



# ALGOMA

— STEEL INC. —

**Investor Presentation**  
*BMO Metals & Mining Conference*

**February 27th, 2024**



*in Canadian dollars unless otherwise noted*

## 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 implementation of an ISO 45001 Safety Management System, its expectation to continue 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, phases and milestones of the EAF Transformation and the resulting effects on the Company including its ability to become of the leaders of green steel in North America, expectations regarding future economic conditions, including the price of steel, potential recession and fluctuations in interest rates, Algoma’s ability to improve profitability, margins, generate significant incremental EBITDA, product mix, reduce fixed costs, increase production capacity and improve environmental footprint, 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. The material factors or assumptions that were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking statements and information, and those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking statements and information, include, but are not limited to: global and North American product demand; production levels and capacity utilization; the risks associated with the steel industry generally, including the price of steel; the ability of the Company to implement and realize its business plans, including the EAF Transformation; the risk of downturns and a changing regulatory landscape in the Company’s highly competitive and cyclical industry; future results of operations; future cash flow and liquidity; future capital investment; the impact of the foregoing items on our debt service obligations; our ability to operate our business, remain in compliance with debt covenants; restrictive covenants in debt agreements limiting our discretion to operate our business; plant operating performance; upgrades to our facilities and equipment; our joint venture arrangements; our research and development activities; our ability to source raw materials and other inputs at a competitive cost; debt financing, government or regulatory accommodation for key operational inputs and other current or future compliance requirements; our ability to supply to new customers and markets; our ability to effectively manage costs; our ability to attract and retain key personnel and skilled labour; our ability to obtain and maintain existing financing on acceptable terms, when required; changes in environmental, climate change, tax and other laws, rules and regulations, including international trade regulations and global data privacy laws; growth in steel markets and industry trends; significant domestic and international competition; increased use of competitive products; a protracted fall in steel prices; plant operating performance; product mix; level of contract sales; excess capacity, resulting in part from expanded production in China and other developing economies; low-priced steel imports, import levels and government actions or lack of actions with regard to imports; protracted declines in steel consumption caused by poor economic conditions in North America or by the deterioration of the financial condition of our key customers; increases in annual funding obligations resulting from our under-funded pension plans; supply and cost of raw materials and energy; natural gas prices and usage; the cost and reliability of third party suppliers and service providers; currency fluctuations; environmental compliance and remediation; unexpected equipment failures and other business interruptions; a protracted global recession or depression; North American and global economic performance and political developments; and changes in general economic conditions, including as a result of the COVID-19 pandemic, inflation, rising interest rates and the ongoing impact of the conflict in Ukraine.

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 Information” in Algoma’s Annual Information Form for the year ended March 31, 2023, filed by Algoma with applicable Canadian securities regulatory authorities (available under the company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca)) and with the U.S. Securities and Exchange Commission (the “SEC”), as part of Algoma’s Annual Report on Form 40-F (available at [www.sec.gov](http://www.sec.gov)), as well as in Algoma’s current reports with the Canadian securities regulatory authorities and the SEC.

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

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

## PRESENTATION OF FINANCIAL INFORMATION

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

For reporting purposes, the unaudited condensed interim 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 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 December 31, 2023 interim unaudited consolidated financial statements and the accompanying notes.

## 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 income. See also Annex: Adjusted EBITDA Reconciliation on slide 25.



Today's Presenter:



**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 adjusted EBITDA and over \$2B of free cash flow over the past 5 years

3

Invested significantly in asset base including transitioning to Electric Arc Furnace ("EAF")

4

Significantly de-risked critical EAF enablers, including construction, electricity and metallics

5

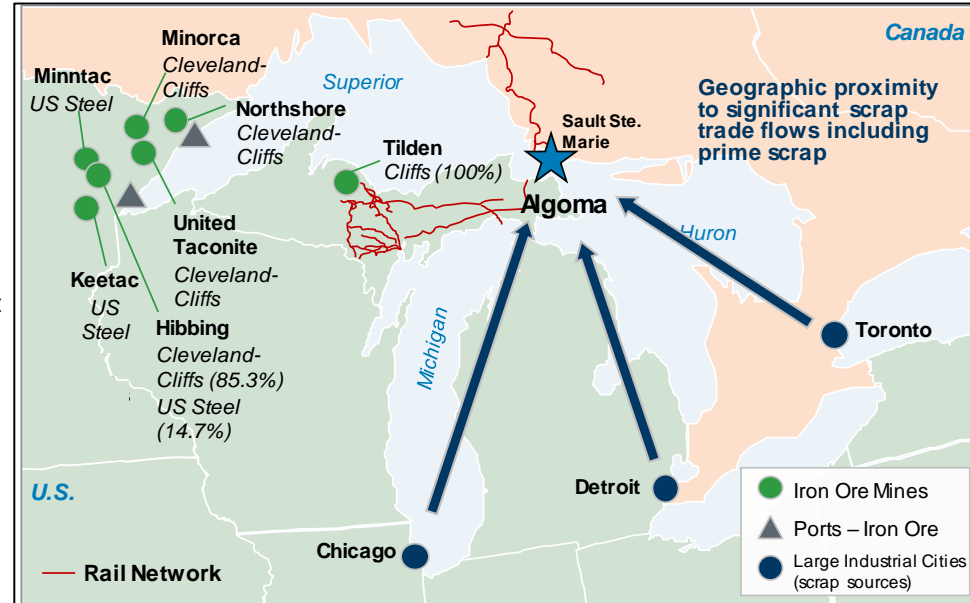
Expected to improve margins, generating significant incremental adjusted EBITDA

6

Generating Long-term value for Shareholders

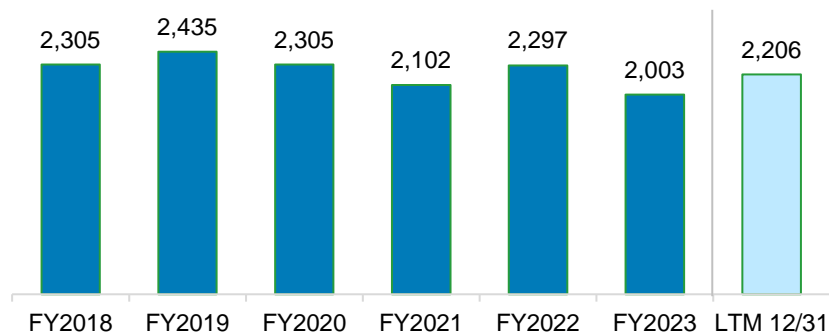
## Leading North American Flat-Rolled Producer Located in the Great Lakes Region in Sault Ste. Marie, Ontario

- 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

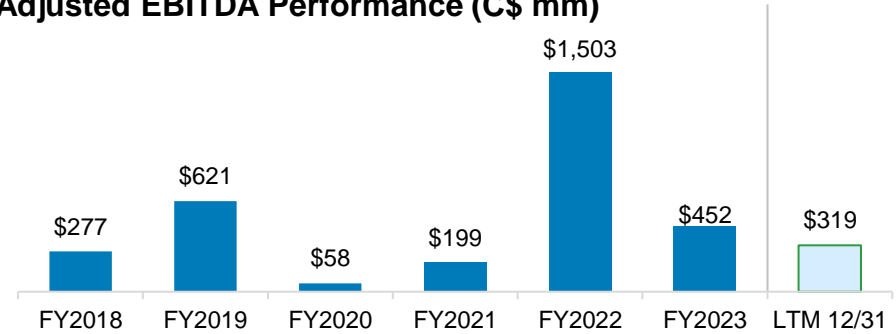


## Historical Performance (FY end March 31)

### Shipments (kt)



### Adjusted EBITDA Performance (C\$ mm)





*Original Design  
Rendering  
2021*

## Rendering becoming Reality



*Construction  
Progress as at  
2/23/2024*

# Significantly De-Risked Project Budget



**ALGOMA**  
— STEEL INC. —

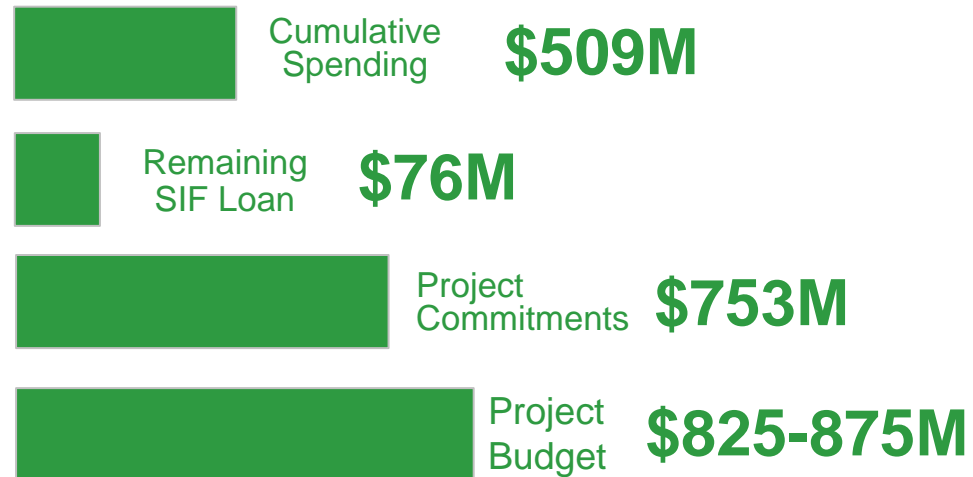


## Rendering becoming Reality

### Project Statistics<sup>2</sup>:

Concrete 22,033 cu/m Structural steel 11,000 tons	Dust Hoods 50% installed	Fume Treatment Plant Foundations 95% complete
Utility Room#1 floor slab completed	Meltshop building roofing 40%	No.2 Baghouse equipment Installation 30%
Shell Reline Foundations 90% complete	Both Charging Cranes Major components installed	Water Treatment Plant Excavation complete, Foundation 8%



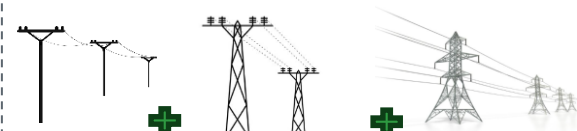
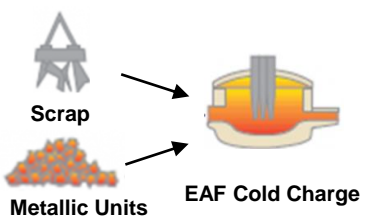
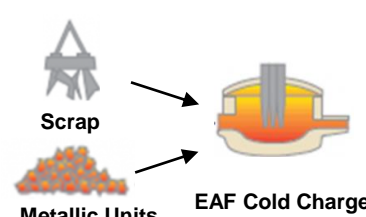
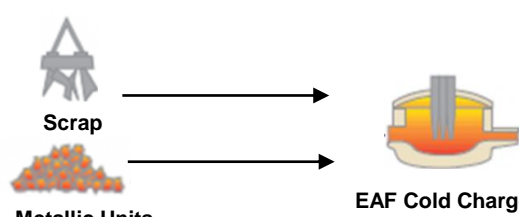
### By the numbers<sup>2</sup>:



(1) Photo taken February 23, 2024

(2) Project Estimates at December 31, 2023

# Powering Algoma's Planned Transformation

	2025-2026E		2026-2028E		2029-2030E	
	Initial Phase		Phase 2		Phase 3	
Power Configuration	 <p>Lake Superior Power (LSP) (110MW) + Existing 115KV Transmission (150MW)</p>		 <p>Lake Superior Power (LSP) (110MW) + Existing 115KV Transmission (150MW) + Local 230KV Transmission (0-300MW)</p> <p><i>Optional</i></p>		 <p>Existing 115KV Transmission (150MW) + Local 230KV Transmission (0-300MW) + Regional Bulk Transmission Upgrade (300MW)</p>	
Production Configuration	 <p>Scrap + Metallic Units → EAF Cold Charge</p>		 <p>Scrap + Metallic Units → EAF Cold Charge</p> <p><i>Optional</i></p>		 <p>Scrap + Metallic Units → EAF Cold Charge</p> <p>Algoma has the flexibility to operate a Blast Furnace depending on economics</p>	
Shipment Capacity	<p>2.4M NT Cold Charge</p> <p>Up to 3.0M NT with Blast Furnace</p>		<p>2.4M NT Cold Charge without LSP</p> <p>2.4 - 3.0M NT Cold Charge with LSP</p>		<p>3.0M+ NT Cold Charge Unconstrained</p>	
Milestones Achieved	<p>Algoma has secured all required power to operate EAFs at current shipment volumes derisking the power requirements on startup</p> <ul style="list-style-type: none"> <li>✓ Fully Refurbished Lake Superior Power Plant to 110MW including two new GE gas turbines</li> <li>✓ Received System Impact Assessment Approval from regulatory authorities for initial phase</li> <li>✓ Internal transformers sourced, installed, and tested as part of EAF construction</li> <li>✓ EAF115Kv substation 95% complete and expected to be energized in April 2024</li> </ul>		<p>Algoma has made substantial progress on the development of the local 230KV line with PUC Transmission</p> <ul style="list-style-type: none"> <li>✓ PUC Transmission has completed an environmental assessment, and public consultation and filed all requirements for the Ontario Energy Board's (OEB) regulatory approval process.<sup>3</sup></li> <li>✓ Algoma has received system impact assessments for operating both with and without LSP</li> </ul> <p><b>Planned Next Step:</b> Receive formal approval from the OEB (est 4-6Months) for construction of the 230KV local power line</p>		<p>Algoma has received significant support and commitment from the Ontario government on installing regional bulk power upgrades by 2029</p> <ul style="list-style-type: none"> <li>✓ The Ontario Government issued an Order-in-Council prioritizing the transmission lines, streamlining the Ontario Energy Board's (OEB) regulatory approval process.<sup>2</sup></li> <li>✓ Hydro One partners with First Nations communities through Hydro One's Equity Partnership model</li> </ul> <p><b>Planned Next Step:</b> Hydro One to file leave to construct with the OEB to begin development of the regional upgrades</p>	

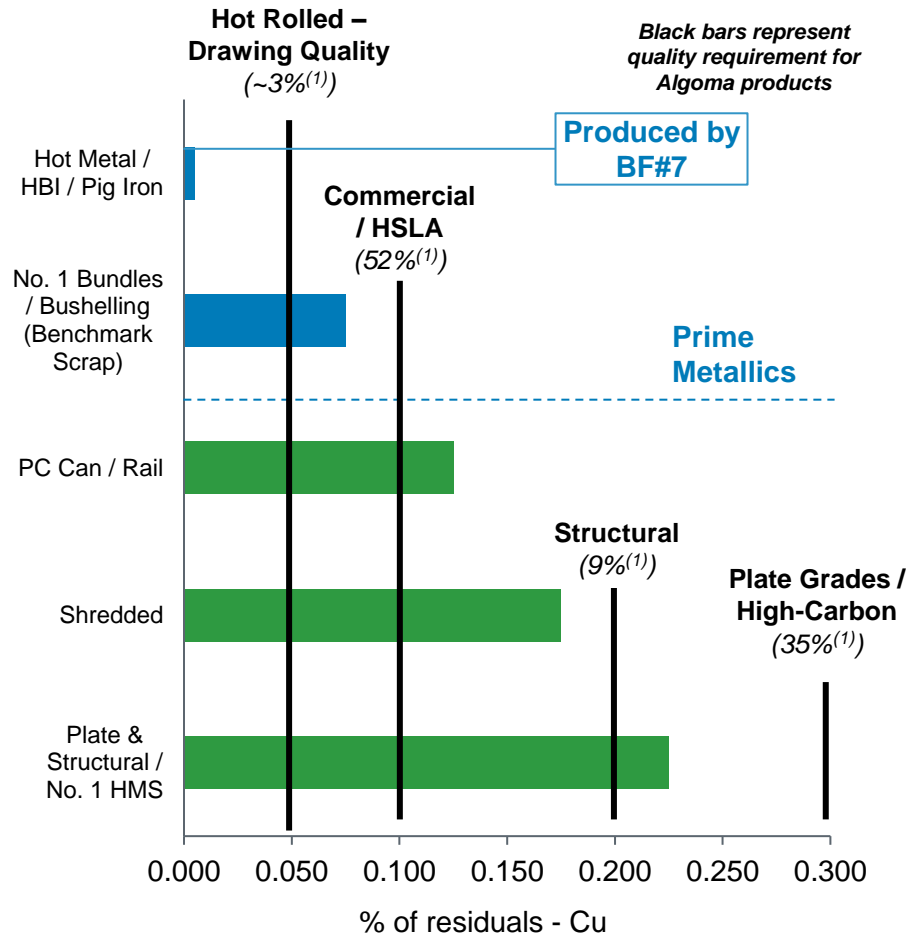
(1) Sault Ste Marie PUC Transmission – Project Planning  
 (2) Ontario government: Powering Ontario's Growth & Independent Electricity System Operator North East Bulk Planning Study

# Operationalizing for increased metallic intake

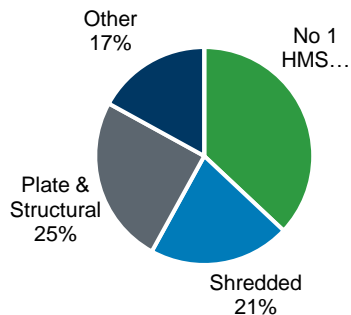
## Algoma has begun operationalizing its JV with Triple M Metals

- 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

## Input Metallic Quality by Product

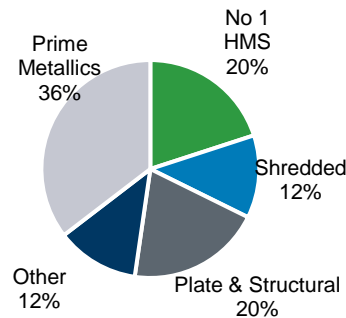


### Current



FY2022 Total Scrap: 0.3mm tons

### EAF



FY2026E Total Scrap: 2.0mm tons

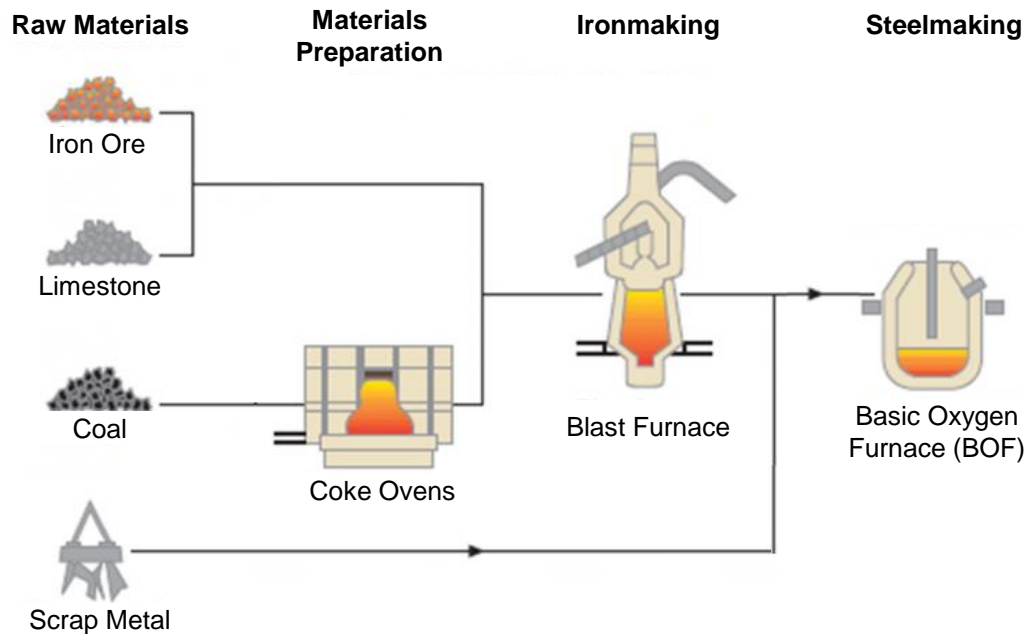
FY27-30E Total Scrap: up to 3.6mm tons

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



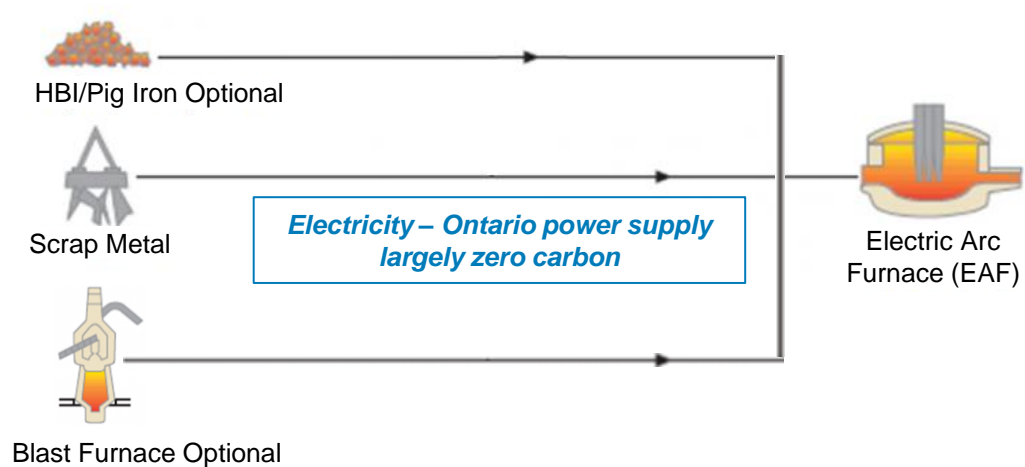
# Algoma's EAF Conversion Project: a generational investment unlocking significant value

**Blast Furnace Mill  
(Algoma Today)**



Capacity  
2,800kt<sup>(1)</sup>

**EAF Mill  
(Algoma 2024)**



3,700kt

## 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 adjusted EBITDA by up to approx. \$150M per annum
- ✓ Expected to reduce 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

1. Capacity of liquid steelmaking



# 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



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# Supplemental Materials



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

## Strategic Direction

<p><b>Operational &amp; Capital Improvements</b></p> <p>Algoma has developed and executed numerous operational and capital projects that add long term value to the business</p>	<p><b>Ladle Met Furnace #2</b></p> <p>debottlenecks operations and increases capacity</p> <p>Feb 2021</p>	<p><b>EAF Approval</b></p> <p>Received board approval to begin construction of Electric Arc Furnace</p> <p>Nov 2021</p>	<p><b>PMM Phase 1</b></p> <p>Enhancing quality and expanding grade range on Canada's only discrete plate mill 2022</p>	<p><b>LSP Power Plant</b></p> <p>Installation of new turbines to support power generation for EAF project</p> <p>June 2023</p>	<p><b>EAF Project</b></p> <p>Construction progresses on transformative electric arc furnace</p> <p>2021-2024E</p>	<p><b>PMM Phase 2</b></p> <p>Commissioning Heavy Gauge Inline Shear</p> <p>Oct 2023</p>	<p><b>PMM Phase 2</b></p> <p>Final installation of key elements to complete project</p> <p>2024E</p>
<p><b>Financial Discipline</b></p> <p>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</p>	<p><b>Return to Public Markets</b></p> <p>including Equity injection of \$306M USD</p> <p>Oct 2021</p>	<p><b>Debt pay down</b></p> <p>Algoma extinguished all of its \$358M USD Sr. Secured debt</p> <p>Nov 2021</p>	<p><b>Regular Dividend</b></p> <p>Algoma commenced quarterly dividend of \$.05 / share</p> <p>Mar 2022</p>	<p><b>Substantial Issuer Bid</b></p> <p>Algoma buys back approx. 1/3 of outstanding shares</p> <p>Aug 2022</p>	<p><b>Normal Course Issuer Bid</b></p> <p>Algoma renewed its NCIB for share repurchases</p> <p>2023/24</p>	<p><b>ABL Renewal</b></p> <p>Amend and extend Algoma's now upsized US\$300M asset-based loan</p> <p>May 2023</p>	<p><b>Low Leverage Profile</b></p> <p>Algoma maintains a robust balance sheet with liquidity to support market fluctuations and its capital initiatives</p> <p><b>Ongoing</b></p>
<p><b>Strategic Partnerships</b></p> <p>Algoma continues to develop partnerships focused on de-risking the organization and creating long term value for stakeholders</p>	<p><b>Walters</b></p> <p>Selected to fabricate and construct EAF Meltshop Building and other EAF equipment 2023-2025E</p>	<p><b>EllisDon</b></p> <p>Construction mgmt support contract for EAF construction</p> <p>2023-2025E</p>	<p><b>DSV</b></p> <p>Global logistics support for delivery of EAF equipment</p> <p>2023-2025E</p>	<p><b>United States Steel</b></p> <p>2-year extension ore contract de-risking transformation to EAF</p> <p>Sep 2023</p>	<p><b>IESO</b></p> <p>Provides Conditional Approval of Phase 1 &amp; 2 System Impact Assesment</p> <p>2023</p>	<p><b>Ontario Government</b></p> <p>Issued Order in Council to expedite transmission lines construction</p> <p>2029E</p>	<p><b>EAF Contractors</b></p> <p>Remaining contract awards partnering with select contractors for equipment and infrastructure installation</p> <p>2024E</p>
<p><b>ESG Focus</b></p> <p>Algoma is committed to initiatives geared at driving performance, reducing risk and developing a culture of organizational excellence that improve our ESG performance</p>	<p><b>Focus on Safety</b></p> <p>Including zero lost time incidents for the past 2 Fiscal Quarters</p> <p>Apr – Sep 2021</p>	<p><b>Newly Constituted Board</b></p> <p>diversity of experience, thought and perspective</p> <p>Oct 2021</p>	<p><b>Performance Management</b></p> <p>Implemented a robust performance management system</p> <p>May 2019</p>	<p><b>Enterprise Risk Management</b></p> <p>Develop a culture of risk management</p> <p>Nov 2019</p>	<p><b>ESG Position Paper</b></p> <p>Published Algoma's approach to ESG</p> <p>April 2023</p>	<p><b>ESG Sustainability Report</b></p> <p>Algoma publishes its inaugural ESG report</p> <p>2023</p>	<p><b>Emission Reduction</b></p> <p>EAF project expects to reduce emissions 70% and improve GHG performance</p>
	Upcoming	Ongoing / Completed	Recently Announced				

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

**A** **Algoma Steel Inc.** @AlgomaSteelInc · Feb 7 ...  
We're excited to share another milestone in our EAF transformation journey! 9 Q-One transformers have been installed in the utility building for #2 EAF. These transformers, paired with Q-One modules, convert electricity to power electrodes that will melt scrap in the furnaces.



**A** **Algoma Steel Inc.** @AlgomaSteelInc · Feb 2 ...  
We are excited to share that we've been nominated for @IRMagazine's award for best ESG reporting! In Sep 2023, we released our inaugural ESG report, reflecting our commitment to Environmental, Social, and Governance practices.

Check out our ESG report: [bit.ly/45PzZsV](https://bit.ly/45PzZsV)



Award nominee  

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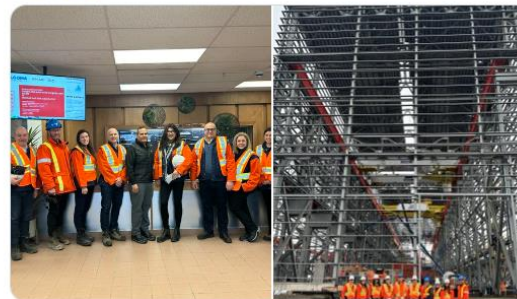
Canada 2024

**A** **Algoma Steel Inc.** @AlgomaSteelInc · Jan 15 ...  
#AlgomaSteel is proud to sponsor the 19th annual Bring a Doctor Home Hockey Tournament! To date, the tournament has raised ~\$500K to support Northern Ontario School of Medicine academic bursaries! Catch the action nightly at the John Rhodes Arena, Jan 15 - 20th. #SaultSteMarie



**A** **Algoma Steel Inc.** @AlgomaSteelInc · Feb 13 ...  
We hosted representatives from the @OntEnergyBoard, @SSMPUC, and @HydroOne at our facility to discuss electricity needs for our EAF project. As we work to build a greener future, we are grateful for the support and collaboration with these key energy stakeholders.

#AlgomaEAF



For more updates follow  
our social channels on:

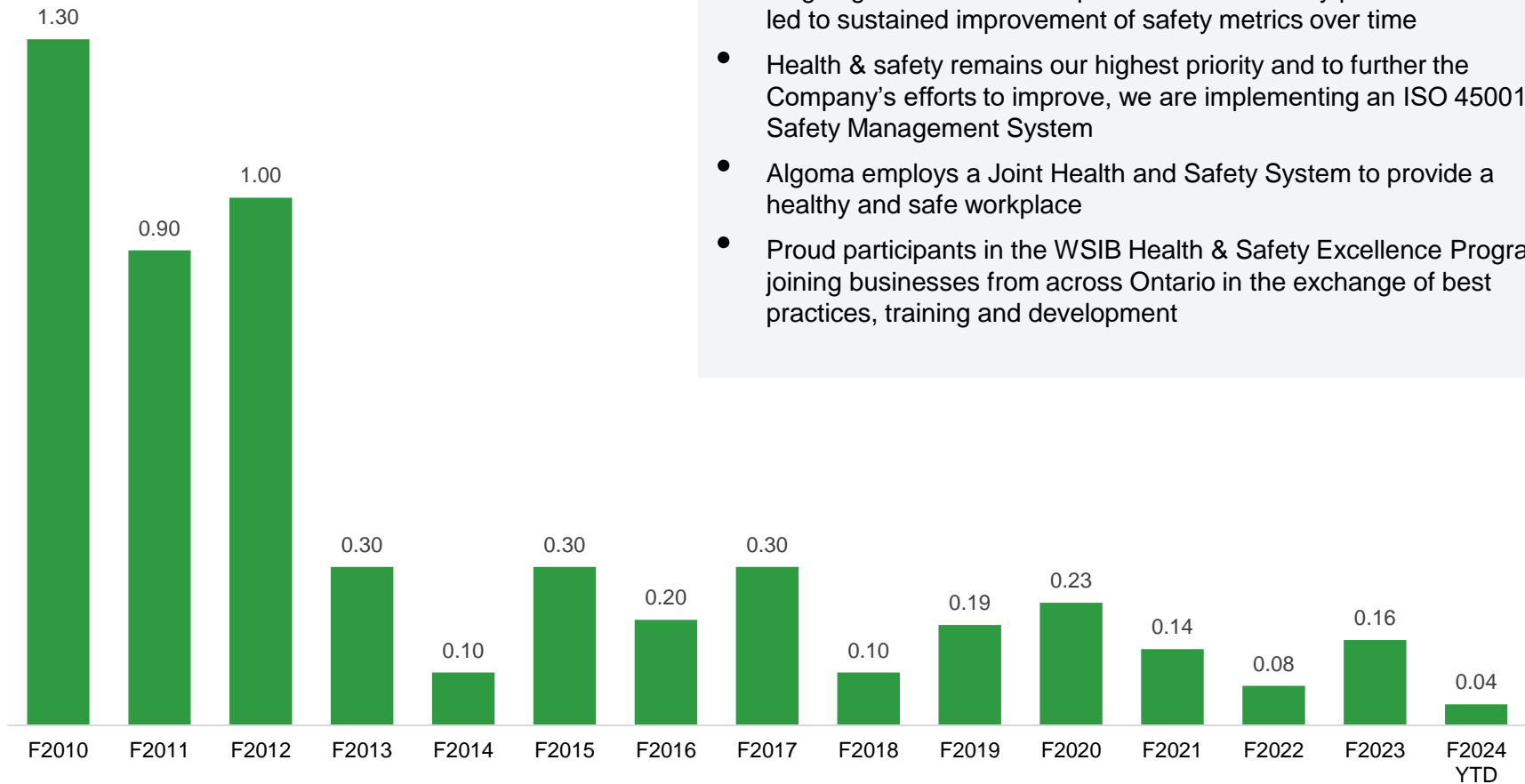


@AlgomaSteelInc



Algoma Steel Inc

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



### 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

Safety is Top Priority for Algoma






Source: Company information.

<sup>1</sup> 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).

## 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

<b>Air</b> 	<ul style="list-style-type: none"> <li>• Algoma has achieved a 65% reduction in particulate emissions since 2002</li> <li>• Currently focus on cokemaking emissions</li> </ul>
<b>Energy</b> 	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Waste</b> 	<ul style="list-style-type: none"> <li>• Steel is the most recycled material in the world and doesn't lose quality through the recycling process</li> <li>• Every steelmaking heat at Algoma contains scrap steel which is recycled through manufacturing for new end-use applications</li> <li>• Algoma recycles or reuses 80%+ of waste materials from operations</li> </ul>
<b>Water</b> 	<ul style="list-style-type: none"> <li>• Treated process water meets or exceeds requirements set out by the Ontario Ministry of Environment</li> <li>• 45% of water is recycled</li> </ul>
<b>Noise</b> 	<ul style="list-style-type: none"> <li>• Algoma has developed a plan to reduce noise emissions from 11 sources throughout the steelworks</li> </ul>

## 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

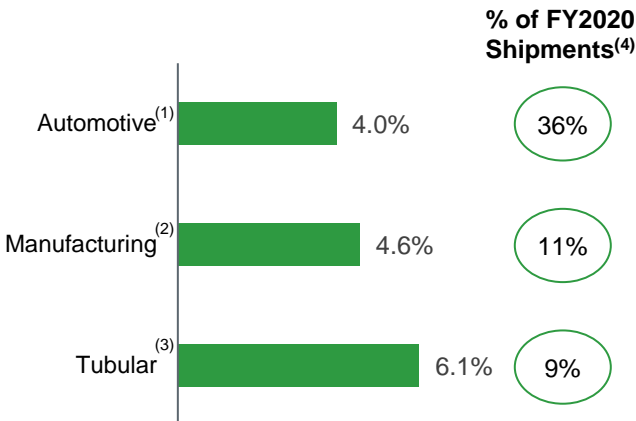


# Robust Go-To-Market Strategy Driving Expected Shipment Growth

## 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

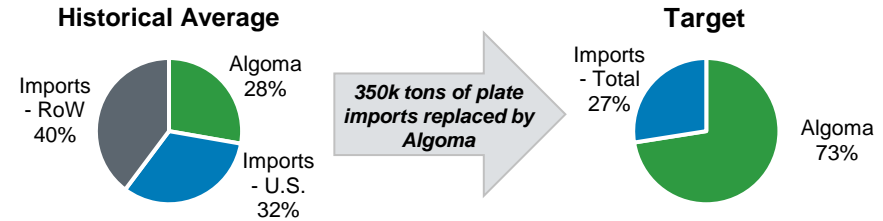
## Key End Market Growth Rate



### 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)<sup>(5)</sup>



*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<sup>(6)</sup> (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*



## Q3 FY2024 - Ended December 31<sup>st</sup>, 2023

- **Shipping volume** was 516K NT in Q3 FY2024, down 6% from 549K NT in Q2 FY2024 and up 13% from 458K NT in Q3 FY2023.
- **Steel Revenue** was \$557 million in Q3 FY2024, down 16% from \$666 million in Q2 FY2024 and up 9% from \$512 million in Q3 FY2023.
- **Adjusted EBITDA** was \$-1 million in Q3 FY2024, down \$82 million from \$81 million in Q2 FY2024 and up \$35 million from \$-36 million in Q3 FY2023.
- **Net Income** was \$-85 million in Q3 FY2024, down \$-116 million from \$31 million in Q2 FY2024 and down \$15 million from \$-70 million in Q3 FY2023.
- **Cash position** was \$95 million at the end of Q3 FY2024 with availability of \$332 million under the Revolving Credit Facility

Q3 FY2024 YTD

1,634 kNT  
Shipments

\$1,977 million  
Steel Revenue

\$271 million  
Adjusted EBITDA

Adjusted EBITDA margin fiscal YTD was 12.5%



# Third Quarter Financial Highlights

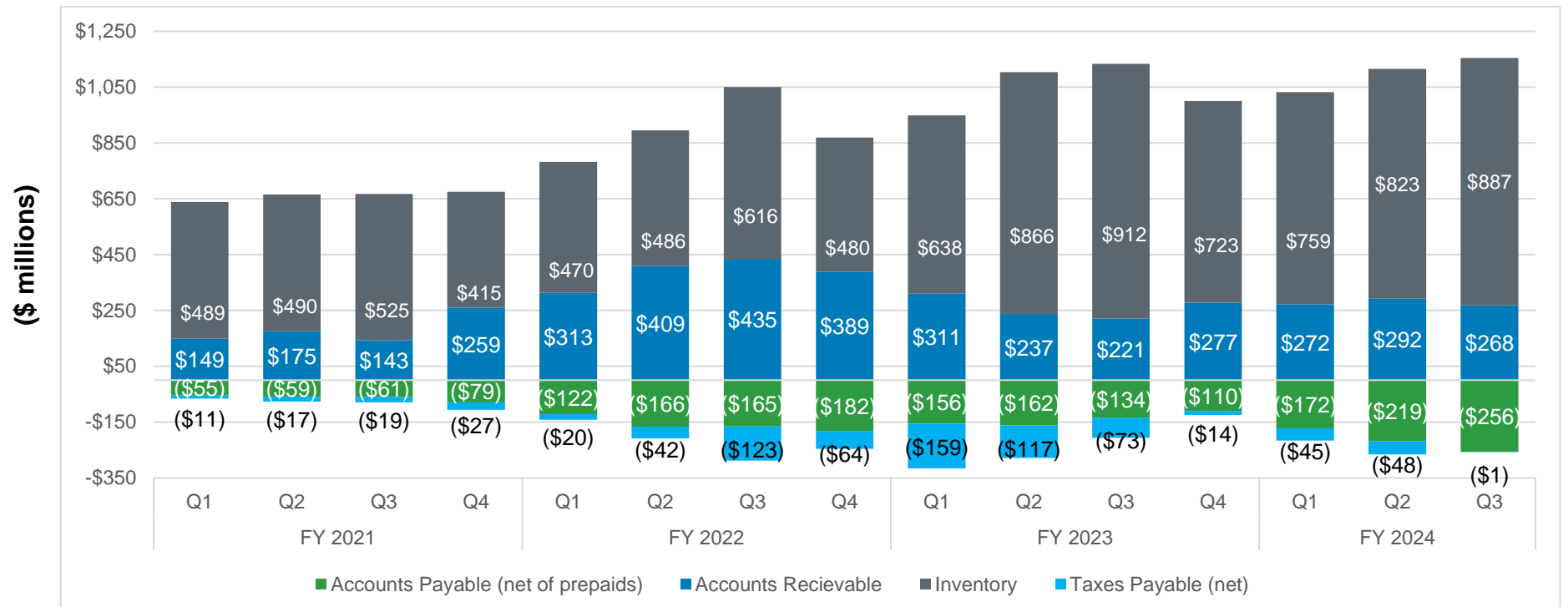
	Q3 FY2024	Q3 FY2023	Change		Q2 FY2024	Change	
Shipping volume ('000s tons)	<b>516</b>	458	↑	13%	549	↓	-6%
Net Sales Realization per ton (\$/ton)	<b>1,079</b>	1,116	↓	-3%	1,213	↓	-11%
Steel Revenue(\$ million)	<b>557</b>	512	↑	9%	666	↓	-16%
Cost of Steel Products Sold (\$/NT)	<b>1,027</b>	1,157	↓	-11%	1021	↑	1%
Adjusted EBITDA (\$ million)	<b>(1)</b>	(36)	↑	N/A	81	↓	N/A
Net Income (\$ million)	<b>(85)</b>	(70)	↓	N/A	31	↓	N/A

**Algoma Q3 FY2024 Quarterly Adjusted EBITDA Margin was -0.2%**

# Overview of Net Working Capital Seasonality



Net Working Capital \$M <sup>1</sup>	\$ 573	\$ 589	\$ 588	\$ 568	\$ 641	\$ 687	\$ 762	\$ 623	\$ 633	\$ 825	\$ 926	\$ 875	\$ 815	\$ 849	\$ 897
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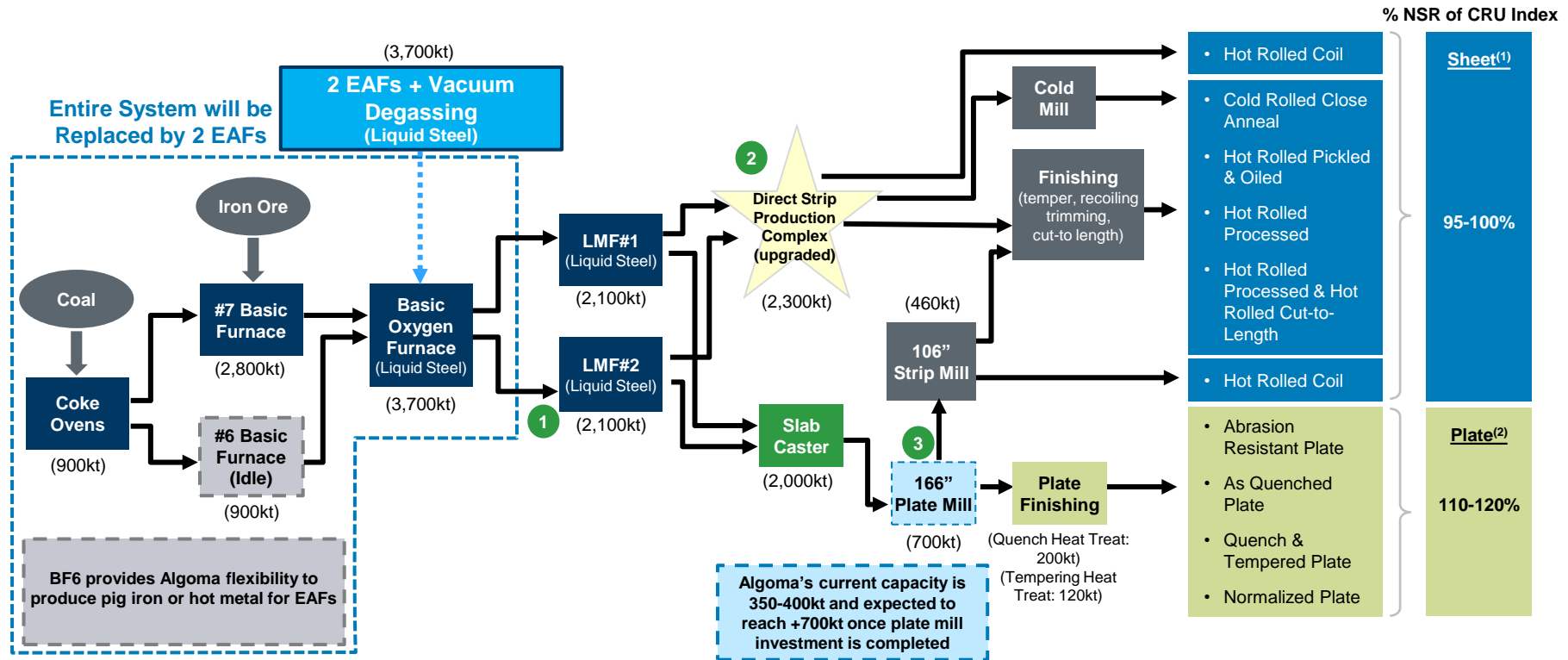


Source Q3 FY2024 Notes to the Financial Statements:

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

# 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

- ➊ Addition of Ladle Metallurgy Furnace #2 (LMF #2): eliminate the bottleneck between steelmaking and casting facilities, enhances grades – **Completed (Feb-2021)**
- ➋ DSPC upgrade: volume capacity has been increased to 2,300k tons from 2,100k tons with new grades capabilities – **Completed**
- ➌ 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
<p><b>Hot Rolled Coil</b></p> 	<ul style="list-style-type: none"> <li>✓ High strength formable hot rolled grades</li> <li>✓ Broad width and strength capabilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Automotive</li> <li>▪ Hollow structural product and welded pipe manufacturers</li> <li>▪ Transportation</li> <li>▪ Light manufacturing</li> </ul>	<p><u>106" Strip Mill</u> 30"–96"</p> <p><u>DSPC</u> 32"–63"</p>	<p><b>Sheet Products:</b> 95-100%<sup>(1)</sup></p>
<p><b>Cold Rolled Coil</b></p> 	<ul style="list-style-type: none"> <li>✓ Commercial grades</li> <li>✓ High strength formable cold roll grades</li> <li>✓ Full hard grades (not annealed)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Automotive</li> <li>▪ Welded pipe manufacturers</li> <li>▪ Transportation</li> <li>▪ Light manufacturing</li> </ul>	<p>36"–74"</p>	
<p><b>Plate</b></p> 	<ul style="list-style-type: none"> <li>✓ High strength, low-alloy grades</li> <li>✓ Abrasion resistant and heat treat grades</li> <li>✓ Only producer in Canada</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fabrication industry - constructors or manufacturers of railcars, buildings, bridges off-highway equipment, etc.</li> </ul>	<p>72"–154"</p>	<p><b>Plate Products:</b> 110-120%<sup>(2)</sup></p>

## Algoma's Path to Higher Plate Production



## First Plate Trial at the Inline Shear

### Phase I - 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)

Complete

### 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

Currently Commissioning

### Phase 2- Outage Elements

#### April Outage:

- 4Hi DC Drive Upgrade
- Onboard Descaling System Upgrade for 2Hi

#### Calendar Q3 (Planned):

- Onboard Descaling System Upgrade for 4Hi
- Mill Alignment and Work Roll Offset at the 4Hi

Planned

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

## Key Highlights

- Algoma is the only integrated steel producer to operate a DSPC line, which converts liquid steel directly into coil – Algoma believes the DSPC would facilitate a seamless transition to the proposed EAFs
- Industry leading technology
  - The DSPC line is among the newest, continuous thin slab casters in North America
  - Process provides the Company with a cost advantage over competitors due to reduced manpower, heating costs and reduced yield loss

## DSPC Complex

- Annualized production capability: 2.3mm tons
- Facility
  - Thin slab caster
  - Tunnel furnaces & 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 Would 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 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 <sup>(1)</sup>	% 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

		Three months ended December 31,			Nine months ended December 31,		
		2023	2022		2023	2022	
<i>tons</i>							
<b>Steel Shipments</b>	<b>↑ 12.6%</b>	<b>516,068</b>	<b>458,341</b>	<b>↑ 14.2%</b>	<b>1,634,499</b>	<b>1,431,068</b>	
<i>millions of dollars</i>							
<b>Revenue</b>	<b>↑ 8.4%</b>	<b>C\$ 615.4</b>	<b>C\$ 567.8</b>	<b>↑ 3.5%</b>	<b>C\$ 2,175.2</b>	<b>C\$ 2,101.1</b>	
Less:							
Freight included in revenue		(48.1)	(43.7)		(150.7)	(128.3)	
Non-steel revenue		(10.4)	(12.1)		(47.3)	(31.9)	
<b>Steel revenue</b>	<b>↑ 8.8%</b>	<b>\$ 556.9</b>	<b>\$ 512.0</b>	<b>↑ 1.9%</b>	<b>C\$ 1,977.2</b>	<b>C\$ 1,940.9</b>	
<b>Cost of steel revenue</b>	<b>↑ 1.7%</b>	<b>C\$ 565.3</b>	<b>C\$ 556.0</b>	<b>↑ 8.3%</b>	<b>C\$ 1,730.1</b>	<b>C\$ 1,597.8</b>	
Depreciation included in cost of steel revenue		(31.7)	(24.6)		(80.1)	(69.4)	
Carbon tax included in cost of steel revenue		(3.5)	(1.2)		(18.2)	(4.3)	
Past service costs - pension benefits		-	-		-	(44.5)	
Past service costs - post-employment benefits		-	-		-	(3.4)	
<b>Cost of steel products sold</b>	<b>↓ 0.0%</b>	<b>C\$ 530.1</b>	<b>C\$ 530.2</b>	<b>↑ 10.5%</b>	<b>C\$ 1,631.8</b>	<b>C\$ 1,476.2</b>	
<i>dollars per ton</i>							
<b>Revenue per ton of steel sold</b>	<b>↓ 3.8%</b>	<b>C\$ 1,192</b>	<b>C\$ 1,239</b>	<b>↓ 9.3%</b>	<b>C\$ 1,331</b>	<b>C\$ 1,468</b>	
<b>Cost of steel revenue per ton of steel sold</b>	<b>↓ 9.7%</b>	<b>C\$ 1,095</b>	<b>C\$ 1,213</b>	<b>↓ 5.3%</b>	<b>C\$ 1,058</b>	<b>C\$ 1,117</b>	
<b>Average net sales realization on steel sales (i)</b>	<b>↓ 3.3%</b>	<b>C\$ 1,079</b>	<b>C\$ 1,116</b>	<b>↓ 10.8%</b>	<b>C\$ 1,210</b>	<b>C\$ 1,356</b>	
<b>Cost per ton of steel products sold</b>	<b>↓ 11.2%</b>	<b>C\$ 1,027</b>	<b>C\$ 1,157</b>	<b>↓ 3.3%</b>	<b>C\$ 998</b>	<b>C\$ 1,032</b>	

(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.

# Annex: Adjusted EBITDA Reconciliation

<i>millions of dollars</i>	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Net (loss) income	C\$ (84.8)	C\$ (69.8)	C\$ 77.2	C\$ 318.9
Depreciation of property, plant and equipment and amortization of intangible assets	31.6	24.7	80.2	69.7
Finance costs	5.4	4.0	15.9	13.0
Interest on pension and other post-employment benefit obligations	4.8	5.0	14.4	12.4
Income taxes	(12.5)	(17.6)	38.7	72.2
Foreign exchange loss (gain)	14.7	10.6	14.1	(41.2)
Finance income	(2.4)	(3.9)	(8.8)	(10.4)
Inventory write-downs ( <i>depreciation on property, plant and equipment in inventory</i> )	(1.3)	3.2	3.4	5.0
Carbon tax	3.5	1.2	18.2	4.3
Increase (decrease) in fair value of warrant liability	20.4	6.4	3.2	(67.1)
Increase (decrease) in fair value of earnout liability	6.2	(0.2)	3.5	(9.4)
Increase (decrease) in fair value of share-based payment compensation liability	11.3	(0.2)	6.0	(19.6)
Share-based compensation	2.1	0.7	5.1	3.4
Past service costs - pension benefits	-	-	-	49.5
Past service costs - post-employment benefits	-	-	-	3.8
<b>Adjusted EBITDA (i)</b>	<b>C\$ (1.0)</b>	<b>C\$ (35.9)</b>	<b>C\$ 271.1</b>	<b>C\$ 404.5</b>
<b>Net (Loss) income Margin</b>	<b>(13.8%)</b>	<b>(12.3%)</b>	<b>3.5%</b>	<b>15.2%</b>
<b>Net (Loss) income / ton</b>	<b>C\$ (164.3)</b>	<b>C\$ (152.3)</b>	<b>C\$ 47.2</b>	<b>C\$ 222.8</b>
<b>Adjusted EBITDA Margin (ii)</b>	<b>(0.2%)</b>	<b>(6.3%)</b>	<b>12.5%</b>	<b>19.3%</b>
<b>Adjusted EBITDA / ton</b>	<b>C\$ (1.9)</b>	<b>C\$ (78.3)</b>	<b>C\$ 165.9</b>	<b>C\$ 282.7</b>

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

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

# Annex: Selected Quarterly Information

(millions of dollars, except where otherwise noted)

As at and for the three months ended<sup>1</sup>

	2024			2023			2022		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Financial results</b>									
Total revenue	C\$ 615.4	C\$ 732.6	C\$ 827.2	C\$ 677.4	C\$ 567.8	C\$ 599.2	C\$ 934.1	C\$ 941.8	C\$ 1,064.9
Steel products	556.9	665.8	754.5	609.2	512.0	551.5	877.4	879.9	1,009.5
Non-steel products	10.4	16.4	20.5	14.1	12.1	8.2	11.6	13.9	14.2
Freight	48.1	50.4	52.2	54.1	43.7	39.5	45.1	48.0	41.2
Cost of sales	623.8	664.8	639.5	630.7	611.8	569.4	576.8	603.2	599.9
Administrative and selling expenses	28.5	31.0	23.4	25.0	21.7	24.2	28.4	28.0	18.9
Income (loss) from operations	(36.9)	36.8	164.3	21.7	(65.7)	5.6	328.9	310.6	446.1
Net income (loss)	(84.8)	31.1	130.9	(20.4)	(69.8)	87.2	301.4	242.9	123.0
Adjusted EBITDA	C\$ (1.0)	C\$ 81.0	C\$ 191.2	C\$ 47.9	C\$ (35.9)	C\$ 82.7	C\$ 357.7	C\$ 334.4	C\$ 457.3
<b>Per common share (diluted)<sup>3</sup></b>									
Net income (loss)	C\$ (0.78)	C\$ 0.24	C\$ 0.85	C\$ (0.2)	C\$ (0.6)	C\$ 0.36	C\$ 1.49	C\$ 1.45	C\$ 0.92
<b>Financial position</b>									
Total assets	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	C\$ 2,693.6	C\$ 2,520.7
Total non-current liabilities	744.3	660.1	665.0	650.0	663.4	693.3	618.0	573.5	640.1
<b>Operating results</b>									
Average NSR	C\$ 1,079	C\$ 1,213	C\$ 1,323	C\$ 1,066	C\$ 1,116	C\$ 1,266	C\$ 1,632	C\$ 1,608	C\$ 1,827
Adjusted EBITDA per nt <sup>2</sup>	(1.9)	147.5	335.8	83.8	(78.3)	189.9	665.4	611.1	827.6
Shipping volume (in thousands of nt)									
Sheet	453	485	498	505	421	411	485	486	481
Plate	59	64	70	66	37	23	52	61	72
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 this MD&A.

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

Further, on February 9, 2022, the Company issued 35,883,692 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. At December 31, 2023, 104,038,495 common shares were outstanding.

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

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



# ALGOMA

— STEEL INC. —