Investor Presentation

Jefferies Industrial Conference - September 2024

NASDAQ: ASTL
TSX: ASTL

in Canadian dollars unless otherwise noted

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 audited consolidated financial statements are measured using the US dollar.

For reporting purposes, the audited 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 March 31, 2024 audited consolidated financial statements and the accompanying notes and June 30, 2024 unaudited consolidated financial statements and the accompanying notes and the Company's related MD&A.

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 15.

Investment Highlights

ALGOMA STEEL INC.

Presenters:

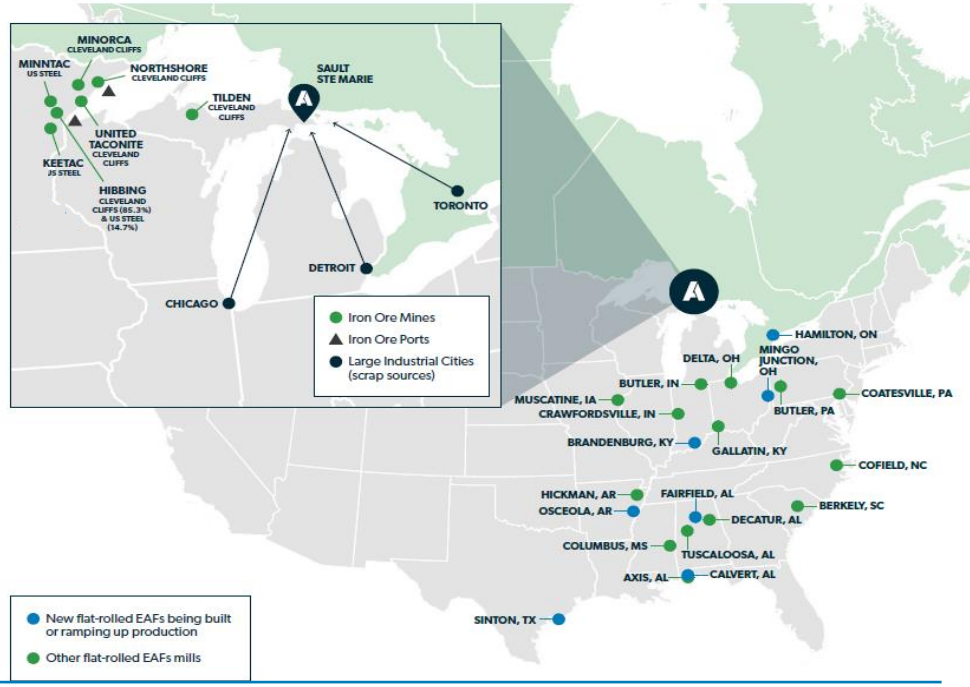
Michael Garcia
Chief Executive Officer

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

Premier Canadian Steel Producer

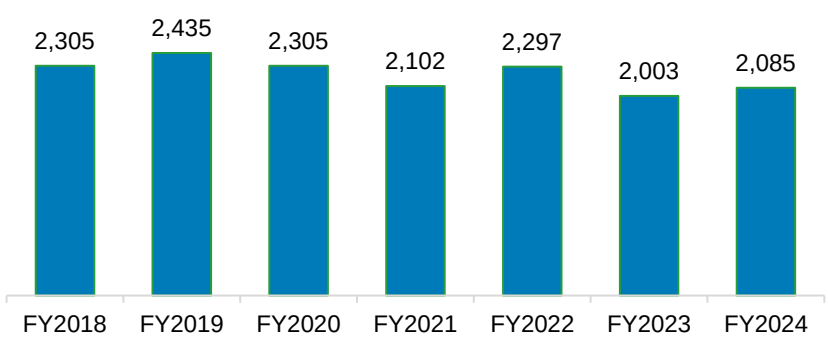
Leading North American Flat-Rolled Producer Located in the Great Lakes Region in Sault Ste. Marie, Ontario

- 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

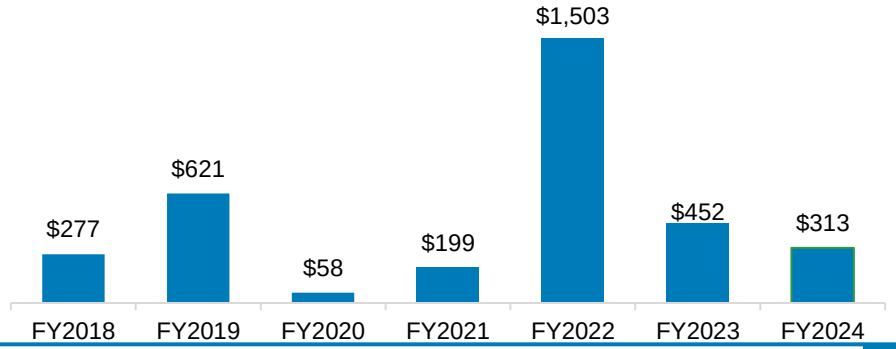


Historical Performance (FY end March 31)

Shipments (kt)

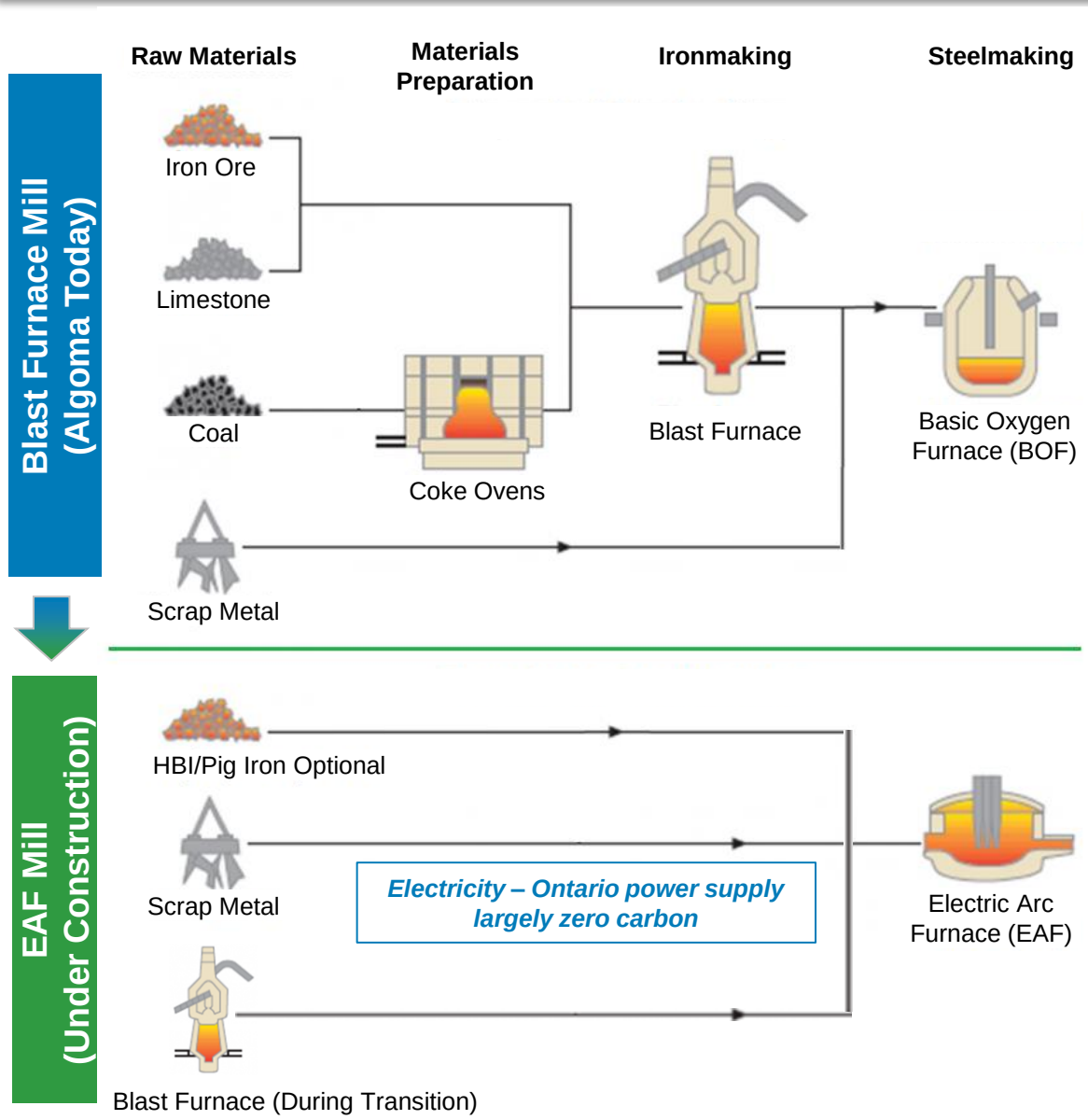


Adjusted EBITDA Performance (C$ mm)



LTM (Last 12 Months ended December 31, 2023)

Algoma's 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

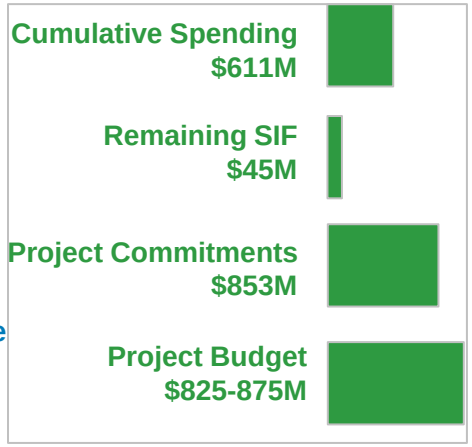
Significantly De-Risked EAF Execution

Balance Sheet Strength

Algoma is in a strong financial position to manage market volatility

Construction On Track

- #2 EAF Operating Floor Structural Steel: **100% complete**
- EAF Substation: **100% Complete**
- Utility Room #1 Structural Steel: **100% Complete**
- Steel Reline Structural Steel: **95% Complete**
- Melt shop Roofing: **90% Complete**
- EAF #2 Tilt Table and Shell Assembly: **25% Complete**



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 Flows[2]

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

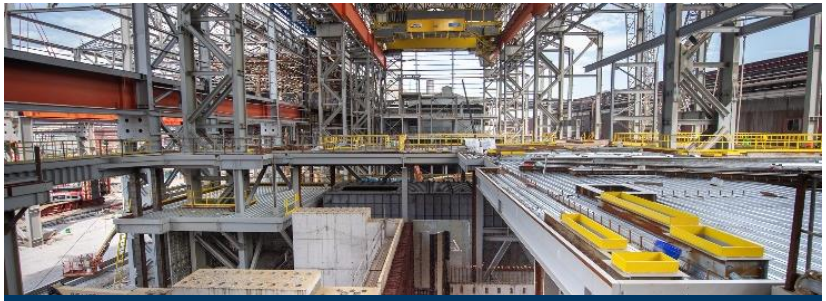
EAF Sub Station

(1) Project estimates as of June 30, 2024
(2) Source: US Trade Census Bureau 2020-2023 average exports

Construction Update

Quench tower assembly is underway

Axial Cyclone installation on Baghouse



Inside view of the operating floor

Project Statistics[2]:

Concrete **25,877 cu/m** **Structural steel 14,000 tons**	Utility Room #2 Electrical Carbon Injection System Equipment **25% Complete**	EAF Substation **100% complete**
#2 EAF Operating Floor Structural Steel **100% complete**	Meltshop roofing **90% complete**	Shell Reline Structural Steel **95% complete**
B/C Aisle Extension **500 tons installed**	Utility Room #1 Structural Steel **100% complete**	EAF #2 Tilt Table **25% Complete** EAF #2 Shell Assembly **25% Complete**

By the numbers[2]:

Cumulative Spending **$611M**

Remaining SIF Loan **$45M**

Project Commitments **$853M**

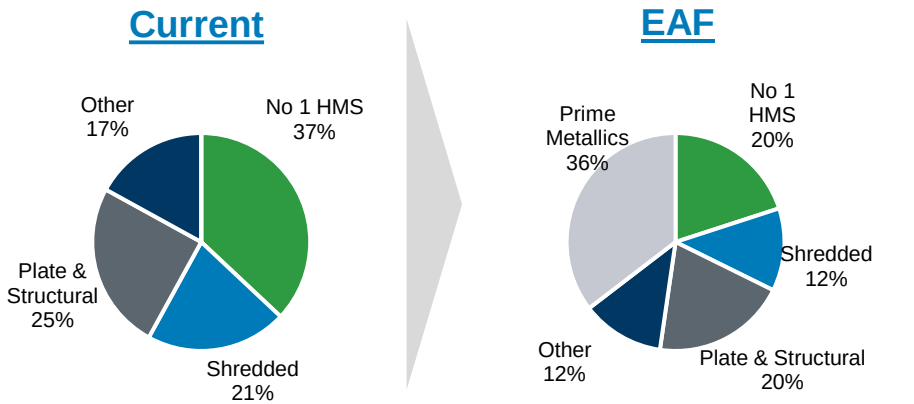
Project Budget **$825-875M**

(1) Photo taken July 21, 2024
(2) Project Estimates at June 30, 2024

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

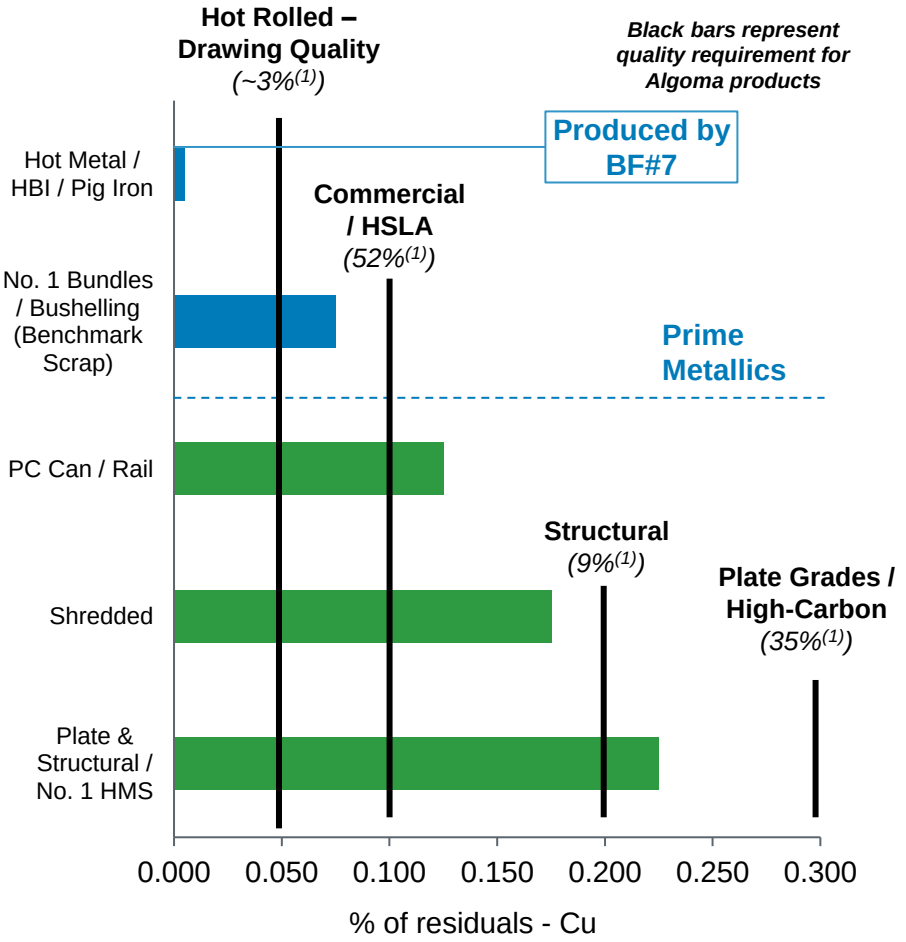


Current Scrap Consumption: 0.3mm tons

FY2026 Total Scrap: 2.0mm tons

FY27-30 Total Scrap: up to 3.6mm tons

Input Metallic Quality by Product

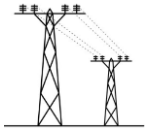
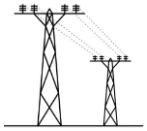


Scrap categories are blended to optimize costs while managing residuals to meet target qualities

(1) Reflects Algoma's FY2023 product mix.

Powering Algoma's Transformation

ALGOMA STEEL INC.

	2025-2026	2026-2028	2029-2030
	Initial Phase ✓ Secured	**Phase 2** ✓ Approved	**Phase 3**
Power Configuration	 Lake Superior Power (LSP) (110MW) +  Existing 115KV Transmission (150MW)	 Lake Superior Power (LSP) (110MW) Optional +  Existing 115KV Transmission (150MW) +  Local 230KV Transmission (150MW)	 Existing 115KV Transmission (150MW) +  Local 230KV Transmission (150MW) +  Regional Bulk Transmission Upgrade
Production Configuration	 Scrap  Metallic Units  EAF Cold Charge	 Blast Furnace During Transition	 Scrap  Metallic Units  EAF Cold Charge
		Algoma has the flexibility to operate a Blast Furnace depending on economics	 Scrap  Metallic Units  EAF Cold Charge
Shipments	**2.4M NT Cold Charge** / **Up to 3.0M NT with Blast Furnace**	**2.4M NT Cold Charge without LSP** / **2.4 - 3.0M NT Cold Charge with LSP**	**3.0M+ NT Cold Charge Unconstrained**
Milestones Achieved	**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 95% complete and expected to be energized in April 2024	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 **Next Step:** Hydro One to file leave to construct with the OEB to begin development of the regional upgrades

(1) https://www.ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/Northeast-Ontario/ne-bulk-planning-initiatives-20221027-final-report-need-for-northeast-bulk-system-reinforcement.pdf
(2) https://www.ontario.ca/page/powering-ontarios-growth
(3) https://puctransmissionlp.com/project-plan/

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 on Slide 30 for acronyms

Algoma's Path to Higher Plate Production

01 PRIMARY DESCALER

Algoma Steel's new Primary Descaler improves surface quality by eliminating primaryfurnace 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.

02 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.

03 DIVIDE SHEER

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.

04 HOT LEVELER

Our new hot leveler boasts a 4000 net 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.

05 MARKING MACHINE

This robotic marking machine revolutionizes plate identification through barcoding. The benefits? Improved turnaround time and shipping output. Through stamping, stenciling, and edge marking we can quickly locate plates even when they are piled.

06 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.

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.

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

ALGOMA STEEL INC.

(C$ in millions, except per ton data)

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

Algoma will have modernized equipment through its production process

EAF	LMF2	Plate Mill	DSPC
State-of-the-Art Crude Steel Production	Efficient Alloy Mixing and Transportation to Rolling Facilities	High Quality Plate Products with Enhanced Volume	State-of-the-Art, Cost Advantaged Rolling Mill Directly Integrated into Crude Steelmaking
			
First Production: 2025E Fully-Ramped Capacity: 3.7mm tons of Liquid Steel	First Production: 2021 Capacity: 2.1mm tons of Liquid Steel	First Production: 2023 Capacity: 650k-700k NT	Ann. Production Capability: 2.4mm tons of HRC Conversion Cost Advantage: $30-$40/t

(1) Capital Expenditure once completed.

Building better lives and a greener future.

Safety • Teamwork • Integrity • Caring

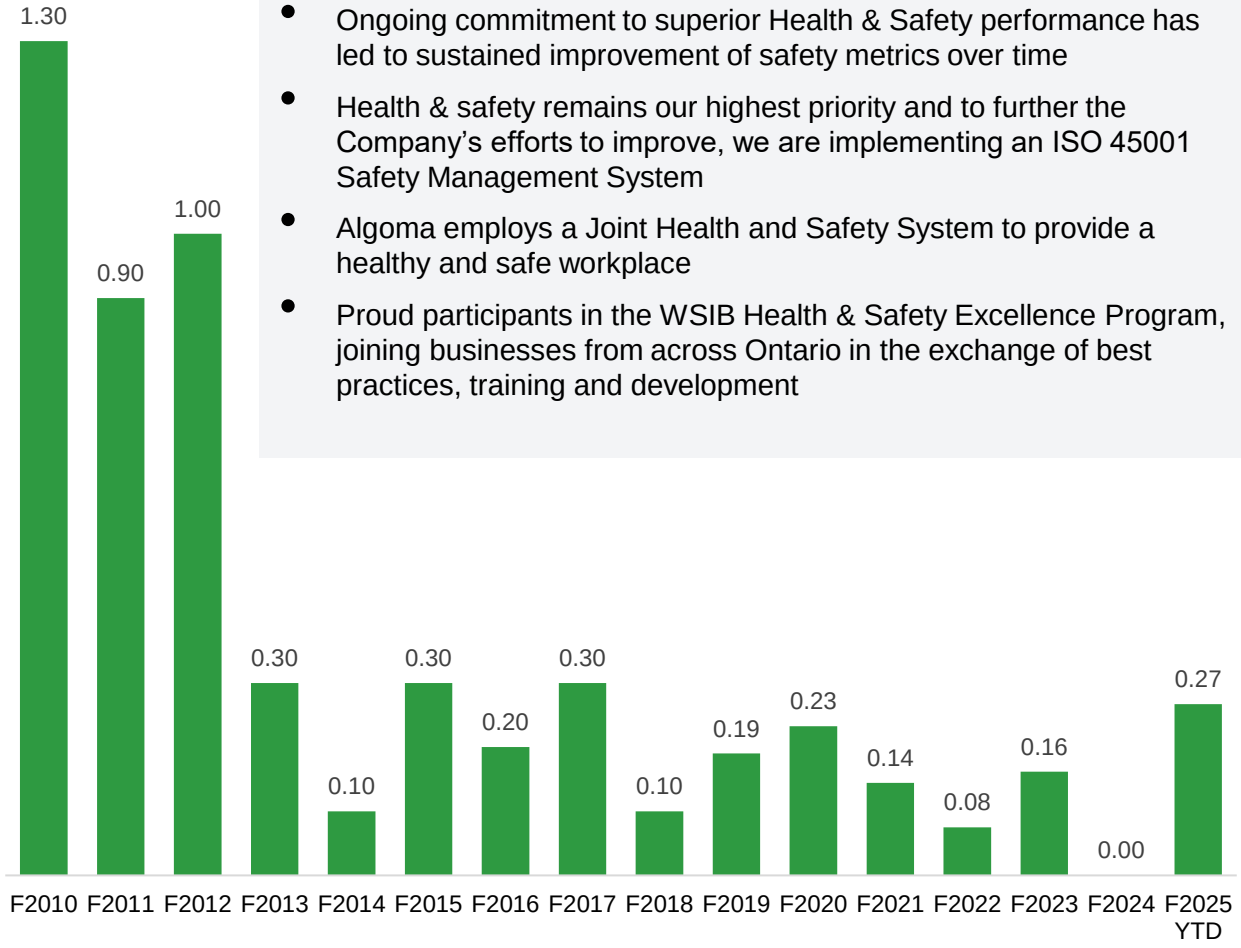
With every decision, every action, every day, we will work **safely** with **teamwork**, **integrity** and deep **care** for our people, their families and the environment

Supplemental Materials

ALGOMA STEEL INC.

Safety Without Compromise

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



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

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

Safety is Top Priority for Algoma

Source: Company information.
1) Lost Time Injury Frequency is calculated as ((Number of lost time injuries in the reporting period x 200,000) / Total hours worked in the reporting period).

Key Performance Highlights

Q1 FY2025 - Ended June 30th, 2024

- **Shipping Volume** was 503K NT in Q1 FY2025, up 12% from 451K NT in Q4 FY2024 and down 12% from 569K NT in Q1 FY2024.
- **Steel Revenue** was $597 million in Q1 FY2025, up 5% from $568 million in Q4 FY2024 and down 21% from $755 million in Q1 FY2024.
- **Adjusted EBITDA** was $38 million in Q1 FY2025, down 9% from $42 million in Q4 FY2024 and down 80% from $191 million in Q1 FY2024.
- **Net Income** was $6 million in Q1 FY2025, down 78% from $28 million in Q4 FY2024 and down 95% from $131 million in Q1 FY2024.
- **Cash position** was $493 million at the end of Q1 FY2025 with availability of $351 million under the Revolving Credit Facility.

Q1 FY2025	503k NT Shipments	$597 million Steel Revenue	$38 million Adjusted EBITDA

Adjusted EBITDA margin Q1 FY2025 was 5.8%

Source: Company Q1 FY2025 Management's Discussion and Analysis
Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures. See Annex: Adjusted EBITDA Reconciliation on Slide 14

Committed to our Path Forward, Creating a Track Record of Success

ALGOMA STEEL INC.

Strategic Direction

Operational & Capital Improvements Algoma has developed and executed numerous operational and capital projects that add long term value to the business	**Ladle Met Furnace #2** debottlenecks operations and increases capacity Feb 2021	**EAF Approval** Received board approval to begin construction of Electric Arc Furnace Nov 2021	**PMM Phase 1** Enhancing quality and expanding grade range on Canada's only discrete plate mill 2022	**LSP Power Plant** Installation of new turbines to support power generation for EAF project June 2023	**EAF Project** Construction progresses on transformative electric arc furnace 2021-2024E	**PMM Phase 2** Commissioning Heavy Gauge Inline Shear Oct 2023	**PMM Phase 2** Final installation of key elements to complete project **2024E**
Financial Discipline Algoma is has focused on streamlining its balance sheet, finding effective sources of capital to fund its strategic initiatives and providing long term value to stakeholders	**Return to Public Markets** including Equity injection of $306M USD Oct 2021	**Regular Dividend** Algoma commenced quarterly dividend of $.05 / share Mar 2022	**Substantial Issuer Bid** Algoma buys back approx. 1/3 of outstanding shares Aug 2022	**Normal Course Issuer Bid** Algoma renewed its NCIB for share repurchases 2023/24	**ABL Renewal** Amend and extend Algoma's now upsized US$300M asset-based loan May 2023	**Debt Offering** Opportunistically raised $350M USD to strengthen balance sheet and mitigate risk Apr 2024	**Low Leverage Profile** Algoma maintains a robust balance sheet with liquidity to support market fluctuations and its capital initiatives **Ongoing**
Strategic Partnerships Algoma continues to develop partnerships focused on de-risking the organization and creating long term value for stakeholders	**Walters** Selected to fabricate and construct EAF Meltshop Building and other EAF equipment 2023-2025E	**EllisDon** Construction mgmt support contract for EAF construction 2023-2025E	**DSV** Global logistics support for delivery of EAF equipment 2023-2025E	**United States Steel** 2-year extension ore contract de-risking transformation to EAF Sep 2023	**IESO** Provides Conditional Approval of Phase 1 & 2 Systemt Impact Assesment 2023	**Ontario Government** Issued Order in Council to expedite transmission lines construction 2029E	**EAF Contractors** Remaining contract awards partering with select contractors for equipment and infrastructure installation **2024E**
ESG Focus Algoma is committed to initiatives geared at driving performance, reducing risk and developing a culture of organizational excellence that improve our ESG performance	**Focus on Safety** Including zero lost time incidents for the past 2 Fiscal Quarters Apr – Sep 2021	**Newly Constituted Board** diversity of experience, thought and perspective Oct 2021	**Performance Management** Implemented a robust performance management system May 2019	**Enterprise Risk Management** Develop a culture of risk management Nov 2019	**ESG Position Paper** Published Algoma's approach to ESG April 2023	**ESG Sustainability Report** Algoma publishes its second annual ESG report 2024	**Emission Reduction** EAF project expects to reduce emissions 70% and improve GHG performance

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

Recent Updates

Algoma Steel Inc. @AlgomaSteelInc · Aug 1

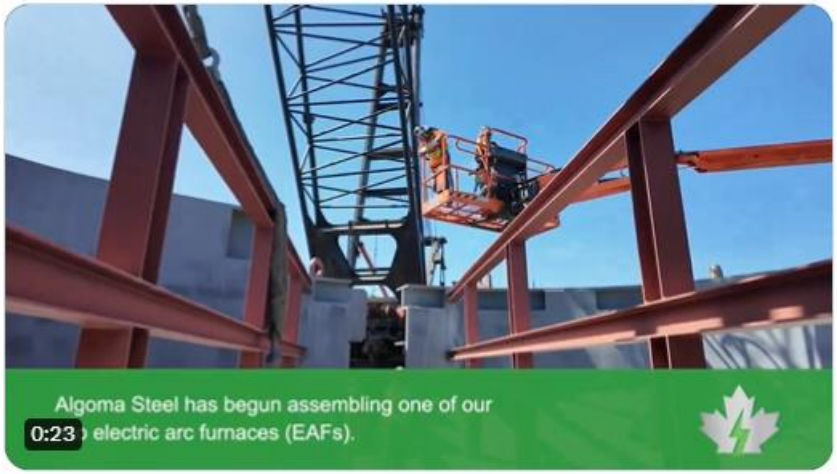
Our EAF duct construction is progressing with the commencement of EAF #2's emission control system!

Stay tuned for more updates on the #AlgomaEAF project and our sustainability journey at our website at bit.ly/48ZuAjO

#AlgomaSteel #GreenSteel #ASTL

Algoma Steel Inc. @AlgomaSteelInc · Jun 26

Assembly of the 1st of our 2 EAFs is underway. With the bottom shell assembled, the team will spend the next month welding the furnace components together and then prepare for installation. Stay tuned for more updates on the #AlgomaEAF project. #ASTL #AlgomaSteel



Algoma Steel Inc. @AlgomaSteelInc · Jun 24

We are proud to receive Danieli's Innovation Award 2024 - #StarinSteel, recognizing our commitment to trust, partnership, and technological advancements. We are grateful to have Danieli as a valued partner, especially as we transition to electric arc steelmaking. #AlgomaSteel

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

For more updates follow our social channels on:

@AlgomaSteelInc

Algoma Steel Inc

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

Robust Go-To-Market Strategy Driving Expected Shipment Growth

Algoma Strategy / Advantages

- ✓ Displacement of imports in both sheet and plate markets
- ✓ Robust commercial relationships supported by key tubular and automotive end customers
- ✓ Focus on improved reliability and quality of Algoma products is underway and will enhance value proposition to customers
- ✓ Sole Canadian plate mill with expanded capacity and capabilities following the modernization program
- ✓ Cut-to-length (CTL) line under review to regain foothold and broaden plate product offering

Key End Market Growth Rate

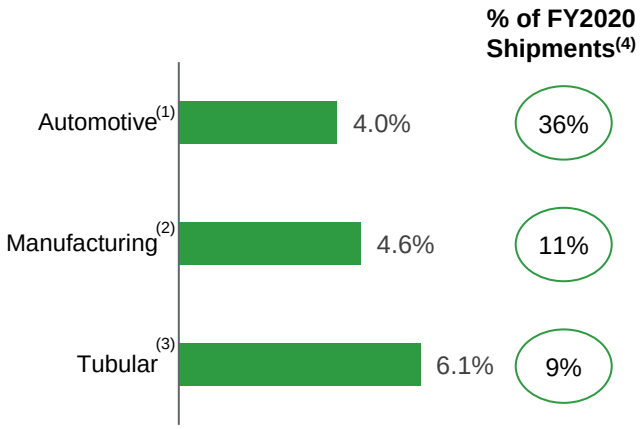
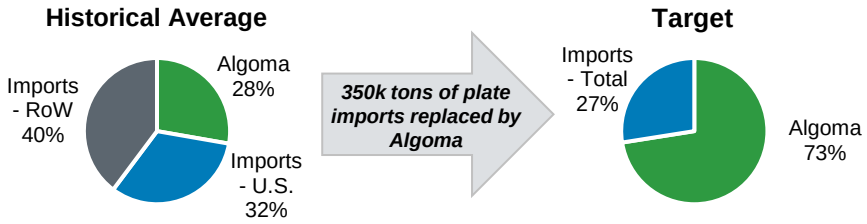


Plate Sales Driven By Modernization Program and Displacement of Imports

- 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

Canadian Steel Plate Demand by Source (~782k ton, annually)(5)

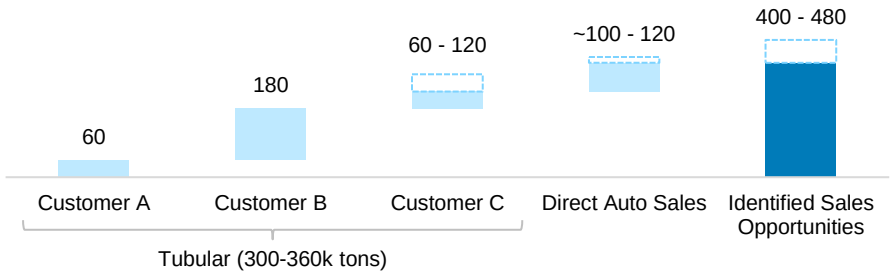


As Canada's only plate supplier – Algoma is positioned to displace imports into Canada

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

Expected Incremental Demand by Customer (k tons, annually)



- Total US/Canada HRC market of 31.6 million tons in 2019(6) (Algoma only supplies ~6%), exhibiting strong growth in key end markets

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

Source: Fitch Solutions, BMI, EIA, Fastmarkets, Company Information,
(1) Based on forecasted Canadian light vehicle production from 2020 to 2029. North American light vehicle production over the same period forecasted to grow at 2.7% CAGR. (2) Canadian construction value-add from 2020 to 2030. North American light vehicle production over the same period forecasted to grow at 4.5% CAGR. (3) North American petroleum and other liquids consumption from 2020 to 2022. (4) Remaining 45% of shipments are sold to service centers, which may be resold to manufacturing or tubular end markets. (5) Based on Canadian market for 2019. (6) US / Canadian apparent consumption of HRC.

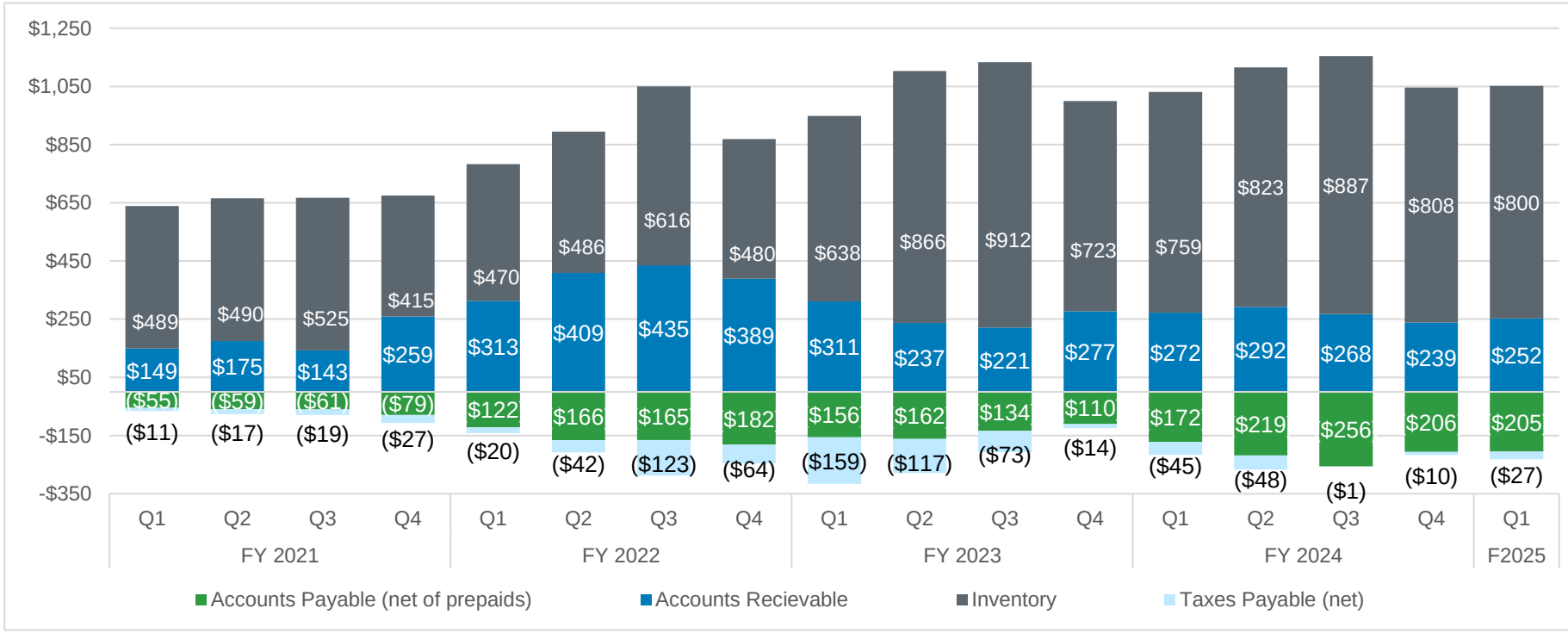
Full Year Financial Highlights

	FY 2024	FY 2023	% YoY
Shipping volume ('000s tons)	**2,085**	2,003	4%
Net Sales Realization per ton ($/ton)	**1,220**	1,273	-4%
Steel Revenue($ million)	**2,545**	2,550	0%
Cost of Steel Products Sold ($/NT)	**1,018**	1,004	1%
Adjusted EBITDA ($ million)	**313**	452	-31%
Net Income ($ million)	**105**	299	-65%

Source: Company Q4 & Full Year FY2024 Management's Discussion and Analysis
Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures. See Annex: Adjusted EBITDA Reconciliation on Slide 15

Overview of Net Working Capital Seasonality

Net Working Capital $M[1]	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 F2025
	$ 573	$ 589	$ 588	$ 568	$ 641	$ 687	$ 762	$ 623	$ 633	$ 825	$ 926	$ 875	$ 815	$ 849	$ 897	$ 830	$ 820

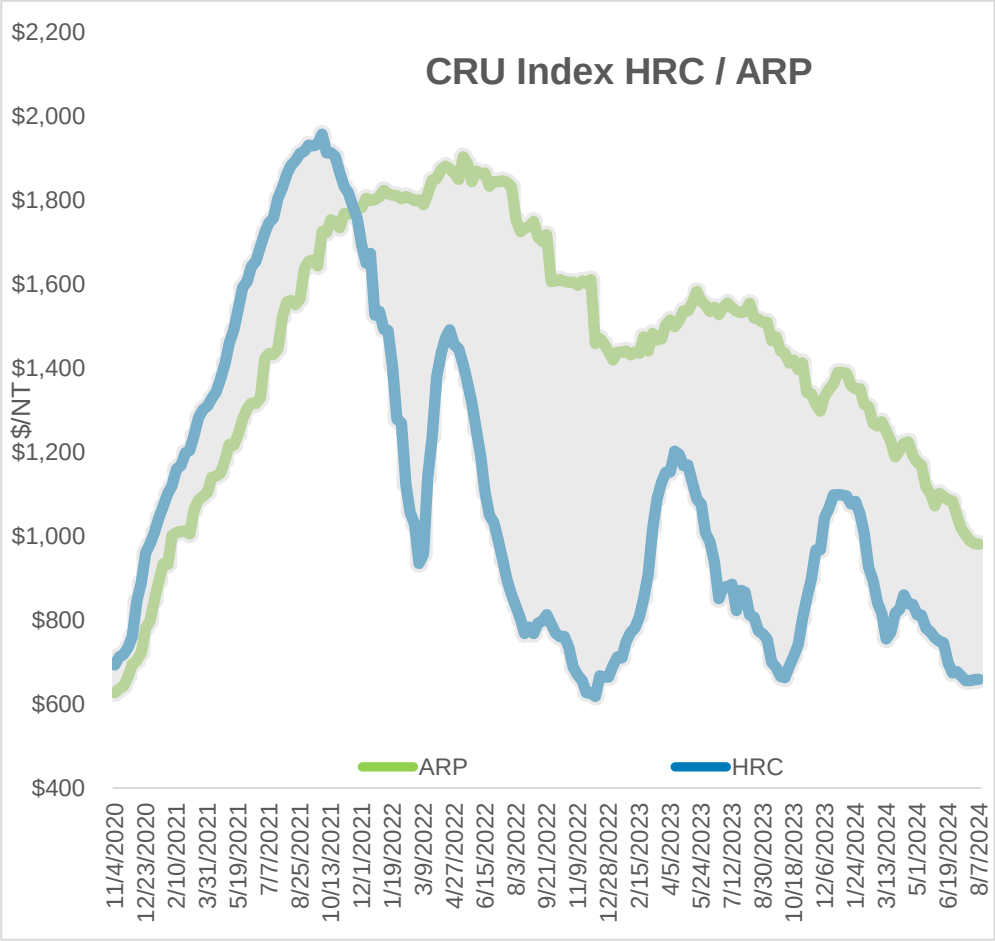


Source Q1 FY2025 Company Notes to the Financial Statements:
(1) Please note that the chart shown includes Inventory, Trade Receivables, Payables Net of Prepaids, and Taxes Payable Net of Taxes Receivable

Market Update

North American HRC and plate pricing remain subdued

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



Key Market Drivers

- Index HRC remains below $700/NT with annual lows of $656/NT in July 2024.
- Imports continue to exceed long-term levels, with Global HRC spot prices surpassing those of US Domestic prices.
- High service center inventories are contributing to the ongoing lack of demand observed throughout calendar Q2.

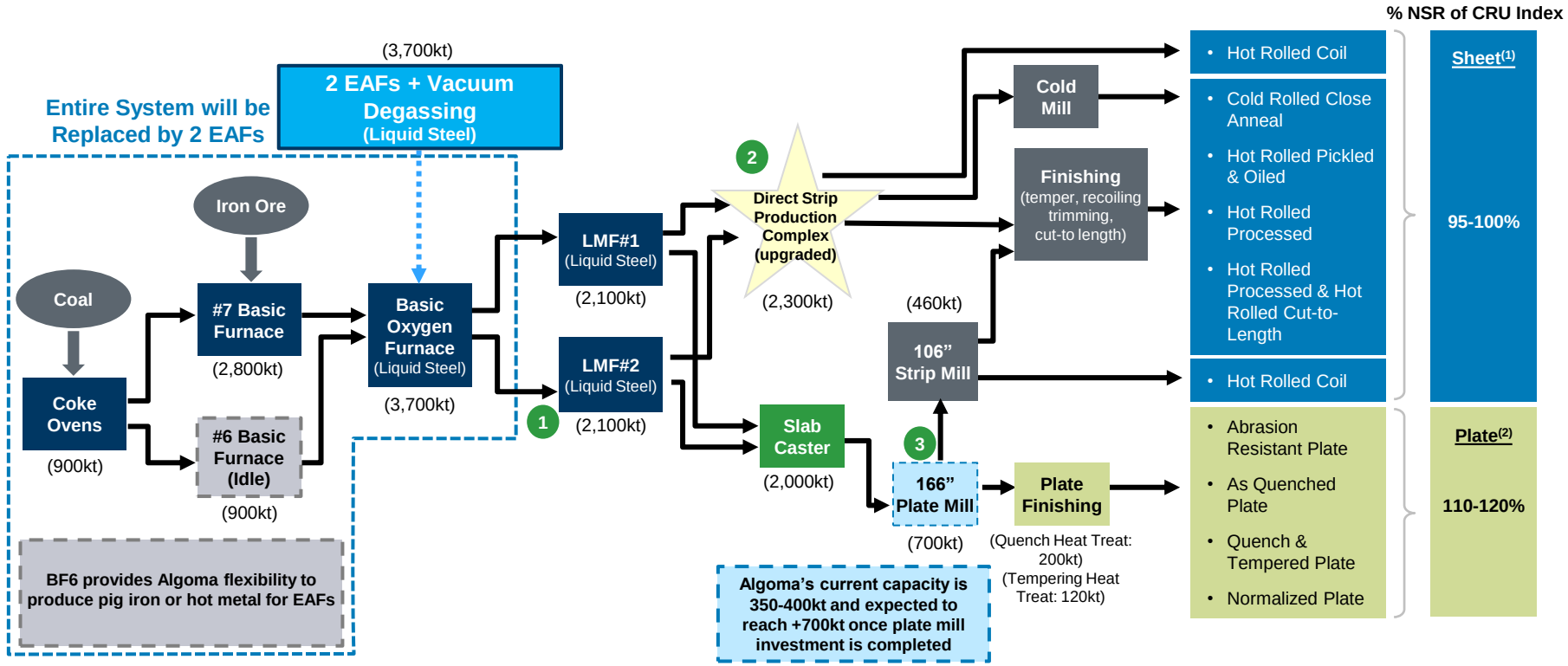
Macro Economic Drivers

- The Canadian labour market, and more recently the US labour market, show weakening job numbers with hiring 35% lower than forecasted in the US for the month of July.
- Chances for a cut to interest rates by the US Federal Reserve have increased as inflation continues to cool to 3% as of June in combination with weaker jobs market data.

Source: Market data as of August 7, 2024.

Algoma's Flexible, Low-Cost Operations Facilitates Optimization Across High Value Products

- ✓ Algoma produces a wide variety of products to serve diverse end-markets
- ✓ Algoma is the only plate producer in Canada with current capacity of 350-400kt and anticipated capacity of 700kt per year once debottlenecking initiatives are completed
- ✓ Algoma is the only integrated steel producer to operating a DSPC line, which provides a $30-$40/t competitive advantage
- ✓ DSPC positions the mill to seamlessly execute installation of EAFs



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 will be raised to 700k tons from ~350k tons with new grades capabilities – **Stage 1 completed in Mid 2022 (Quality) / Stage 2 anticipated completion in 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 	✓ High strength formable hot rolled grades ✓ Broad width and strength capabilities	▪ Automotive ▪ Hollow structural product and welded pipe manufacturers ▪ Transportation ▪ Light manufacturing	106" Strip Mill 30"–96" DSPC 32"–63"	**Sheet Products:** 95-100%(1)
Cold Rolled Coil 	✓ Commercial grades ✓ High strength formable cold roll grades ✓ Full hard grades (not annealed)	▪ Automotive ▪ Welded pipe manufacturers ▪ Transportation ▪ Light manufacturing	36"–74"	
Plate 	✓ High strength, low-alloy grades ✓ Abrasion resistant and heat treat grades ✓ Only producer in Canada	▪ Fabrication industry - constructors or manufacturers of railcars, buildings, bridges off-highway equipment, etc.	72"–154"	**Plate Products:** 110-120%(2)

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

ALGOMA STEEL INC.

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 & 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...

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[(1)] 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[(1)]	% Reduction
GHG Emissions	CO2	3.0mm tonnes	70%
	CO2/NT production	1.33 tonnes	75%
SOx emissions		4,060 tonnes	82%
NOx emissions		1,604 tonnes	52%
Stack and Fugitive Emissions		Complete elimination of Stack and Fugitive Emissions	100%

Annex: Steel Revenue and Cost of Sales

	change	Three months ended June 30, 2024	Three months ended June 30, 2023
tons			
Steel Shipments	↓ **11.6%**	**503,152**	569,433
millions of dollars			
Revenue	↓ **21.4%**	**C$ 650.5**	C$ 827.2
Less:			
Freight included in revenue		**(45.9)**	(52.2)
Non-steel revenue		**(7.2)**	(20.5)
Steel revenue	↓ **20.8%**	**C$ 597.4**	C$ 754.5
Cost of steel revenue	↑ **2.5%**	**C$ 580.7**	C$ 566.8
Depreciation included in cost of steel revenue		**(33.1)**	(23.2)
Carbon tax included in cost of steel revenue		**(9.5)**	(2.5)
Cost of steel products sold	↓ **0.6%**	**C$ 538.1**	C$ 541.1
dollars per ton			
Revenue per ton of steel sold	↓ **11.0%**	**C$ 1,293**	C$ 1,453
Cost of steel revenue per ton of steel sold	↑ **16.0%**	**C$ 1,154**	C$ 995
Average net sales realization on steel sales (i)	↓ 10.4%	C$ 1,187	C$ 1,325
Cost per ton of steel products sold	↑ 12.5%	C$ 1,069	C$ 950

(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 Q1 FY2025 Management's Discussion and Analysis

Annex: Adjusted EBITDA Reconciliation

millions of dollars	**Three months ended June 30, 2024**	Three months ended June 30, 2023
Net income	**$6.1**	**$130.9**
Depreciation of property, plant and equipment and amortization of intangible assets	**33.2**	**23.3**
Finance costs	**16.4**	**5.1**
Interest on pension and other post-employment benefit obligations	**5.4**	**4.8**
Income taxes	**(4.3)**	**39.3**
Foreign exchange (gain) loss	**(6.8)**	**11.0**
Finance income	**(5.4)**	**(3.3)**
Inventory write-downs *(depreciation on property, plant and equipment in inventory)*	**6.4**	**0.4**
Carbon tax	**9.5**	**2.5**
Decrease in fair value of warrant liability	**(15.6)**	**(17.5)**
Decrease in fair value of earnout liability	**(2.5)**	**(2.0)**
Decrease in fair value of share-based payment compensation liability	**(5.8)**	**(4.0)**
Share-based compensation	**1.1**	**0.7**
Adjusted EBITDA (i)	**$37.7**	**$191.2**
Net Income Margin	**0.9%**	**15.8%**
Net Income / ton	**$12.1**	**$229.9**
Adjusted EBITDA Margin (ii)	**5.8%**	**23.1%**
Adjusted EBITDA / ton	**$74.9**	**$335.8**

(i) See "Non-IFRS Financial Measures" in this Press Release for information regarding the limitations of using Adjusted EBITDA.

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

Source: Company Q1 FY2025 Management's Discussion and Analysis

Annex: Selected Quarterly Information

(millions of dollars, except where otherwise noted)	**2025**	2024				2023			
As at and for the three months ended[1]	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial results									
Total revenue	**C$ 650.5**	C$ 620.6	C$ 615.4	C$ 732.6	C$ 827.2	C$ 677.4	C$ 567.8	C$ 599.2	C$ 934.1
Steel products	**597.4**	568.1	556.9	665.8	754.5	609.2	512.0	551.5	877.4
Non-steel products	**7.2**	4.9	10.4	16.4	20.5	14.1	12.1	8.2	11.6
Freight	**45.9**	47.6	48.1	50.4	52.2	54.1	43.7	39.5	45.1
Cost of sales	**633.8**	585.4	623.8	664.8	639.5	630.7	611.8	569.4	576.8
Administrative and selling expenses	**29.2**	32.1	28.5	31.0	23.4	25.0	21.7	24.2	28.4
Income (loss) from operations	**(12.5)**	3.1	(36.9)	36.8	164.3	21.7	(65.7)	5.6	328.9
Net income (loss)	**6.1**	28.0	(84.8)	31.1	130.9	(20.4)	(69.8)	87.2	301.4
Adjusted EBITDA	**C$ 37.7**	C$ 41.5	C$ (1.0)	C$ 81.0	C$ 191.2	C$ 47.9	C$ (35.9)	C$ 82.7	C$ 357.7
Per common share (diluted)[3]									
Net income (loss)	**C$ (0.07)**	C$ 0.10	C$ (0.78)	C$ 0.24	C$ 0.85	C$ (0.2)	C$ (0.6)	C$ 0.36	C$ 1.49
Financial position									
Total assets	**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	C$ 3,070.5
Total non-current liabilities	**1187.2**	745.1	744.3	660.1	665.0	650.0	663.4	693.3	618.0
Operating results									
Average NSR	**C$ 1,187**	C$ 1,260	C$ 1,079	C$ 1,213	C$ 1,323	C$ 1,066	C$ 1,116	C$ 1,266	C$ 1,632
Adjusted EBITDA per nt[2]	**74.9**	92.0	(1.9)	147.5	335.8	83.8	(78.3)	189.9	665.4
Shipping volume (in thousands of nt)									
Sheet	**442**	381	453	485	498	505	421	411	485
Plate	**61**	69	59	64	70	66	37	23	52
Slab	**-**	-	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 the corresponding MD&As filed on SEDAR+ and EDGAR

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 35,883,692 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. At June 30, 2024, 104,123,072 common shares were outstanding.

Source: Company Q1 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 (https://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
NSR	Net Sales Realization: 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

NASDAQ:ASTL
TSX: ASTL