



Algoma Steel Provides Guidance for the Fourth Quarter of 2025

January 8, 2026

SAULT STE. MARIE, Ontario, Jan. 08, 2026 (GLOBE NEWSWIRE) -- Algoma Steel Group Inc. (NASDAQ: ASTL; TSX: ASTL) ("Algoma" or "the Company"), a leading Canadian producer of hot and cold rolled steel sheet and plate products, today provided guidance for its quarter ended December 31, 2025. Unless otherwise specified, all amounts are in Canadian dollars.

Total steel shipments for the quarter are expected to be in the range of 375,000 to 380,000 tons and Adjusted EBITDA is expected to be in the range of negative \$95 million to negative \$105 million.

Rajat Marwah, Chief Executive Officer of Algoma, commented, "Our fourth-quarter results were in line with expectations, reflecting the continued impact of steel tariffs and the previously announced wind-down of our blast furnace operations, which are expected to conclude in the coming days. We are encouraged by the ongoing ramp-up of the first unit of our Electric Arc Furnace ("EAF") project, which is now operating 6 days per week, and we remain on schedule with the second unit. As we move toward completing our transition to EAF steelmaking during the current quarter, we continue to optimize our existing assets and advance discussions with potential partners to expand our finishing capabilities. This strategy is deliberately aligned with Canada's national interest—strengthening domestic steelmaking capacity, supporting critical infrastructure and defence supply chains, and reinforcing Canada's long-term industrial competitiveness."

About Algoma Steel

Based in Sault Ste. Marie, Ontario, Algoma is a leading Canadian producer of high-quality plate and sheet steel products, proudly supporting critical sectors including energy, defense, automotive, shipbuilding, and infrastructure. Guided by a purpose to build better lives and a greener future, Algoma is shaping the next generation of sustainable steelmaking in Canada.

With the transition to electric arc furnace (EAF) steelmaking and a modernized plate mill, Algoma is redefining how steel is made in Canada. Powered by Ontario's clean electricity grid, this transformation represents one of the largest industrial decarbonization initiatives in North America and is expected to reduce carbon emissions by approximately 70% once fully transitioned. These advancements provide stability for continued investment in diversification projects aligned with Canada's evolving needs.

This new chapter also introduces Volta™, the brand for all steel produced through Algoma's EAF technology. Volta delivers the same trusted performance customers rely on, with significantly lower emissions—produced safely, sustainably, and proudly in Canada.

Building on more than a century of steelmaking expertise, Algoma continues to invest in its people, processes, and technologies to strengthen domestic supply chains and deliver responsible, Canadian-made steel that helps build a better tomorrow.

Cautionary Statement Regarding Forward-Looking Statements

This news release 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"), including statements regarding expected total steel shipments and Adjusted EBITDA for the quarter ended December 31, 2025, Algoma's full transition to electric arc furnace (EAF) steelmaking and the timing thereof, including wind-down of blast furnace operations and the operation of the second EAF unit, the impact of steel tariffs, the optimization of assets and expansion of finishing capabilities, Algoma's future performance and position, Algoma's transformation to modernize its plate mill and adopt EAF technology, the alignment of Algoma's strategy with Canadian national interests, Algoma's expectations regarding reduction in carbon emissions and its investments to strengthen domestic supply chains and to deliver responsible Canadian-made steel. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "design," "pipeline," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions. Many factors could cause actual future events to differ materially from the forward-looking statements in this document. Readers should consider the risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information" in Algoma's annual information form, filed by Algoma with the Ontario Securities Commission (the "OSC") (available under the company's SEDAR+ profile at www.sedar.com) and with the SEC (available at www.sec.gov) as part of its annual report on Form 40-F, as well as in Algoma's quarterly and current reports filed with the OSC and SEC. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Algoma assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Financial Measures

To supplement our financial statements, which are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”), we use certain non-GAAP measures to evaluate the performance of Algoma. These terms do not have any standardized meaning prescribed within IFRS Accounting Standards 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 Accounting Standards measures by providing a further understanding of our financial performance from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards.

Adjusted EBITDA, as we define it, refers to net income (loss) before amortization of property, plant, equipment and amortization of intangible assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, foreign exchange loss (gain), finance income, carbon tax, changes in fair value of warrant, earnout and share-based compensation liabilities, share-based compensation related to the Company’s Omnibus Long Term Incentive Plan, certain inventory write-downs and impairment loss. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue for the corresponding period. Adjusted EBITDA is not intended to represent cash flow from operations, as defined by IFRS Accounting Standards, and should not be considered as alternatives to net profit (loss) from operations, or any other measure of performance prescribed by IFRS Accounting Standards. Adjusted EBITDA, as we define and use it, may not be comparable to Adjusted EBITDA as defined and used by other companies. We consider Adjusted EBITDA to be a meaningful measure to assess our operating performance in addition to IFRS Accounting Standards. It is included because we believe it can be useful in measuring our operating performance and our ability to expand our business and provide management and investors with additional information for comparison of our operating results across different time periods and to the operating results of other companies. Adjusted EBITDA is also used by analysts and our lenders as a measure of our financial performance. In addition, we consider Adjusted EBITDA margin to be a useful measure of our operating performance and profitability across different time periods that enhance the comparability of our results. However, these measures have limitations as analytical tools and should not be considered in isolation from, or as alternatives to, net income, cash flow from operations or other data prepared in accordance with IFRS Accounting Standards. Because of these limitations, such measures should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness. We compensate for these limitations by relying primarily on our IFRS Accounting Standards results using such measures only as supplements to such results.

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