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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

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**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2022

Commission File Number 001-40924

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**ALGOMA STEEL GROUP INC.**

(Exact name of Registrant as specified in its charter)

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N/A  
(Translation of Registrant's name)

105 West Street  
Sault Ste. Marie, Ontario  
P6A 7B4, Canada  
(705) 945-2351  
(Address and telephone number of registrant's principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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DOCUMENTS INCLUDED AS PART OF THIS REPORT

Exhibit

99.1 [Press Release dated August 3, 2022](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 3, 2022

**Algoma Steel Group Inc.**

By: /s/ John Naccarato

Name: John Naccarato

Title: Vice President Strategy and General Counsel



## Algoma Steel Group Reports Fiscal 2023 First Quarter Results

August 3, 2022

### *Solid Revenue, Operational and Free Cash Flow Performance*

#### *Electric Arc Furnace Construction Advancing as Planned*

#### *Repurchased US\$400 Million Common Shares (~28% of Outstanding) Through Substantial Issuer Bid in July*

SAULT STE. MARIE, Ontario, Aug. 03, 2022 (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 announced results for its fiscal first quarter ended June 30, 2022.

Unless otherwise specified, all amounts are in Canadian dollars.

### **Business Highlights and Fiscal 2023 to Fiscal 2022 First Quarter Comparisons**

- Consolidated revenue of \$934.1 million, up 18.4% from \$789.1 million in the prior-year quarter.
- Consolidated income from operations of \$328.9 million, compared to \$252.2 million in the prior-year quarter.
- Net income of \$301.4 million, or \$1.49 per diluted share, compared to \$203.6 million, or \$2.84 per diluted share in the prior-year quarter.
- Adjusted EBITDA of \$357.7 million and Adjusted EBITDA margin of 38.3%, compared to \$280.8 million and 35.6% in the prior-year quarter (see “Non-IFRS Measures” below).
- Cash flows generated from operations of \$276.6 million, compared to \$121.1 million in the prior-year quarter.
- Shipments of 537,524 tons, compared to 610,057 tons in the prior-year quarter.
- Paid quarterly dividend of US\$0.05/share.
- Completed US\$400 million Substantial Issuer Bid (“SIB”) in July, resulting in a repurchase of approximately 27.9% of shares issued and outstanding at the time that the SIB was commenced.
- In July, the Company and United Steelworkers Local 2724, the union representing Algoma’s technical, professional and front-line supervisory employees, successfully entered into a new labour agreement.
- In July, the Company and the Negotiating Committee of United Steelworkers Local 2251, the union representing Algoma’s hourly employees, agreed to a 15-day extension beyond the original July 31, 2022 expiry for the purposes of finalizing a new labour agreement.

Michael Garcia, the Company’s Chief Executive Officer, commented, “The momentum we established in fiscal 2022 continued with another quarter of strong results in what has been a volatile operational environment. We delivered year-over-year improvement in revenue and adjusted EBITDA even as we undertook a significant planned outage to upgrade our plate mill facility. Our results continue to reflect our differentiated execution, along with the hard work and dedication of the entire Algoma team.”

Mr. Garcia continued, “This summer has been a busy time for Algoma. The construction of our transformative electric arc furnace project continues on budget and on time towards a targeted startup in 2024. At the same time, the first of our two-phase plate mill modernization project was completed and is ramping up during the third calendar quarter of this year. In July we significantly advanced our capital allocation program by repurchasing approximately 28% of our outstanding shares. We continue our focus on disciplined execution during dynamic market conditions.”

“Our discussions with United Steelworkers Local 2251 regarding a new labour agreement are ongoing, and the recent 15-day extension of those talks demonstrates the willingness and desire of both sides to reach a fair and equitable agreement. We are operating the facilities normally while these talks continue and look forward to working together as we advance our collective strategy of becoming one of North America’s leading producers of green steel.”

### **First Quarter Fiscal 2023 Financial Results**

First quarter revenue totaled \$934.1 million, up 18.4% from \$789.1 million in the prior-year quarter. As compared with the prior-year quarter, steel revenue was \$877.4 million, up 21.4% from \$722.9 million, and revenue per ton of steel sold was \$1,738, up 34.4% from \$1,293.

Average realized price of steel net of freight and non-steel revenue was \$1,632 per ton, up 37.8% from \$1,185 per ton in the prior-year quarter. Cost per ton of steel products sold was \$920, up 32.4% from \$695 in the prior-year quarter. Shipments for the first quarter decreased by 11.9% to 537,524 tons, compared to 610,057 tons in the prior-year quarter.

Income from operations was \$328.9 million, compared to \$252.2 million in the prior-year quarter. The year over year increase was primarily due to an increase in the selling price of steel, partially offset by an increase in the purchase price of inputs, including iron ore, scrap, alloys and natural gas, as well as an increase in employee profit sharing expense compared to the prior year.

Net income in the first quarter was \$301.4 million, or \$1.49 per diluted share, compared to \$203.6 million, or \$2.84 per diluted share, in the prior-year quarter. The improvement in net income was driven primarily by the factors described above under income from operations, while the decrease in diluted earnings per share reflected the higher share count resulting from the Company's merger with Legato Merger Corporation in October of 2021.

Adjusted EBITDA in the first quarter was \$357.7 million, compared with \$280.8 million for the prior-year quarter. This resulted in an Adjusted EBITDA margin of 38.3%, an improvement of 270 basis points versus the prior-year quarter. See "Non-IFRS Measures" below for an explanation of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income.

### **Substantial Issuer Bid (Share Repurchase)**

On July 27, 2022, the Company completed a US\$400 million SIB, as part of its overall capital allocation strategy, resulting in the Company repurchasing 41,025,641 outstanding common shares, or approximately 27.9% of issued and outstanding common shares as of the time the SIB was announced, at a price of US\$9.75 per share. Immediately following the completion of the SIB, the Company had 105,403,930 outstanding common shares.

### **Normal Course Issuer Bid (Share Repurchase)**

On March 3, 2022 the Company announced the commencement of a normal course issuer bid ("NCIB") after receiving approval from the Toronto Stock Exchange, authorizing the Company to acquire up to a maximum of 7,397,889 shares, or 5% of its issued and outstanding shares as of February 18, 2022, subject to a maximum of 16,586 shares per day. The NCIB expires on March 2, 2023 if not fully exercised. The Company repurchased 1,572,968 shares from the market under the NCIB during the fiscal quarter ended June 30, 2022 at an average price of US\$9.11 per share for a total consideration of US\$14.3 million. The NCIB was temporarily suspended during the SIB as required under applicable law and stock exchange rules. The Company intends to resume share repurchases under the NCIB starting on August 4, 2022.

### **Electric Arc Furnace**

In November 2021, the Board of Directors authorized the Company to construct two new state-of-the-art electric arc furnaces ("EAF") to replace its existing blast furnace and basic oxygen steelmaking operations. The \$700 million project is expected to take two years to complete and is advancing as expected. Following the transformation to EAF steelmaking, Algoma's facility is anticipated to have an annual raw steel production capacity of approximately 3.7 million tons, matching its downstream finishing capacity, and reducing the Company's annual carbon emissions by approximately 70%. To date the project remains on schedule and on budget.

### **Quarterly Dividend**

The Company's board of directors has declared a regular quarterly dividend in the amount of US\$0.05 on each common share outstanding, payable on September 30, 2022 to holders of record of common shares of the Corporation as of the close of business on August 31, 2022. This dividend is designated as an "eligible dividend" for Canadian income tax purposes.

### **Conference Call and Webcast Details**

A webcast and conference call will be held on Thursday, August 4, 2022 at 11:00 a.m. Eastern Time to review the Company's fiscal first quarter results, discuss recent events, and conduct a question-and-answer session.

The live webcast and archived replay of the conference call can be accessed on the Investors section of the Company's website at [www.algoma.com](http://www.algoma.com). For those unable to access the webcast, the conference call will be accessible domestically or internationally by dialing 877-425-9470 or 201-389-0878, respectively. Upon dialing in, please request to join the Algoma Steel First Quarter Conference Call. To access the replay of the call, dial 844-512-2921 (domestic) or 412-317-6671 (international) with passcode 13731533.

### **Consolidated Financial Statements and Management's Discussion and Analysis**

The Company's unaudited condensed interim consolidated financial statements for the three months ended June 30, 2022, and Management's Discussion & Analysis thereon are available under the Company's profile on the Securities and Exchange Commission's ("SEC") EDGAR website at [www.sec.gov](http://www.sec.gov) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **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 Algoma's strategic objectives, its expectation to pay a quarterly dividend, Algoma's ability to reach agreements with labour unions and potential purchases under the NCIB. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "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, including but not limited to: the risks that Algoma will be unable to realize its business plans and strategic objectives, including its investment in and transition to EAF; the risks associated with the steel industry generally; and changes in general economic conditions, including as a result of the COVID-19 pandemic, inflation and the ongoing conflict in Ukraine; and the risk of being unable to reach an agreement with United Steelworkers Local 2251 in the time required or at all. The foregoing list of factors is not exhaustive and readers should also consider the other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Algoma's Annual Report on Form 20-F filed with the SEC (available at [www.sec.gov](http://www.sec.gov)), and the Ontario Securities Commission ("OSC") (available under Algoma's SEDAR profile at [www.sedar.com](http://www.sedar.com)), and in Algoma's other public filings with the SEC and the OSC. 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-IFRS Financial Measures

To supplement our financial statements, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), 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. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Adjusted EBITDA, as we define it, refers to net (loss) income before amortization of property, plant, equipment and amortization of intangible assets, finance costs, interest on pension and other post-employment benefit obligations, income taxes, restructuring costs, impairment reserve, foreign exchange loss (gain), finance income, carbon tax, changes in fair value of warrant, earnout and share-based compensation liabilities, transaction costs, share based compensation related to performance share units and business combination adjustments. 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, and should not be considered as alternatives to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. 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 measures. 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. 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 results using such measures only as supplements to such results. See the financial tables below for a reconciliation of the non-IFRS financial measures reported herein.

## About Algoma Steel Group Inc.

Based in Sault Ste. Marie, Ontario, Canada, Algoma is a fully integrated producer of hot and cold rolled steel products including sheet and plate. With a current raw steel production capacity of an estimated 2.8 million tons per year, Algoma’s size and diverse capabilities enable it to deliver responsive, customer-driven product solutions straight from the ladle to direct applications in the automotive, construction, energy, defense, and manufacturing sectors. Algoma is a key supplier of steel products to customers in Canada and Midwest USA and is the only producer of plate steel products in Canada. The Company’s mill is one of the lowest cost producers of hot rolled sheet steel (HRC) in North America owing in part to its state-of-the-art Direct Strip Production Complex (“DSPC”), which is the newest thin slab caster in North America with direct coupling to a basic oxygen furnace (BOF) melt shop.

Algoma has achieved several meaningful improvements over the last several years that are expected to result in enhanced long-term profitability for the business. Algoma has upgraded its DSPC facility and recently installed its No. 2 Ladle Metallurgy Furnace. Additionally, the Company has cost cutting initiatives underway and is in the process of modernizing its plate mill facilities.

Today Algoma is on a transformation journey, investing in its people and processes, optimizing and modernizing to secure a sustainable future. Our customer focus, growing capability and courage to meet the industry’s challenges head-on position us firmly as your partner in steel.

## Algoma Steel Group Inc. Condensed Interim Consolidated Statements of Financial Position (Unaudited)

| As at,   | June 30, 2022     | March 31, 2022    |
|--|-------------------|-------------------|
| <i>expressed in millions of Canadian dollars</i> |                   |                   |
| <b>Assets</b>                                    |                   |                   |
| <b>Current</b>                                   |                   |                   |
| Cash   | \$ 1,136.9        | \$ 915.3          |
| Restricted cash                                  | 3.9               | 3.9               |
| Taxes receivable                                 | 2.7               | —                 |
| Accounts receivable, net                         | 324.1             | 402.3             |
| Inventories, net                                 | 637.7             | 480.0             |
| Prepaid expenses and deposits                    | 92.7              | 79.9              |
| Margin payments                                  | —                 | 29.5              |
| Derivative financial instruments                 | 8.9               | —                 |
| Other assets                                     | 5.8               | 5.6               |
| <b>Total current assets</b>                      | <b>\$ 2,212.7</b> | <b>\$ 1,916.5</b> |
| <b>Non-current</b>                               |                   |                   |
| Property, plant and equipment, net               | \$ 854.5          | \$ 773.7          |
| Intangible assets, net                           | 1.2               | 1.1               |
| Other assets                                     | 2.1               | 2.3               |
| <b>Total non-current assets</b>                  | <b>\$ 857.8</b>   | <b>\$ 777.1</b>   |
| <b>Total assets</b>                              | <b>\$ 3,070.5</b> | <b>\$ 2,693.6</b> |

**Liabilities and Shareholders' Equity**

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Current</b>                                    |                   |                   |
| Bank indebtedness                                 | \$ 0.3            | \$ 0.1            |
| Accounts payable and accrued liabilities          | 764.5             | 261.9             |
| Taxes payable and accrued taxes                   | 162.0             | 64.3              |
| Current portion of other long-term liabilities    | 0.4               | 0.4               |
| Current portion of governmental loans             | 10.0              | 10.0              |
| Current portion of environmental liabilities      | 4.3               | 4.5               |
| Derivative financial instruments                  | —                 | 28.8              |
| Warrant liability                                 | 63.9              | 99.4              |
| Earnout liability                                 | 18.7              | 22.7              |
| Share-based payment compensation liability        | 37.2              | 45.4              |
| <b>Total current liabilities</b>                  | <b>\$ 1,061.3</b> | <b>\$ 537.5</b>   |
| <b>Non-current</b>                                |                   |                   |
| Long-term governmental loans                      | \$ 85.0           | \$ 85.2           |
| Accrued pension liability                         | 180.2             | 118.1             |
| Accrued other post-employment benefit obligation  | 210.2             | 239.8             |
| Other long-term liabilities                       | 4.0               | 4.0               |
| Environmental liabilities                         | 34.4              | 33.5              |
| Deferred income tax liabilities                   | 104.2             | 92.9              |
| <b>Total non-current liabilities</b>              | <b>\$ 618.0</b>   | <b>\$ 573.5</b>   |
| <b>Total liabilities</b>                          | <b>\$ 1,679.3</b> | <b>\$ 1,111.0</b> |
| <b>Shareholders' equity</b>                       |                   |                   |
| Capital stock                                     | \$ 931.4          | \$ 1,378.0        |
| Accumulated other comprehensive income            | 199.8             | 152.0             |
| Retained earnings                                 | 282.3             | 77.8              |
| Contributed deficit                               | (22.3)            | (25.2)            |
| <b>Total shareholders' equity</b>                 | <b>\$ 1,391.2</b> | <b>\$ 1,582.6</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 3,070.5</b> | <b>\$ 2,693.6</b> |

**Algoma Steel Group Inc.****Condensed Interim Consolidated Statements of Net Income***(Unaudited)*

| <u>Three month periods ended</u>   | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|--|----------------------|----------------------|
| <i>expressed in millions of Canadian dollars, except for per share amounts</i> |                      |                      |
| <b>Revenue</b>   | <b>\$ 934.1</b>      | <b>\$ 789.1</b>      |
| <b>Operating expenses</b>  |                      |                      |
| Cost of sales  | \$ 576.8             | \$ 510.2             |
| Administrative and selling expenses  | 28.4                 | 26.7                 |
| <b>Income from operations</b>  | <b>\$ 328.9</b>      | <b>\$ 252.2</b>      |
| <b>Other (income) and expenses</b>   |                      |                      |
| Finance income   | \$ (1.9)             | \$ 0—                |
| Finance costs  | 4.7                  | 15.1                 |
| Interest on pension and other post-employment benefit obligations              | 3.4                  | 2.9                  |
| Foreign exchange (gain) loss   | (11.7)               | 10.0                 |
| Transaction costs  | —                    | 2.9                  |
| Change in fair value of warrant liability                                      | (38.4)               | —                    |
| Change in fair value of earnout liability                                      | (4.1)                | —                    |
| Change in fair value of share-based compensation liability                     | (9.4)                | —                    |
|  | <b>\$ (57.4)</b>     | <b>\$ 30.9</b>       |
| <b>Income before income taxes</b>  | <b>\$ 386.3</b>      | <b>\$ 221.3</b>      |
| <b>Income tax expense</b>  | <b>84.9</b>          | <b>17.7</b>          |
| <b>Net income</b>  | <b>\$ 301.4</b>      | <b>\$ 203.6</b>      |
| <b>Net income per common share</b>   |                      |                      |
| Basic  | \$ 1.98              | \$ 2.84              |
| Diluted  | \$ 1.49              | \$ 2.84              |



**Algora Steel Group Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited)

| <b>Three month periods ended</b>  | <b>June 30, 2022</b> | <b>June 30, 2021</b> |
|---|----------------------|----------------------|
| <i>expressed in millions of Canadian dollars</i>                            |                      |                      |
| <b>Operating activities</b>   |                      |                      |
| <b>Net Income</b>   | <b>\$ 301.4</b>      | <b>\$ 203.6</b>      |
| <b>Items not affecting cash:</b>  |                      |                      |
| Amortization of property, plant and equipment and intangible assets         | 22.6                 | 20.7                 |
| Deferred income tax expense (benefit)                                       | (0.6)                | 17.7                 |
| Pension expense in excess of funding (pension funding in excess of expense) | (0.3)                | (7.3)                |
| Post-employment benefit funding in excess of expense                        | (2.1)                | (1.6)                |
| Unrealized foreign exchange loss (gain) on:                                 |                      |                      |
| accrued pension liability   | (4.0)                | 3.0                  |
| post-employment benefit obligations   | (7.3)                | 4.3                  |
| Finance costs   | 4.7                  | 15.1                 |
| Interest on pension and other post-employment benefit obligations           | 3.4                  | 2.9                  |
| Accretion of governmental loans and environmental liabilities               | 3.1                  | 3.0                  |
| Unrealized foreign exchange loss (gain) on government loan facilities       | (2.9)                | 1.2                  |
| Decrease in fair value of warrant liability                                 | (38.4)               | —                    |
| Decrease in fair value of earnout liability                                 | (4.1)                | —                    |
| Decrease in fair value of share-based compensation liability                | (9.4)                | —                    |
| Other   | (1.4)                | 0.9                  |
|   | <u>\$ 264.7</u>      | <u>\$ 263.5</u>      |
| Net change in non-cash operating working capital                            | 12.2                 | (141.9)              |
| Environmental liabilities paid  | (0.2)                | (0.5)                |
| <b>Cash generated by operating activities</b>                               | <b>\$ 276.6</b>      | <b>\$ 121.1</b>      |
| <b>Investing activities</b>   |                      |                      |
| Acquisition of property, plant and equipment                                | (\$ 80.1)            | (\$ 19.1)            |
| <b>Cash used in investing activities</b>                                    | <b>(\$ 80.1)</b>     | <b>(\$ 19.1)</b>     |
| <b>Financing activities</b>   |                      |                      |
| Bank indebtedness advanced (repaid), net                                    | \$ 0.2               | (\$ 86.9)            |
| Repayment of term loans   | —                    | (3.4)                |
| Repayment of governmental loans   | (2.5)                | —                    |
| Interest paid   | (0.1)                | (10.7)               |
| Common shares repurchased and cancelled                                     | (3.7)                | —                    |
| <b>Cash used in financing activities</b>                                    | <b>(\$ 6.1)</b>      | <b>(\$ 101.0)</b>    |
| <b>Effect of exchange rate changes on cash</b>                              | <b>\$ 31.2</b>       | <b>(\$ 0.3)</b>      |
| <b>Cash</b>   |                      |                      |
| Increase in cash  | 221.6                | 0.7                  |
| Opening balance   | 915.3                | 21.2                 |
| <b>Ending balance</b>   | <b>\$ 1,136.9</b>    | <b>\$ 21.9</b>       |

## Algoma Steel Group Inc. Reconciliation of Net Income to Adjusted EBITDA

| <i>millions of dollars</i>  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2021 |
|---|-------------------------------------|-------------------------------------|
| Net income  | \$ 301.4                            | \$ 203.6                            |
| Amortization of property, plant and equipment and amortization of intangible assets         | 22.6                                | 20.7                                |
| Finance costs   | 4.7                                 | 15.1                                |
| Interest on pension and other post-employment benefit obligations                           | 3.4                                 | 2.9                                 |
| Income taxes  | 84.9                                | 17.7                                |
| Foreign exchange (gain) loss  | (11.7)                              | 10.0                                |
| Finance income  | (1.9)                               | —                                   |
| Inventory write-downs ( <i>amortization on property, plant and equipment in inventory</i> ) | 0.3                                 | —                                   |
| Carbon tax  | 3.0                                 | (0.6)                               |
| Decrease in fair value of warrant liability   | (38.4)                              | —                                   |
| Decrease in fair value of earnout liability   | (4.1)                               | —                                   |
| Decrease in fair value of share-based payment compensation liability                        | (9.4)                               | —                                   |
| Transaction costs   | —                                   | 2.9                                 |
| Share-based compensation  | 2.9                                 | 8.5                                 |
| <b>Adjusted EBITDA (i)</b>  | <b>\$ 357.7</b>                     | <b>\$ 280.8</b>                     |
| <b>Net income Margin</b>  | <b>32.3%</b>                        | <b>25.8%</b>                        |
| <b>Net income / ton</b>   | <b>\$ 560.69</b>                    | <b>\$ 333.67</b>                    |
| <b>Adjusted EBITDA Margin (ii)</b>  | <b>38.3%</b>                        | <b>35.6%</b>                        |
| <b>Adjusted EBITDA / ton</b>  | <b>\$ 665.46</b>                    | <b>\$ 460.34</b>                    |

(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.

For more information, please contact:

**Michael Moraca**

Treasurer & Investor Relations Officer  
Algoma Steel Group Inc.

Phone: 705.945.3300

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