



The Steel Company of Canada

Stelco Holdings Inc. Reports Third Quarter 2022 Results and Announces a \$3 per Share Special Dividend and a 40% Increase of its Regular Quarterly Dividend to \$0.42 per Share

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Stelco Holdings Inc. third quarter highlights include:

- Revenue of \$846 million for the quarter, down 38% from Q3 2021 and 18% from Q2 2022
- Operating income of \$217 million for the quarter, down 72% from Q3 2021 and 51% from Q2 2022, representing a 26% margin
- Adjusted EBITDA* of \$245 million, down 69% from Q3 2021 and 47% from Q2 2022, representing a 29% margin
- Adjusted Net Income* of \$163 million and Adjusted Net Income* per share of \$2.40, down 74% from Q3 2021 and 54% from Q2 2022
- Shipping Volume* of 686,000 tons, down 3% from Q3 2021 and up 1% from Q2 2022
- Average Selling Price* per net ton of \$1,162, down 36% from Q3 2021 and 20% from Q2 2022
- Declared a special dividend of \$3 per share and quarterly dividend of \$0.42 per share payable on December 1, 2022
- 7th consecutive quarter with the highest Adjusted EBITDA margin of any U.S. or Canadian reporting steelmaker

HAMILTON, ONTARIO--November 15, 2022 -- Stelco Holdings Inc. ("**Stelco Holdings**" or the "**Company**"), (TSX: STLC), a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America, today announced financial results of the Company for the three and nine months ended September 30, 2022. Stelco Holdings is the 100% owner of Stelco Inc. ("**Stelco**"), the operating company.

Selected Financial Information:

(in millions Canadian dollars, except volume, per share and net tons (nt) figures)	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Change</u>	<u>Q2 2022</u>	<u>Change</u>	<u>YTD 2022</u>	<u>YTD 2021</u>	<u>Change</u>
Revenue (\$)	846	1,354	(38%)	1,037	(18) %	2,789	2,937	(5%)
Operating income (\$)	217	770	(72%)	440	(51) %	1,038	1,330	(22%)
Net income (\$)	158	614	(74%)	554	(71) %	974	1,096	(11%)
Adjusted Net Income (\$) *	163	629	(74%)	356	(54) %	787	1,184	(34%)
Net income per common share (diluted) (\$)	2.33	7.42	(69%)	7.67	(70) %	13.63	12.64	8%
Adjusted Net Income per common share (diluted) (\$) *	2.40	7.60	(68%)	4.93	(51) %	11.02	13.65	(19%)
Average Selling Price per nt (\$) *	1,162	1,808	(36%)	1,453	(20) %	1,363	1,360	—%
Shipping Volume (in thousands of nt) *	686	710	(3%)	677	1 %	1,957	2,064	(5%)
Adjusted EBITDA (\$) *	245	787	(69%)	464	(47) %	1,111	1,382	(20%)
Adjusted EBITDA per nt (\$) *	357	1,108	(68%)	685	(48) %	568	670	(15%)

* See "Non-IFRS measures" for a description of certain Non-IFRS measures used in this Press Release and "Non-IFRS Measures Reconciliation" below.

"The third quarter saw Stelco capitalize on market opportunities and maintain its position for the seventh consecutive quarter as the North American industry leader with 29% Adjusted EBITDA margin," stated Alan Kestenbaum, Executive Chairman and Chief Executive Officer. "Despite market headwinds driven by cost inflation and a further deterioration in steel pricing trends, Stelco was able to increase our volume of shipments over the previous quarter and take full advantage of our low-cost structural advantage to again report strong Adjusted EBITDA."

"Stelco's continued success has allowed us to reward our valued shareholders and I am pleased to announce that we are returning an additional \$165 million of capital to shareholders through a \$3 per share special dividend this quarter," said Kestenbaum. "This builds on our commitment to our shareholders that has been demonstrated through the course of 2022, through the repurchase and retirement of approximately 29% of the shares that were outstanding at the start of the year. We continue to lead the industry in return of capital to shareholders as a percentage of our market capitalization, having returned \$1.8 billion since we went public in 2017."

"During the third quarter we also began to realize the benefits of the final components of our strategic capital plan that has seen us invest more than \$900 million in our facilities since 2017," said Kestenbaum. "Going forward, the deployment of both our upgraded coke battery and our electricity cogeneration facility will provide us excellent opportunities to improve productivity and to reduce our costs and carbon footprint."

"As expected, the third quarter presented very challenging market conditions that we expect to extend into the fourth quarter, including continued inflationary pressure on many of our key inputs," said Paul Scherzer, Chief Financial Officer. "Accordingly, we are again reiterating our guidance for the fourth quarter that assumes that the lower prices and shorter lead-times being experienced currently fully impact results and prevail through the remainder of 2022. However, we will continue to focus relentlessly on costs in order to maintain our industry leadership and so that we can capitalize on any opportunity presented by the market."

"Despite these challenges, and our extraordinary year-to-date return of capital via share repurchases and the special dividend announced today, I am pleased to also announce that we will increase our quarterly dividend by 40% to \$0.42 per share," continued Scherzer. "Our balance sheet remains strong, with a significant cash balance that even after recent buybacks remains in excess of \$1 billion, and our business is

well positioned to continue to make the necessary investments to ensure our long-term viability. We will continue to explore opportunities to strengthen our business and ensure that our shareholders benefit from our success.”

Third Quarter 2022 Financial Review:

Compared to Q3 2021

Q3 2022 revenue decreased \$508 million, or 38%, from \$1,354 million in Q3 2021, primarily due to a 36% decrease in Average Selling Price per net ton, a 3% decrease in Shipping Volumes, and lower non-steel sales of \$21 million. The Average Selling Price of our steel products decreased from \$1,808 per nt in Q3 2021 to \$1,162 per nt in Q3 2022. Our Shipping Volumes decreased 24 thousand nt to 686 thousand nt from 710 thousand nt in Q3 2021.

The Company realized operating income of \$217 million for the quarter, compared to \$770 million in Q3 2021, a decrease of \$553 million consisting of a decline in revenue of \$508 million, an increase in cost of goods sold of \$41 million, and higher selling, general and administrative expenses of \$4 million.

Finance costs decreased by \$9 million, from \$26 million in Q3 2021 to \$17 million in Q3 2022, due to the following: \$12 million related to the period-over-period impact of foreign exchange translation on U.S. dollar denominated working capital during the period, \$3 million decrease from the remeasurement impact from our employee benefit commitment obligation in Q3 2021, and \$3 million lower accretion expense associated with our employee benefit commitment obligation, partly offset by \$6 million higher accretion expense related to lease and other related obligations and a \$2 million increase in interest on loans and borrowing.

The Company realized net income of \$158 million for the quarter, compared to \$614 million in the third quarter of 2021, a decrease of \$456 million primarily due to the following: \$553 million decrease in operating income, and \$38 million change in deferred taxes, partly offset by \$103 million decrease in current tax expense, \$22 million change in finance income and other losses, \$9 million in lower finance costs, and \$1 million increase in share of income from joint ventures. Adjusted Net Income totaled \$163 million in Q3 2022, a change of \$466 million from \$629 million in Q3 2021.

Adjusted EBITDA in Q3 2022 totaled \$245 million, a decrease of \$542 million from \$787 million in Q3 2021, which mostly reflects a decrease in Average Selling Price per net ton and higher cost of goods sold.

Compared to Q2 2022

Q3 2022 revenue decreased \$191 million, or 18%, from \$1,037 million in Q2 2022, primarily due to 20% lower Average Selling Price per net ton, partly offset by a 1% increase in Shipping Volumes, from 677 thousand nt in Q2 2022 to 686 thousand nt in Q3 2022. Non-steel sales decreased \$4 million, from \$53 million in Q2 2022 to \$49 million during Q3 2022.

The Company realized operating income of \$217 million in Q3 2022 compared to \$440 million in Q2 2022, and Adjusted EBITDA of \$245 million compared to \$464 million during Q2 2022, which mostly reflects lower Average Selling Price per net ton and higher cost of goods sold, partly offset by an increase in Shipping Volumes.

Summary of Net Tons Shipped by Product:

(in thousands of nt)

Tons Shipped by Product	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Change</u>	<u>Q2 2022</u>	<u>Change</u>	<u>YTD 2022</u>	<u>YTD 2021</u>	<u>Change</u>
Hot-rolled	502	542	(7)%	483	4 %	1,401	1,499	(7)%
Coated	115	123	(7)%	117	(2)%	343	405	(15)%
Cold-rolled	20	11	82 %	20	— %	59	52	13 %
Other ^a	49	34	44 %	57	(14)%	154	108	43 %
Total	686	710	(3)%	677	1 %	1,957	2,064	(5)%
Shipments by Product (%)								
Hot-rolled	73 %	76 %		72 %		72 %	73 %	
Coated	17 %	17 %		17 %		17 %	20 %	
Cold-rolled	3 %	2 %		3 %		3 %	2 %	
Other ^a	7 %	5 %		8 %		8 %	5 %	
Total	100 %	100 %		100 %		100 %	100 %	

^a Includes other steel products: pig iron and non-prime steel sales.

Statement of Financial Position and Liquidity:

On a consolidated basis, the Company ended the period with cash of \$1,395 million and \$250 million of availability under its revolving credit facility as at September 30, 2022. The following table shows selected information regarding the consolidated balance sheet as at the noted dates:

(millions of Canadian dollars)

As at	September 30, 2022	December 31, 2021
ASSETS		
Cash	1,395	955
Trade and other receivables	234	412
Inventories	700	617
Total current assets	2,358	2,015
Property, plant and equipment, net	1,159	1,008
Deferred tax asset	16	78
Total non-current assets	1,312	1,222
Total assets	3,670	3,237
LIABILITIES		
Trade and other payables	722	717
Other liabilities	78	62
Asset-based lending facility	15	15
Income taxes payable	52	252
Obligations to independent employee trusts	182	212
Total current liabilities	1,049	1,258
Other liabilities	392	71
Asset-based lending facility	57	69
Obligations to independent employee trusts	286	383
Total non-current liabilities	763	541
Total liabilities	1,812	1,799
Total equity	1,858	1,438

Stelco Holdings and its subsidiaries ended Q3 2022 with current assets of \$2,358 million, which exceeded current liabilities of \$1,049 million by \$1,309 million. Non-current assets include the derivative asset representing the fair value of Stelco's option to purchase a 25% ownership interest in the Minntac mine. Stelco Holdings' liabilities include \$468 million of obligations to independent pension and OPEB trusts, which includes \$361 million of employee benefit commitments and \$107 million under a mortgage note payable associated with the June 2018 land purchase. Non-current liabilities of \$763 million as at September 30, 2022 include \$286 million of the aforementioned obligations to independent pension and OPEB trusts, as well as property and power generating equipment lease and other related liabilities. Stelco Holdings' consolidated equity totaled \$1,858 million at September 30, 2022. Total equity is after giving effect to \$495 million of shares repurchased and cancelled by the Company for the nine months ended September 30, 2022.

Declaration of Dividends

Stelco Holdings' Board of Directors approved the payment of a special dividend of \$3.00 per share and a regular quarterly dividend of \$0.42 per share, both of which will be paid on December 1, 2022, to shareholders of record as of the close of business on November 25, 2022.

The regular quarterly dividend and the special dividend have been designated as an "eligible dividend" for purposes of the Income Tax Act (Canada).

Quarterly Results Conference Call

Stelco management will host a conference call to discuss its results tomorrow, Wednesday, November 16, 2022, at 9:00 a.m. ET. To access the call, please dial 1 (833) 950-0062 or 1 (226) 828-7575 and use access code 639595. The conference call will also be webcasted live on the Investor Relations section of Stelco's web site at <https://investors.stelco.com>. A presentation that will accompany the conference call will also be available on the website prior to the conference call. Following the conclusion of the live call, a replay of the webcast will be available on the Investor Relations section of the Company's website for at least 90 days. A telephonic replay of the conference call will also be available from 12:00 p.m. ET on November 16, 2022 until 11:59 p.m. ET on November 30, 2022 by dialing 1 (866) 813-9403 or 1 (226) 828-7578 and using the access code 108055.

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's consolidated financial statements for the three and nine months ended September 30, 2022, and Management's Discussion & Analysis thereon are available under the Company's profile on SEDAR at www.sedar.com.

About Stelco

Stelco is a low cost, integrated and independent steelmaker with one of the newest and most technologically advanced integrated steelmaking facilities in North America. Stelco produces flat-rolled value-added steels, including premium-quality coated, cold-rolled and hot-rolled steel products, as well as pig iron and metallurgical coke. With first-rate gauge, crown, and shape control, as well as uniform through-coil mechanical properties, our steel products are supplied to customers in the construction, automotive, energy, appliance, and pipe and tube industries across Canada and the United States as well as to a variety of steel service centres, which are distributors of steel products. At Stelco, we understand the importance of our business reflecting the communities we serve and are committed to diversity and inclusion as a core part of our workplace culture, in part, through active participation in the BlackNorth Initiative.

Non-IFRS Measures

This news release refers to certain non-IFRS measures that are not recognized under International Financial Reporting Standards ("IFRS"), do not have a standardized meaning prescribed by 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 further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "Adjusted Net Income", "Adjusted Net Income per common share", "Adjusted EBITDA", "Adjusted EBITDA per nt", "Average Selling Price per nt", and "Shipping Volume" to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management uses these non-IFRS financial measures to facilitate operating performance comparisons from period-to-period, to prepare annual operating budgets and forecasts, and

drive performance through our management compensation program. For a reconciliation of these non-IFRS measures, refer to the Company's "Non-IFRS Measures Reconciliation" section below. For a definition of these non-IFRS measures, refer to the Company's MD&A for the period ended September 30, 2022 available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Information

This release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, acquisition, opportunities, budgets, operations, financial results, taxes, dividend policy, plans and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "goal", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances may be forward looking statements. Forward-looking statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. The forward-looking statements contained herein are presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

Forward-looking information in this news release includes: expectations that we will be able to successfully adapt to changing market conditions and succeed across all points of the market cycle; expectations that we will continue to operate the business as one of the lowest-cost integrated steel producers in North America; expectations that our upgraded coke battery and our electricity cogeneration facility will provide us with opportunities to improve productivity and reduce our costs and carbon footprint; expectations that we will continue to experience a challenging market environment during the fourth quarter of 2022; expectations that the strength of our balance sheet will enable us to weather the current market environment in addition to any further market deterioration; expectations regarding achieving a lower cost operating structure; expectations that margins will be under pressure in the second half of 2022 due to lower pricing and inflationary pressure on cost inputs and reduced demand; and expectations that our business is well positioned to make the necessary strategic investments to improve efficiency, lower costs, secure our long-term viability and ensure that shareholders benefit from our success.

Key Assumptions Underlying our Q4 Adjusted EBITDA Estimates:

Guidance regarding Q4 2022 Adjusted EBITDA referenced in this press release are based on a number of assumptions, including, but not limited to, the following material assumptions:

- the Company's anticipated margins per net ton will be consistent with prior periods subject to impacts from price and volume, as well as operating costs, and inflationary pressures on fixed and variable costs over the period;
- steel prices will soften period over period consistent with current trends and sales activities in the market;
- Shipping Volume will generally be consistent with past periods;

- second half 2022 product mix will be comparable to first half 2022, although there are likely to be some differences between periods;
- the Company's ability to maintain existing customers and historical order volumes from those customers;
- higher interest rates will not have a materially adverse impact on North American steel demand;
- no significant legal or regulatory developments, changes in economic conditions, or macro changes in the competitive environment affecting our business activities;
- capital expenditures on existing facilities and equipment remaining on schedule and on budget and their anticipated effect on revenue and costs;
- the Company's ability to continue to access the U.S. market without any adverse trade restrictions;
- expectations regarding industry trends, market growth rates and the Company's future growth rates, and plans and strategies to manage cost pressures; and
- the Company's ability to maintain the volume of shipments to its customers and fully realize upon the current market price of hot-rolled coil and other steel products.

We believe that our performance and our ability to achieve these forecasts depends on a number of material factors including: (i) sustained demand from our customers; (ii) continued steel production capacity curtailments in China; (iii) continued fair trade practices, particularly with respect to the North American market; (iv) the COVID-19 pandemic not having an adverse impact on North American demand for our products; and (v) stable supply and demand fundamentals in the rest of the world, other than factors related to the conflict in Eastern Europe. These factors are also subject to a number of inherent risks, challenges and assumptions.

Undue reliance should not be placed on forward-looking information. The forward-looking information in this press release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of: our ability to complete new capital projects on schedule and within budget and their anticipated effect on revenue and costs; our ability to obtain all applicable regulatory approvals required in connection with new facilities; our ability to source necessary volumes of raw materials and other inputs at competitive prices; our iron ore pellet supply agreement providing us with competitively priced iron ore pellets during the term of the agreement; our facilities operating at design capacity; 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; currency exchange and interest rates; the ongoing impact of the COVID-19 pandemic on our business, operations, employees, customers, suppliers and the economy overall; the impact of competition; changes in laws, rule, and regulations, including international trade regulations; our ability to continue to access the U.S. market without any adverse trade restrictions; upgrades to existing facilities remaining on schedule and on budget and their anticipated effect on revenue and costs; and growth in steel markets and industry trends, as well as those set out in this press release, are material factors made in preparing the forward-looking information and management's expectations contained in this press release.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents our expectations as of the date of this news

release and are subject to change after such date. Stelco Holdings disclaims any intention or obligation or undertaking to update publicly or revise any forward-looking statements, whether written or oral, whether as a result of new information, future events or otherwise, except as required by law.

For Further Information

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Selected Financial Information

The following includes financial information prepared by management in accordance with IFRS. This financial information does not contain all disclosures required by IFRS, and accordingly should be read in conjunction with Stelco Holdings Inc.'s Consolidated Financial Statements and MD&A for the period ended September 30, 2022, which is available on the Company's website and on SEDAR (www.sedar.com).

Stelco Holdings Inc.

Consolidated Statements of Income

(unaudited)

(millions of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenue from sale of goods	\$ 846	\$ 1,354	\$ 2,789	\$ 2,937
Cost of goods sold	612	571	1,702	1,569
Gross profit	234	783	1,087	1,368
Selling, general and administrative expenses	17	13	49	38
Operating income	217	770	1,038	1,330
Finance costs	(17)	(26)	(52)	(129)
Finance and other income (loss)	9	(13)	(3)	(32)
Other costs	(3)	(3)	(12)	(4)
Share of income from joint ventures	1	—	1	—
Gain on sale of land and buildings	—	—	260	—
Income before income taxes	207	728	1,232	1,165
Current income tax expense	22	125	197	125
Deferred income tax expense (recovery)	27	(11)	61	(56)
Net income	\$ 158	\$ 614	\$ 974	\$ 1,096

Stelco Holdings Inc.
Consolidated Balance Sheets
(In millions of Canadian dollars) (unaudited)

As at	September 30, 2022		December 31, 2021	
ASSETS				
Current assets				
Cash	\$	1,395	\$	955
Restricted cash		10		20
Trade and other receivables		234		412
Inventories		700		617
Prepaid expenses and deposits		19		11
Total current assets	\$	2,358	\$	2,015
Non-current assets				
Derivative asset		111		126
Property, plant and equipment, net		1,159		1,008
Intangible assets		8		8
Investment in joint ventures		18		2
Deferred tax asset		16		78
Total non-current assets	\$	1,312	\$	1,222
Total assets	\$	3,670	\$	3,237
LIABILITIES				
Current liabilities				
Trade and other payables	\$	722	\$	717
Other liabilities		78		62
Asset-based lending facility		15		15
Income taxes payable		52		252
Obligations to independent employee trusts		182		212
Total current liabilities	\$	1,049	\$	1,258
Non-current liabilities				
Provisions		17		7
Pension benefits		11		11
Other liabilities		392		71
Asset-based lending facility		57		69
Obligations to independent employee trusts		286		383
Total non-current liabilities	\$	763	\$	541
Total liabilities	\$	1,812	\$	1,799
EQUITY				
Common shares		365		446
Retained earnings		1,493		992
Total equity	\$	1,858	\$	1,438
Total liabilities and equity	\$	3,670	\$	3,237

Non-IFRS Measures Reconciliation

The following table provides a reconciliation of net income to Adjusted Net Income for the periods indicated:

(millions of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income	\$ 158	\$ 614	\$ 974	1,096
Add back/(Deduct) following items:				
Gain on sale of land and buildings	—	—	(260)	—
Loss on derivative asset	—	13	15	6
Other costs ¹	3	3	12	4
Share-based compensation ²	3	—	6	—
Transaction-based and other corporate-related costs	—	—	2	1
Remeasurement of employee benefit commitment ³	—	3	1	79
Loss from commodity-based swaps	—	—	—	27
Total adjusted items before tax	6	19	(224)	117
Tax impact of above items	(1)	(4)	37	(29)
Total adjusted items after tax	5	15	(187)	88
Adjusted Net Income	\$ 163	\$ 629	\$ 787	1,184

¹ Other costs primarily includes the write-down of certain capital projects that are no longer being pursued by the Company, representing aborted construction in progress costs without future benefit to Stelco, and demolition costs for certain buildings (and other assets) not connected to the Company's ongoing operations.

² Share-based compensation represents costs in connection with the Company's Total Shareholder Return Incentive Program which commenced during the first quarter of 2022.

³ Remeasurement of employee benefit commitment for change in the timing of estimated cash flows and future funding requirements.

The following table provides a reconciliation of net income to Adjusted EBITDA for the periods indicated:

(millions of Canadian dollars, except where otherwise noted)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income	\$ 158	\$ 614	\$ 974	1,096
Add back/(Deduct) following items:				
Gain on sale of land and buildings	—	—	(260)	—
Income tax expense (recovery):				
Current	22	125	197	125
Deferred	27	(11)	61	(56)
Depreciation	24	17	64	50
Finance costs	17	26	52	129
Loss on derivative asset	—	13	15	6
Finance income and other	(9)	—	(12)	—
Other costs ¹	3	3	12	4
Share-based compensation ²	3	—	6	—
Transaction-based and other corporate-related costs	—	—	2	1
Loss from commodity-based swaps	—	—	—	27
Adjusted EBITDA	\$ 245	\$ 787	\$ 1,111	1,382
Adjusted EBITDA as a percentage of total revenue	29 %	58 %	40 %	47 %

¹ Other costs primarily includes the write-down of certain capital projects that are no longer being pursued by the Company, representing aborted construction in progress costs without future benefit to Stelco, and demolition costs for certain buildings (and other assets) not connected to the Company's ongoing operations.

² Share-based compensation represents costs in connection with the Company's Total Shareholder Return Incentive Program which commenced during the first quarter of 2022.