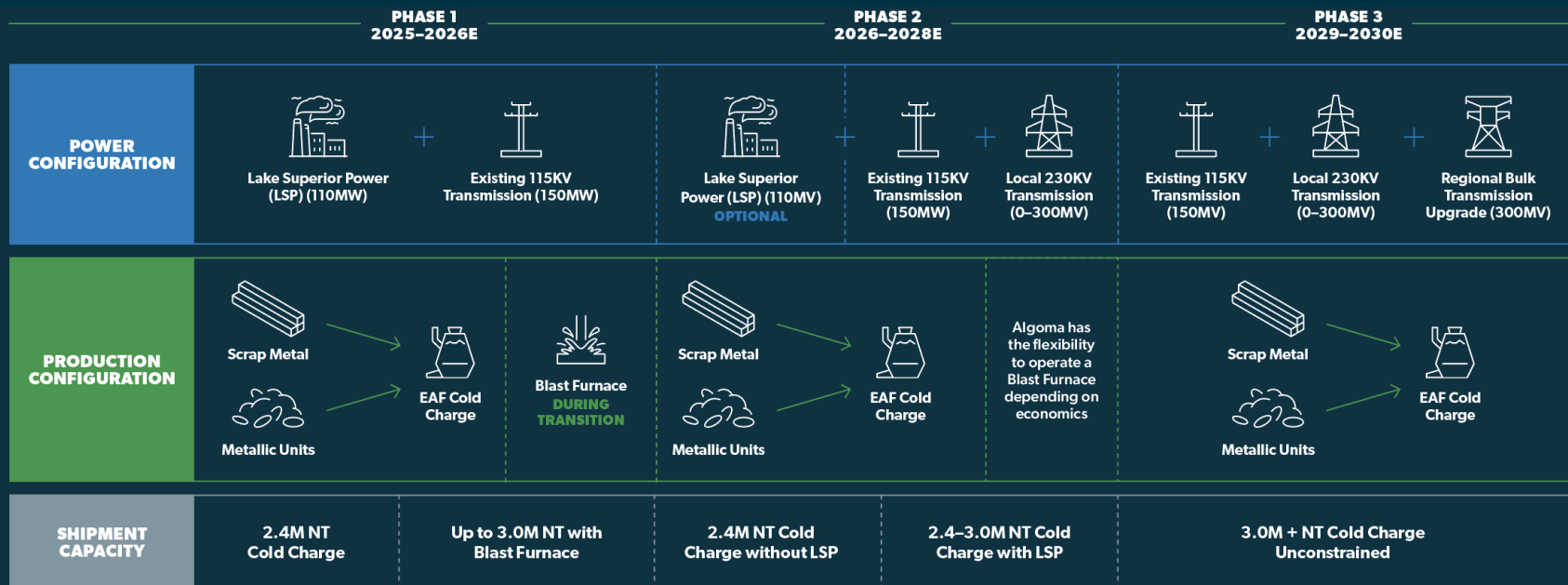
Lake Superior Power



EAF Sub Station



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.³
- 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.²
- 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.

Project Statistics¹

Project Estimates

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

¹Project Estimates at September 30, 2024

Project Financials

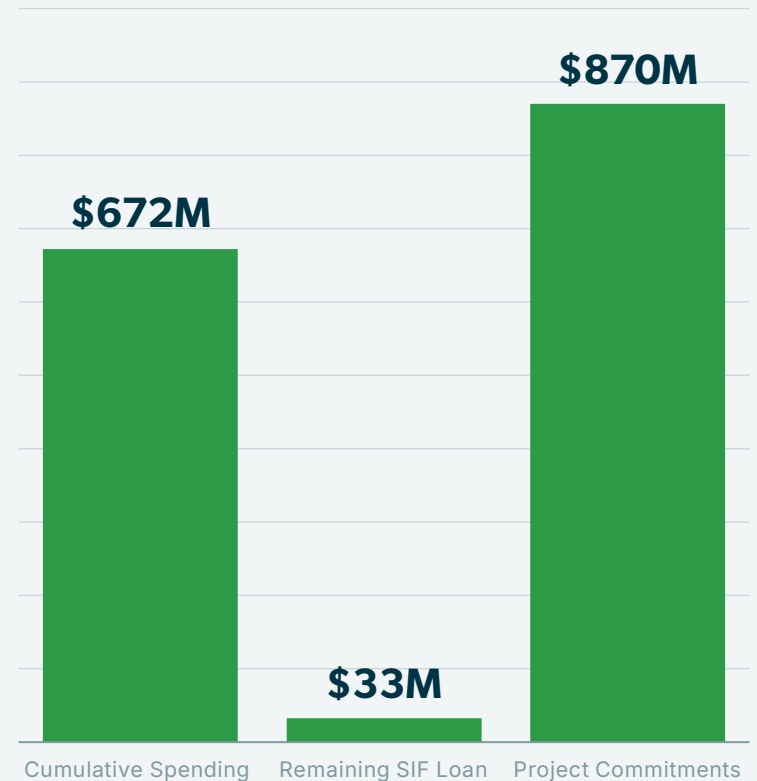


Plate Mill Modernization Update



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.



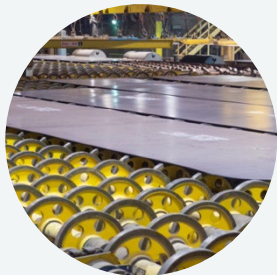
HOT LEVELER

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.

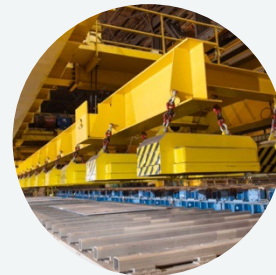


PLATE PILER

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.

Algoma's Path to Higher Plate Production

Plate 1 - Quality Focus

- New Primary De-scaler (improves surface quality)
- Automated Surface Inspection System, detects and maps quality
- New Hot Leveler (improves flatness)
- Automation Upgrade of the 166 Mill (expands grade offering)

Phase 2 – Productivity Focus

- In-Line Plate Cutting with Heavy Gauge Inline Shear
- New cooling beds coupling the plate mill and shear line, dividing shear and new plate piler
- Automated Marking Machine

Phase 2 – Outage Elements

- 4Hi DC Drive Upgrade
- Onboard Descaling System Upgrade for 2Hi
- Mill Alignment and Work Roll Offset at the 4Hi
- **Plate Mill Modernization substantially complete**



On Tuesday, June 20, 2024, Algoma Steel hosted a Ribbon Cutting Ceremony at the Plate Mill to celebrate the substantial completion of the project with employees, key stakeholders, industry leaders, and community partners.

Key Performance Highlights

Q2 FY2025 - Ended September 30th, 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 EBITDA** 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 EBITDA margin Q2 FY2025 was 0.6%.**

Q2 FY2025 YTD Highlights

1,024 kNT

Shipments

\$1,136M

Steel Revenue

\$41M

Adjusted EBITDA

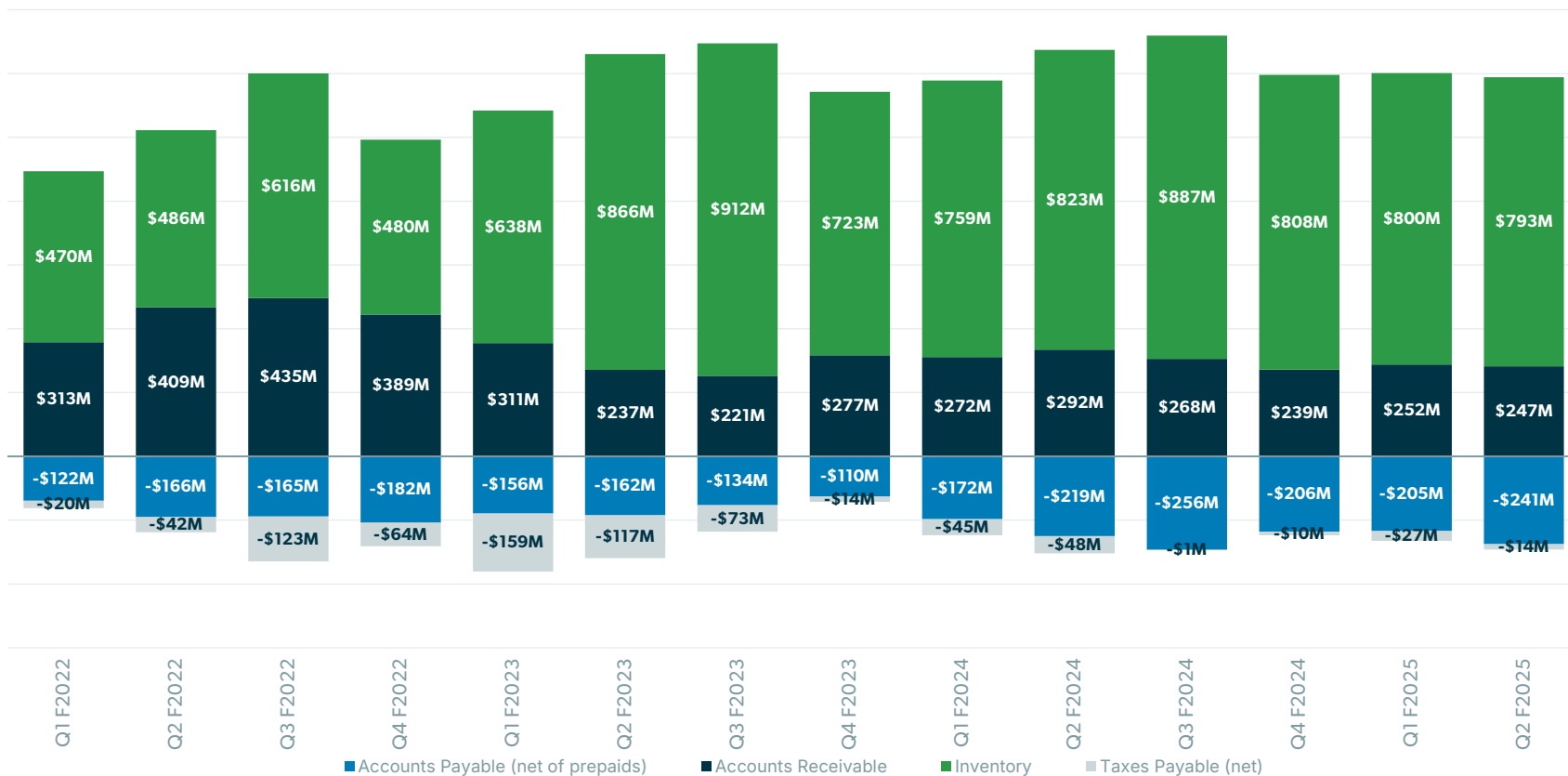
3.3%

Adjusted EBITDA Margin



Overview of Net Working Capital Seasonality¹

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:

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

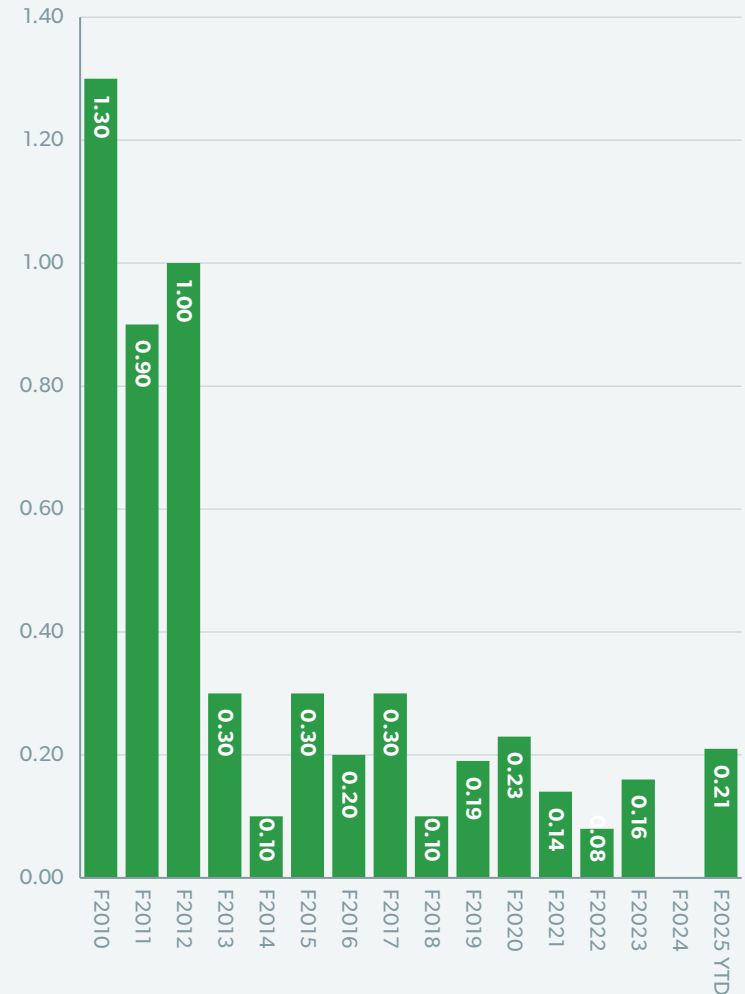
Safety Without Compromise

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.

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

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



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

Our 2024 ESG Report

Algoma Steel is proud to present its 2024 ESG Report. The report sets out Algoma's ESG strategy and approach to mitigating ESG risks and capturing ESG opportunities and provides an update on the Company's ESG performance.

Now available on our website at
www.algoma.com



Social Updates

For more updates follow our social channels:



Algoma Steel Inc.
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Today, Algoma Steel welcomed Premier **Doug Ford** for a special announcement!

We want to extend our sincere thanks to Premier Ford for his unwavering support and strong advocacy in the fight against tariffs. Trade barriers create uncertainty, disrupt supply chains, and impact the competitiveness of Ontario's steel industry. Premier Ford's leadership in pushing for fair trade policies helps ensure Ontario remains a key player in the North American market, strengthening the provincial manufacturing sector and economic resilience.

This visit underscores the importance of a strong and competitive steel industry in Ontario and the need for continued efforts to promote fair trade and sustainable growth.

Thank you, Premier Ford, for your visit and for standing with Ontario's steel industry.

#AlgomaSteel #BuildingBetterLives #OntarioSteel #FairTrade #TradeAdvocacy #EconomicGrowth



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3d •

We were honored to welcome **Michael Landsberg** to Algoma Steel today for a powerful presentation on mental health. ...more



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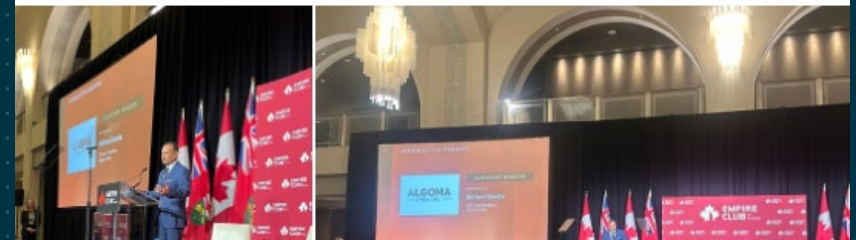
It's been an exciting week at the 20th Annual Bring a Doctor Home Hockey Tournament! From **Michael Landsberg** kicking it all off with the ceremonial puck drop to last night's Appreciation Night, this cherished event has been ...more



Algoma Steel Inc.

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Yesterday, our CEO, **Michael Garcia**, took the stage at the **Empire Club of Canada's** Manufacturing and Exporting in the New World Order event, sharing how Algoma Steel is adapting to the evolving trade landscape and why our transition to ...more



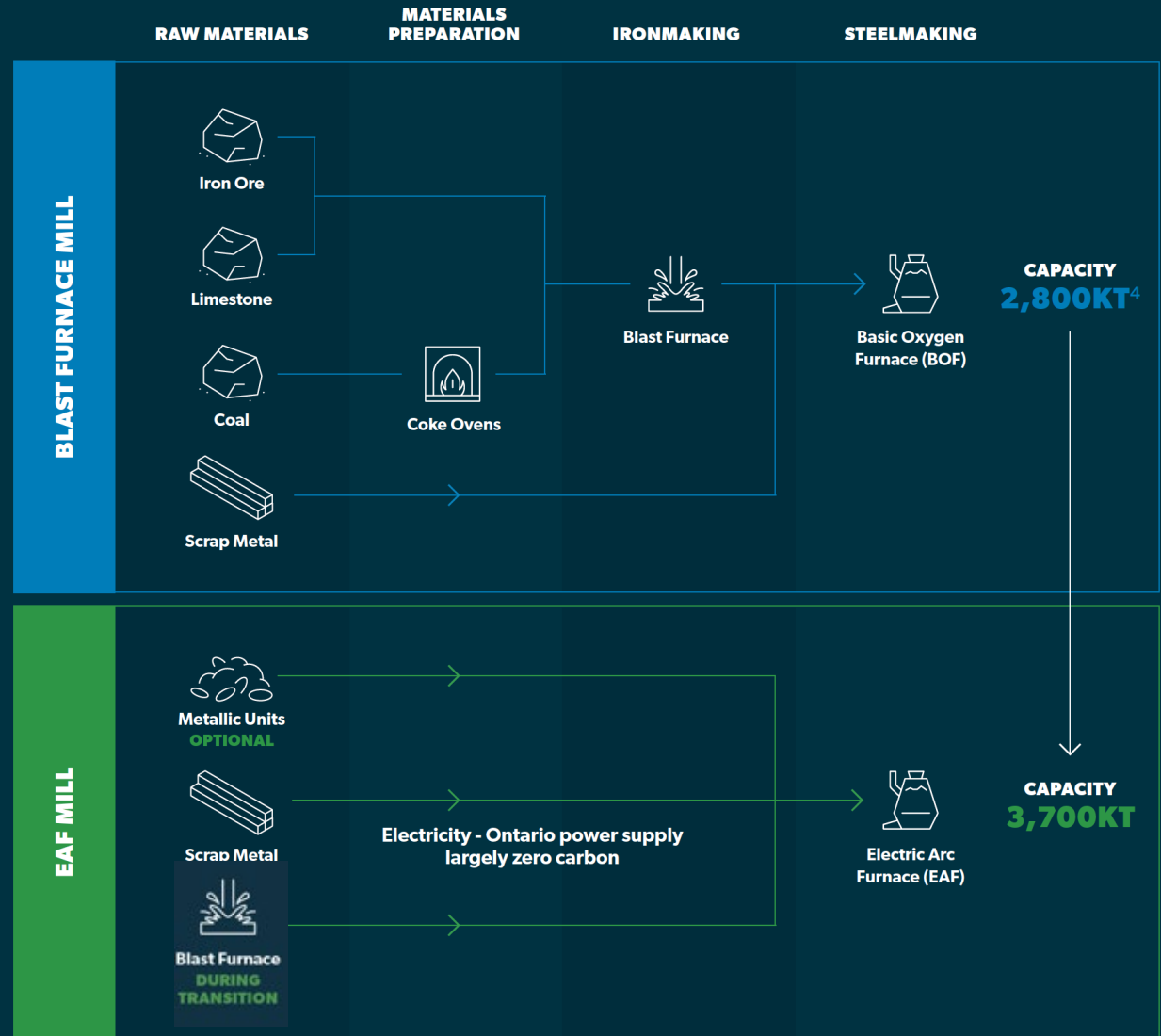
Algoma Steel Inc.

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Last month, we successfully completed our duct system connecting our Electric Arc Furnace (EAF) building to our Fume Treatment Plant. Our duct system wraps around the building to capture particulate emissions and channel them directly to ...more



EAF Compared to Blast Furnace Steelmaking



(4) Excludes BF#6 which is currently idled.



Algoma Remains Committed to Sustainable Corporate Citizenship

Environment

- Algoma has a demonstrated commitment to environmental stewardship and is ISO 14401 certified.
- Published a Health, Safety and Environment Policy with a focus on continuous improvement.

5 Key Areas of Commitment to the Environment



AIR EMISSIONS

- Algoma has achieved a 65% reduction in particulate emissions since 2002.
- Currently focus on cokemaking emissions.



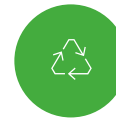
ENERGY

- Demonstrated partner in Canada's commitment to the global reduction of CO₂ emissions with an overall reduction of 54% in energy intensity per ton of steel since 1993.



WATER

- Treated process water meets or exceeds requirements set out by the Ontario Ministry of Environment.
- 45% of water is recycled.



WASTE

- Steel is the most recycled material in the world and doesn't lose quality through the recycling process.
- Every steelmaking heat at Algoma contains scrap steel which is recycled through manufacturing for new end-use applications.
- Algoma recycles or reuses 80%+ of waste materials from operations.

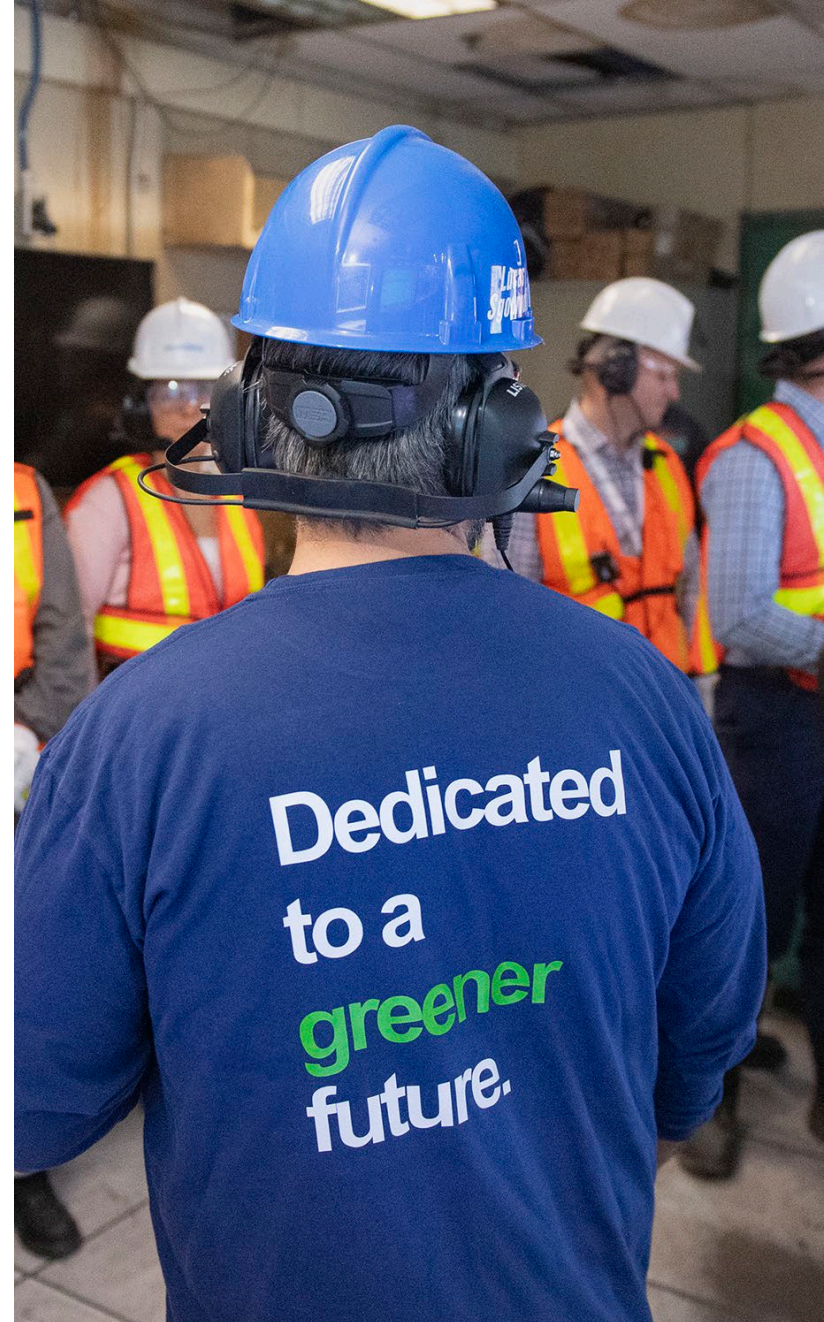


NOISE

- Algoma has developed a plan to reduce noise emissions from 11 sources throughout the steelworks.

Community Involvement

- As the largest employer in Sault Ste. Marie, Algoma Steel is an active responsible stakeholder and is actively involved in advancing and preserving the quality of life in the community.
- Long history of charitable giving and corporate partnerships.
 - ✓ 50-year partnership with United Way as a founder and leading corporate sponsor.
 - ✓ Member of Sault Ste Marie Chamber of Commerce.
- In addition, Algoma sponsors several scholarships, which are primarily intended for children of Algoma's past and present employees.
 - ✓ Northern Ontario School of Medicine
 - ✓ Sault College: Algoma Award of Excellence
 - ✓ Algoma University: Algoma Student Assistance Award

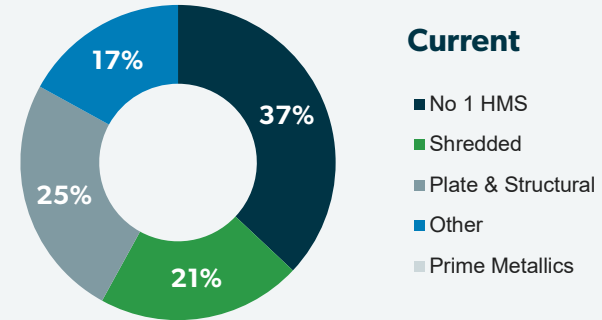


Operationalizing for Increased Metallic Intake

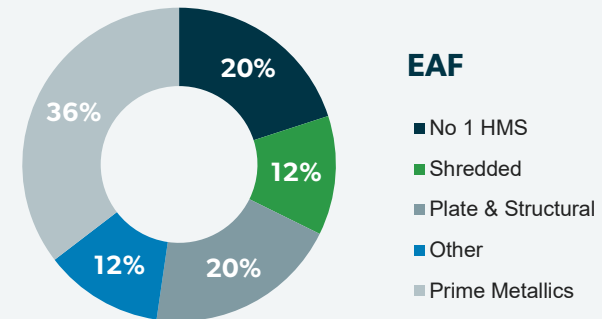
Algoma has begun operationalizing its JV with Triple M Metals

- Algoma is serviced by rail, road and water, given strategic location on the St. Mary's River at the Sault Ste. Marie Locks.
- Algoma is serviced by CP Rail and CN Rail.
- Algoma owns a private dock with a draft of approximately 24 feet to accommodate large vessels with capacities of approximately 14,000 NT.
- Algoma has access to chartered vessel with a payload capacity of 10,000 NT.
- Triple M has a strong market presence in Canada and the US as well as strategic partnerships with an intake network of vendors across North America.

Current vs EAF



Current Scrap Consumption: 0.3mm tons

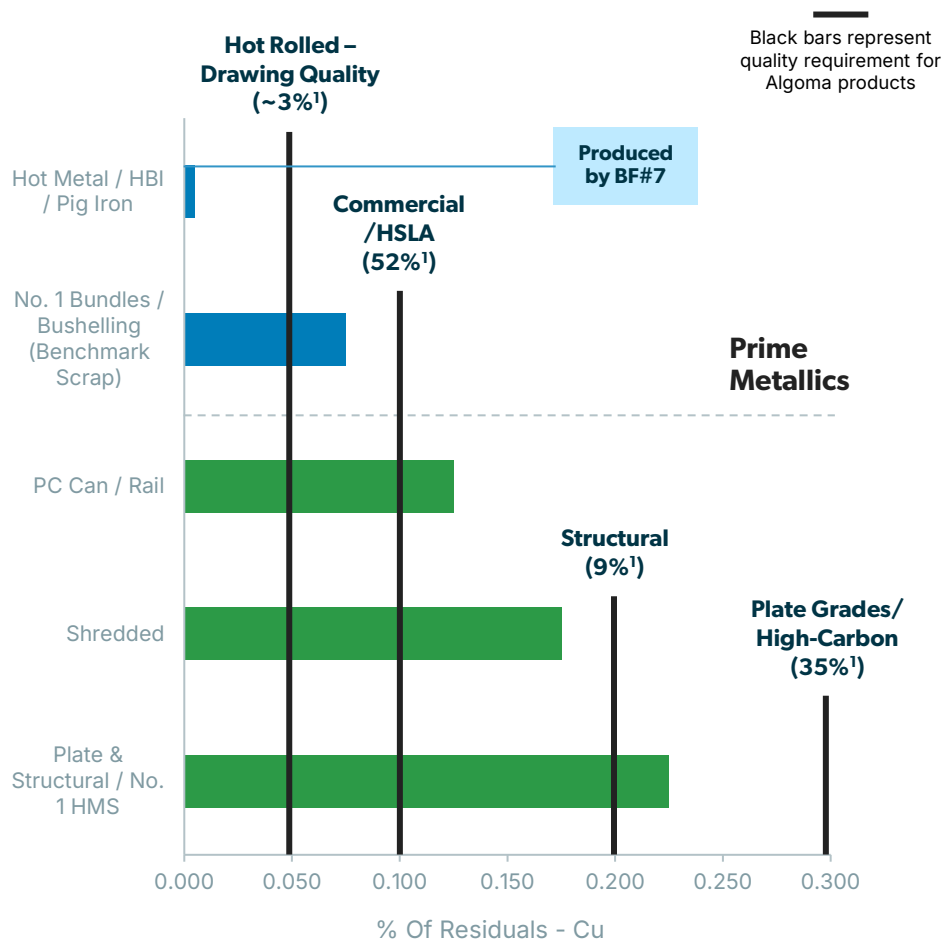


FY2026 Total Scrap: 2.0mm tons

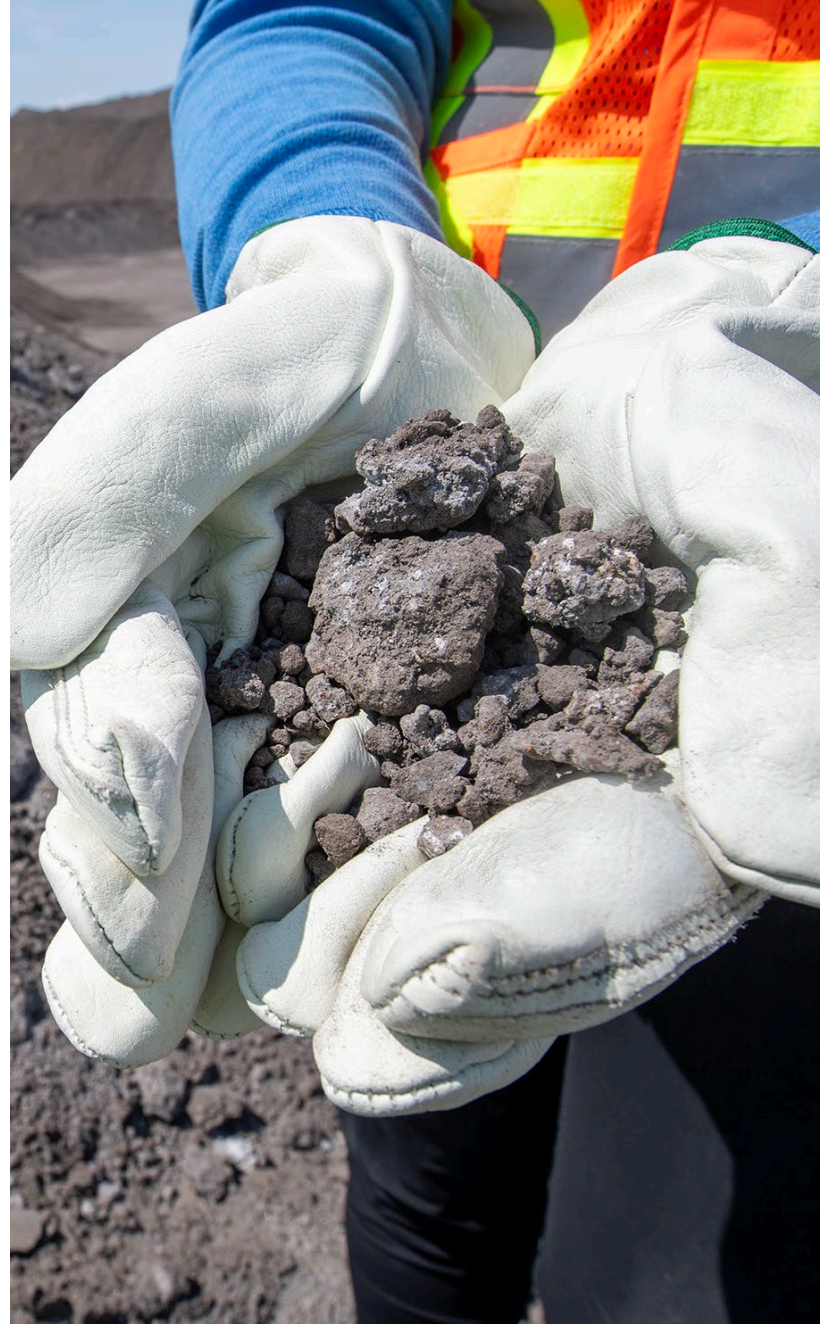
FY27-30 Total Scrap: up to 3.6mm tons

Input Metallic Quality by Product

→ Scrap categories are blended to optimize costs while managing residuals to meet target qualities.



(1) Reflects Algoma's FY2023 product mix.

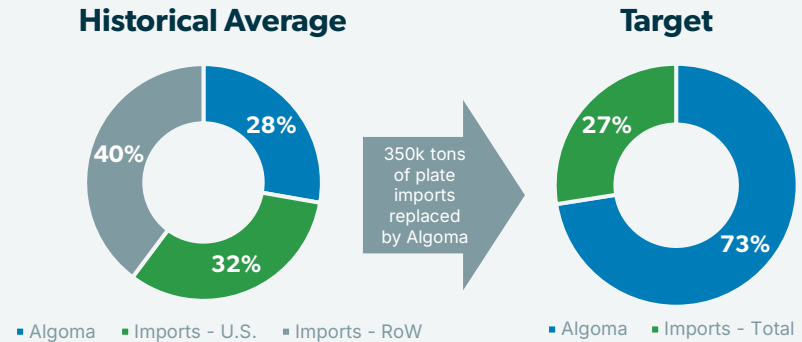


Low-costs and attractive energy construct will position Algoma to gain market share as the EAF expands the mill's capacity

Plate Sales Driven By Modernization Program and Displacement of Imports

- Plate Modernization adds incremental 350k tons of plate capacity.
- Enhances grades and qualities: Algoma to serve a broader range of end markets and customer requirements currently only served by imports.
- As Canada's only plate supplier, Algoma is positioned to displace imports into Canada.

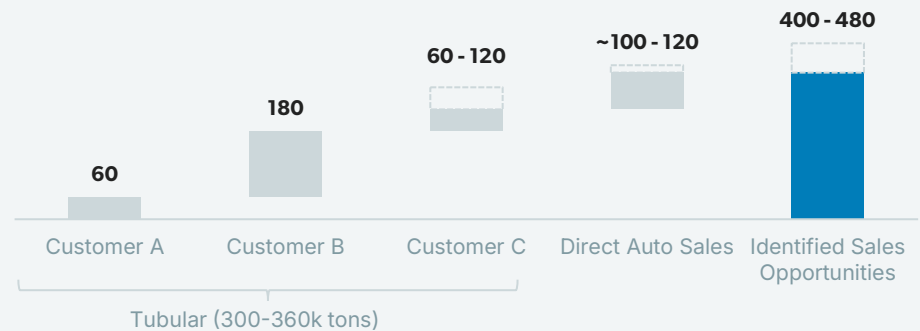
Canadian Steel Plate Demand by Source (~782k ton, annually)¹



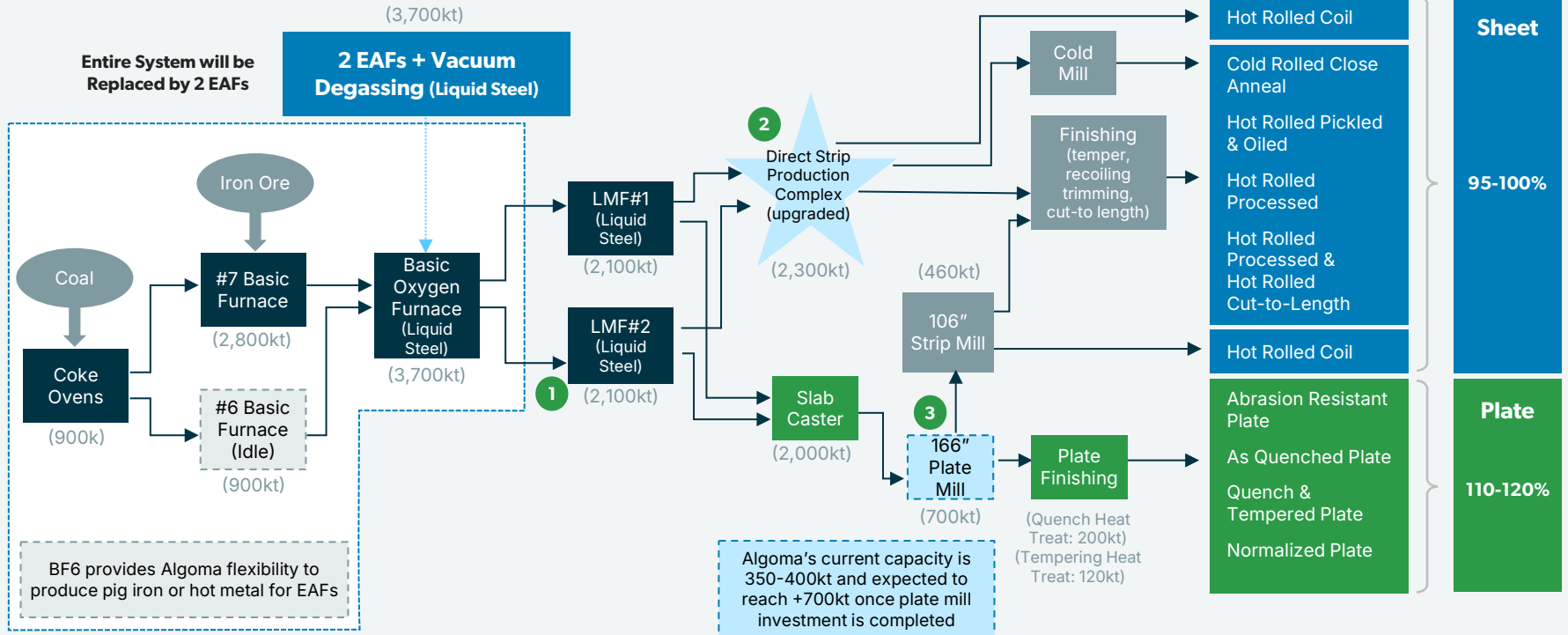
Sheet Sales Driven by Targeted Sales Approach within Broad Market Opportunity

- Targeted strategy to expand sheet sales with implementation of the EAF.
- Focused on expanding sales to key tubular customers and direct Automotive sales tied to new programs ramping in the medium-term.
- Total US/Canada HRC market of 31.6 million tons in 2019² (Algoma only supplies ~6%), exhibiting strong growth in key end markets.

Expected Incremental Demand by Customer (k tons, annually)



(1) Based on Canadian market for 2019. (2) US / Canadian apparent consumption of HRC.



Recent and Ongoing Initiatives

1
Addition of Ladle Metallurgy Furnace #2 (LMF #2): eliminate the bottleneck between steelmaking and casting facilities, enhances grades. **Completed (Feb 2021)**




2
DSPC upgrade: volume capacity has been increased to 2,300k tons from 2,100k tons with new grades capabilities. **Completed**

3
Plate Mill modernization: volume capacity raised to 700k tons from ~350k tons with new grade capabilities. **Stage 1 completed in Mid 2022 (Quality)**
Stage 2 completed in June 2024 (Volume)

High-Quality Products and Diversified Blue Chip Customer Base in Attractive End Markets

- Product width and strength flexibility allows Algoma to serve a broad customer base across various end markets.
- Operational flexibility to adjust product mix to align with market pricing and customer demand, and maximize profitability.
- R&D investments support higher quality, lower cost products and drive value proposition for customers.
- Serves 200+ customers across multiple industries in North America with no single customer making up greater than 10% of sales.

Differentiated Product Offering With Flexibility To Meet Customer Needs

	Product Attributes	End Markets	Width Range	% NSR of CRU Index
Hot Rolled Coil 	<ul style="list-style-type: none"> ✓ High strength formable hot rolled grades ✓ Broad width and strength capabilities 	<ul style="list-style-type: none"> → Automotive → Hollow structural product and welded pipe manufacturers → Transportation → Light manufacturing 	106" Strip Mill: 30"-96" DSPC: 32"-63"	Sheet Products: 95-100%
Cold Rolled Coil 	<ul style="list-style-type: none"> ✓ Commercial grades ✓ High strength formable cold roll grades ✓ Full hard grades (not annealed) 	<ul style="list-style-type: none"> → Automotive → Welded pipe manufacturers → Transportation → Light manufacturing 	36"-74"	
Plate 	<ul style="list-style-type: none"> ✓ High strength, low-alloy grades ✓ Abrasion resistant and heat treat grades ✓ Only producer in Canada 	<ul style="list-style-type: none"> → Fabrication industry - constructors or manufacturers of railcars, buildings, bridges off-highway equipment, etc. 	72"-154"	Plate Products: 110-120%

DSPC Line Offers ~C\$30-\$40/NT Structural Conversion Cost Advantage Over BOF Peers



Key Highlights

- Algoma is the only integrated steel producer to operate a DSPC line, which converts liquid steel directly into coil. Algoma believes the DSPC would facilitate a seamless transition to the proposed EAFs.

Industry Leading Technology:

- The DSPC line is among the newest, continuous thin slab casters in North America.
- Process provides the Company with a cost advantage over competitors due to reduced manpower, heating costs and reduced yield loss.

DSPC Complex

Annualized production capability:
2.3mm tons

Facility:

- Thin slab caster
- Tunnel furnaces and shuttles
- Rougher
- Heated transfer table
- Finishing mill
- Down coilers

First coil: October 7, 1997

Recent Enhancements

- Upgraded automation to incorporate most recent OEM technology

Software Enhancements:

- Casting controls – better throughput
- Defect detection – better quality

Mechanical Upgrades:

- Upgraded segments – better quality and throughput
- Spindles – more efficient
- Stand Entry Tables, Coiler Mandrel – more reliable

EAF Transition Expected to Materially Improve Algoma's Environmental Footprint

Expected EAF Transition

Environmental Strategy

- EAF production would unlock significant environmental benefits – EAF steelmaking generates substantially less CO₂ and other air pollutants compared to Blast Furnace producers.
- 3.0mm metric tonnes anticipated reduction (~70%) of carbon GHG emissions representing:
 - ✓ 11% of the Canadian Federal 2030 Paris Agreement target for industrial emitters
 - ✓ 100% of the provincial 2030 target for industrial emitters
 - ✓ 75% reduction in emissions per net ton.

Improving Algoma's Environmental Profile Provides Long-Term Advantages

- ✓ Algoma expected to become one of the leading producers of green steel in North America.
- ✓ Improves competitiveness for government spending programs where ESG is a criteria.
- ✓ Improves profile with select customers who are similarly ESG focused.
- ✓ Improves employee engagement.
- ✓ Reduction of greenhouse gas emissions may provide for lower annual repayment on the SIF loan.

		Reduction	% Reduction
GHG EMISSIONS	CO ₂	3.0mm tonnes	70%
	CO ₂ /NT PRODUCTION	1.33 tonnes	75%
SO _x EMISSIONS		4,060 tonnes	82%
NO _x EMISSIONS		1,604 tonnes	52%
STACK & FUGITIVE EMISSIONS		Complete elimination of Stack and Fugitive Emissions	100%



Annex: Steel Revenue and Cost of Sales

		Three months ended September 30,		Six months ended September 30,		
		2024	2023	2024	2023	
<i>tons</i>						
Steel Shipments	↓ 5.2%	520,443	548,998	↓ 8.5%	1,023,595	1,118,431
<i>millions of dollars</i>						
Revenue	↓ 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)
Steel revenue	↓ 19.0%	\$ <u>539.0</u>	\$ <u>665.8</u>	↓ 20.0%	C\$ <u>1,136.4</u>	C\$ <u>1,420.3</u>
Cost of steel revenue	↓ 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)
Cost of steel products sold	↓ 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>						
Revenue per ton of steel sold	↓ 13.6%	C\$ 1,153	C\$ 1,334	↓ 12.4%	C\$ 1,222	C\$ 1,395
Cost of steel revenue per ton of steel sold	↑ 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
Adjusted EBITDA (i)	C\$ 3.5	C\$ 81.0	C\$ 41.2	C\$ 272.1
Net (Loss) Income Margin	(17.8%)	4.2%	(8.0%)	10.4%
Net (Loss) Income / ton	C\$ (204.8)	C\$ 56.6	C\$ (98.2)	C\$ 144.8
Adjusted EBITDA Margin (ii)	0.6%	11.1%	3.3%	17.4%
Adjusted EBITDA / ton	C\$ 6.7	C\$ 147.5	C\$ 40.3	C\$ 243.3

(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 ¹	2025		2024				2023		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial results									
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	566.9	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
Per common share (diluted)³									
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
Financial position									
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
Operating results									
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 ²	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
Basic Oxygen Furnace (BOF)	Vessel used to convert liquid hot metal from a blast furnace into steel.
Blast Furnace (BF)	Metallurgical furnace combining fuel, ores and flux to smelt iron ore to produce pig iron, which is fed downstream into a BOF.
Cogeneration	Also known as combined heat and power (CHP), a cogeneration plant uses gas generated from the steelmaking process to create electricity.
Coke	Fuel for a Blast Furnace that is made by heating coal in the absence of air.
Cold Rolled Sheet	Hot rolled steel that has been further processed to increase its strength and strength-to-weight ratio, providing better overall surface finish.
Continuous Casting	Process whereby molten metal is solidified into a "semi-finished" billet, bloom, or slab for subsequent rolling in the finishing mills.
CRU Index	Price index which is widely used throughout the steel industry. Prepared by CRU, a leading steel data provider (cruindices.com).
Electric Arc Furnace (EAF)	Method for producing steel with primary inputs of scrap steel and electricity. EAFs form new steel by heat charging material with an electric arc.
Hard Coking Coal (HCC)	A category of metallurgical coal that is converted to coke and used as fuel for the blast furnace in an integrated steel mill.
Hot Briquetted Iron (HBI)	Compacted form of direct reduced iron (DRI) that serves as a supplement for pig iron and scrap in electric arc furnace steel mills.
Hot Metal	Blast furnace iron ore that is charged to the BOF in hot liquid form.



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



Building Better Lives and a **Greener Future**

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