



CLEVELAND-CLIFFS AND U.S. STEEL

Creation of a New Leader in Steel

AUGUST 2023

FORWARD-LOOKING STATEMENTS AND IMPORTANT INFORMATION

FORWARD-LOOKING STATEMENTS

This presentation contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. All statements other than historical facts, including, without limitation, statements regarding our current expectations, estimates and projections about our industry, our business or a transaction with United States Steel Corporation (U.S. Steel), are forward-looking statements. We caution investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements. Among the risks and uncertainties that could cause actual results to differ from those described in forward-looking statements are the following: the risk that a transaction with U.S. Steel may not be consummated; the risk that a transaction with U.S. Steel may be less accretive than expected, or may be dilutive, to Cliffs' earnings per share, which may negatively affect the market price of Cliffs common shares; the possibility that Cliffs and U.S. Steel will incur significant transaction and other costs in connection with a potential transaction, which may be in excess of those anticipated by Cliffs; the risk that the financing transactions to be undertaken in connection with a transaction have a negative impact on the combined company's credit profile or financial condition; the risk that Cliffs may fail to realize the benefits expected from a transaction; the risk that the combined company may be unable to achieve anticipated synergies or that it may take longer than expected to achieve those synergies; the risk that any announcements relating to, or the completion of, a transaction could have adverse effects on the market price of Cliffs common shares; and the risk related to any unforeseen liability and future capital expenditure of Cliffs related to a transaction.

For additional factors affecting the business of Cliffs, refer to Part I – Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2022, and other filings with the U.S. Securities and Exchange Commission.

IMPORTANT INFORMATION FOR INVESTORS AND STOCKHOLDERS

This communication relates to a proposal which Cliffs has made for an acquisition of U.S. Steel. In furtherance of this proposal and subject to future developments, Cliffs may file one or more registration statements, proxy statements, tender offer statements or other documents with the Securities and Exchange Commission ("SEC"). This communication is not a substitute for any proxy statement, registration statement, tender offer statement or other document Cliffs may file with the SEC in connection with the proposed transaction.

Investors and security holders of Cliffs are urged to read the proxy statement(s), registration statement, tender offer statement and/or other documents filed with the SEC carefully in their entirety if and when they become available as they will contain important information about the proposed transaction. Any definitive proxy statement(s) (if and when available) will be mailed to stockholders of Cliffs, as applicable. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Cliffs through the website maintained by the SEC at <http://www.sec.gov>.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

This communication is neither a solicitation of a proxy nor a substitute for any proxy statement or other filing that may be made with the SEC. Nonetheless, Cliffs and its directors and certain of its executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Cliffs is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 14, 2023, and its proxy statement for its 2023 annual meeting of shareholders, which was filed with the SEC on April 4, 2023.

Any information concerning U.S. Steel contained in this filing has been taken from, or based upon, publicly available information. Although Cliffs does not have any information that would indicate that any information contained in this filing that has been taken from such documents is inaccurate or incomplete, Cliffs does not take any responsibility for the accuracy or completeness of such information. To date, Cliffs has not had access to the books and records of U.S. Steel.

DELIVERY OF HIGHLY COMPELLING PROPOSAL TO U.S. STEEL SHAREHOLDERS

Financially Attractive Offer

- Transaction valued at approximately \$10 billion¹
 - \$17.50 per share in cash
 - Exchange ratio of 1.023 shares of CLF for shares of X

Significant Premium

- **43% premium** based on last closing price of Cleveland-Cliffs and U.S. Steel common stock on August 11, 2023
- **42% premium** based on last closing price of Cleveland-Cliffs and U.S. Steel common stock on July 28, 2023 (date of initial offer letter)

Deal Certainty

- ✓ Full support and backing of the USW
- ✓ No financing contingency
- ✓ Expected regulatory approval in a timely manner

1. Transaction value based on 30-day VWAP of Cleveland-Cliffs common stock

CREATION OF A NEW LEADER IN STEEL...



Creates the **only American steel company** to be a member of the **Top 10 steelmakers in the world**



Complementary capabilities with iron ore, DRI, scrap and integrated/EAF steelmaking form **ideal combination**



Shared focus on aggressive emissions reduction more rapidly achieved with combined footprint



Provides **customers** and **employees** a stronger, more innovative, and more competitive domestic U.S. steel producer



Offer delivers **estimated synergies of ~\$500 million**, provides **immediate multiple expansion** to U.S. Steel stockholders and **de-risks U.S. Steel's capital spend**



Union support, limited diligence needs, significant shareholder overlap and financing certainty **minimize execution risk**

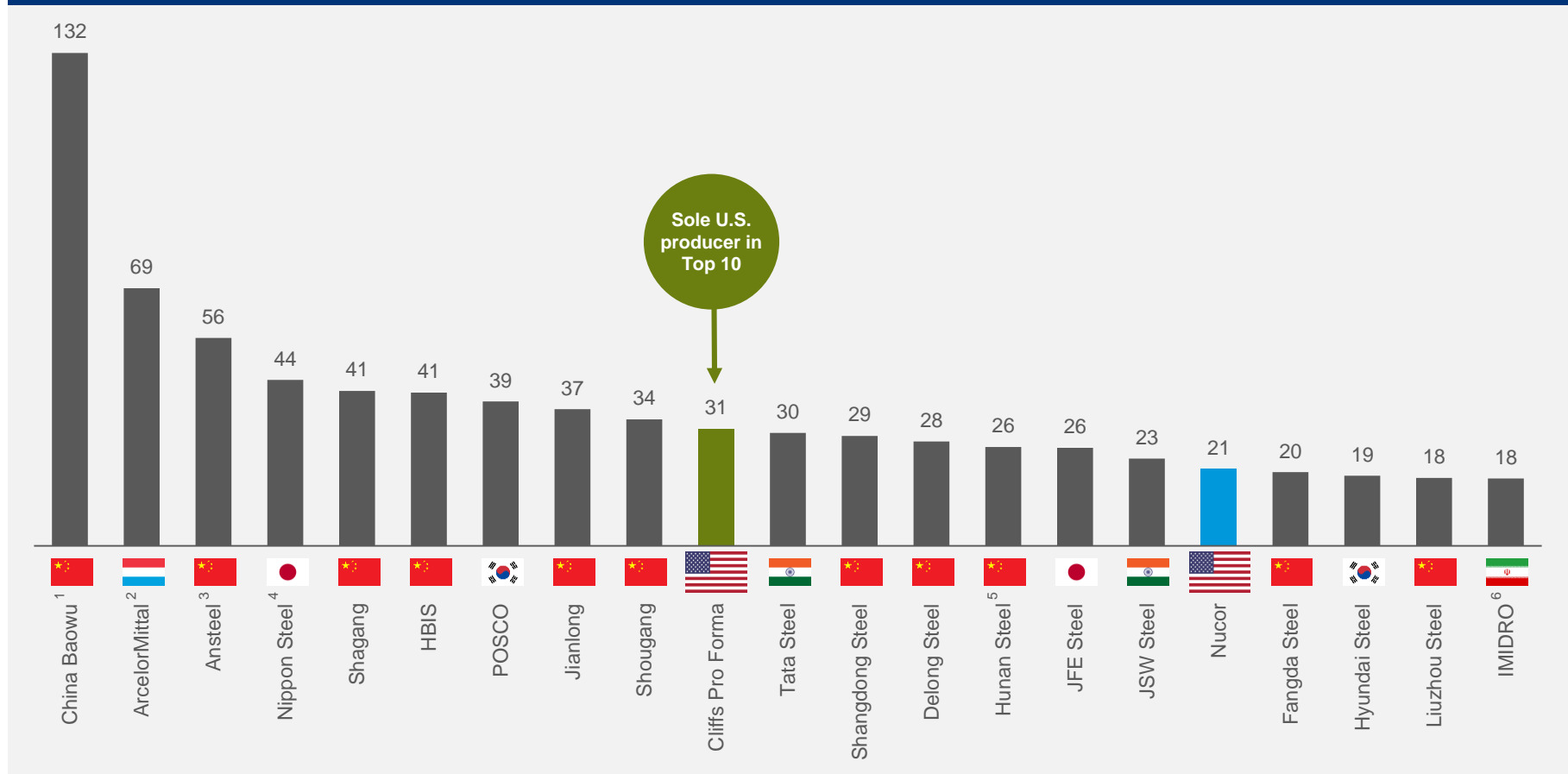


PF 2022 Revenue:
\$44.1 Billion

Note: Financials per SEC filings

...AND THE ONLY U.S. COMPANY IN THE TOP 10 GLOBAL PRODUCERS OF STEEL

Global Steel Production – Top 20 Steel Producers (million metric tons)



Source: Association for Iron & Steel Technology and World Steel Association
Note: Reflects 2022 production; IMIDRO and NLMK are estimates

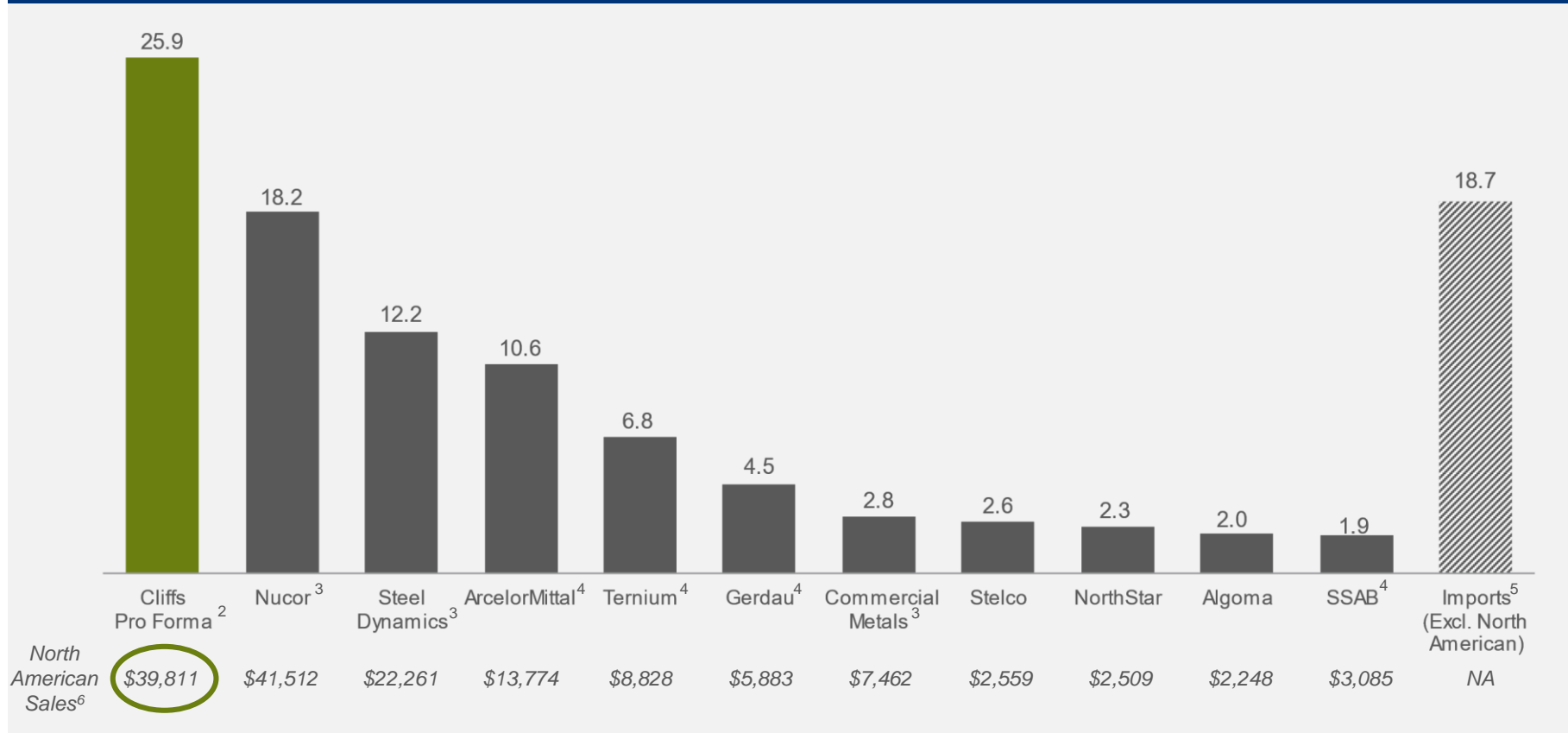
1. Includes tonnage of Xinyu Steel
2. Includes 60% AM/NS India (former Essar Steel)
3. Includes tonnage of Benxi Steel

5 | © 2023 Cleveland-Cliffs Inc. All Rights Reserved.

4. Includes Nippon Steel Stainless Steel Corp.; Sanyo Special Steel, Ovako, 40% of AM/NS India and 31.4% of USIMINAS
5. Former Valin Group
6. Estimated tonnage of Mobarakeh Steel, Esfahan Steel, Khuzestan Steel and NISCO

THE MOST DYNAMIC, COMPETITIVE STEELMAKER IN NORTH AMERICA

North America Steel Shipments (million net tons)¹



1. Represents CY2022A North America steel shipments (in net tons) for each producer listed, except where otherwise noted

2. Excludes U.S. Steel Europe segment shipments of 3.8Mnt

3. Nucor figure reflects third-party shipments from steel mills division; Steel Dynamics figure reflects third-party shipments from steel operations division; Commercial Metals figure reflects LTM 11/30/2022 steel shipments

4. Represents North America steel shipments for each of ArcelorMittal, Gerdau and SSAB. Represents Mexico steel shipments for Ternium

5. Reflects CY2022A seaborne imports per the International Trade Administration U.S. Steel Monitor

6. Represents CY2022A North American net sales; Commercial Metals reflects LTM 11/30/2022 net sales; figures in USD using applicable foreign exchange rate as of 12/31/2022

6 | © 2023 Cleveland-Cliffs Inc. All Rights Reserved.

DELIVERS HIGHLY COMPLEMENTARY OPERATIONAL FOOTPRINT IN NORTH AMERICA



CLIFFS



Annual capacity noted in italics

| | | | | | | | |
|--------------------------|--|-------------------------|---------------------------------------|--------------------------------|---|-------------------------|-------------------------------|
| Iron Ore | Hibbing 7.0Mt | Minorca 3.0Mt | UTAC 6.0Mt | Minntac 13.5Mt ¹ | Keetac 5.3Mt ¹ | | |
| | Northshore 5.0Mt | Tilden 7.0Mt | | | | | |
| Metallics | Toledo HBI 1.9Mt | FPT Scrap 3.0Mt | Gary Pig Iron 0.4Mt | | | | |
| BF-BOFs | Burns Harbor 5.0Mt | Indiana Harbor 4.0Mt | Cleveland 3.4Mt | Gary Works 7.5Mt | Mon Valley 2.9Mt | Granite City 2.8Mt | |
| | Middletown 3.0Mt | Dearborn 3.0Mt | Riverdale 0.7Mt | | | | |
| EAFs | Mansfield 0.5Mt | Butler 0.4Mt | Steelton 0.3Mt | Coatesville 0.2Mt | Fairfield 0.9Mt | Big River 1 3.3Mt | Big River 2 growth project |
| Finishing/ Downstream | Standalone Finishing Assets 10 facilities | | Tubular and Stamping 12 facilities | | Standalone Finishing Assets 8 facilities | Tubular 5 facilities | |
| | | | | | | | |

Note: Iron ore and metallics figures represent gross tons and steel figures represent net tons; steel capacities represent crude steelmaking

1. Represents 2022A production

ENHANCES IN-HOUSE RAW MATERIALS CAPABILITIES



FPT Scrap

FPT acquired in 2021



HBI

Toledo HBI production
started in 2020



Mini Mill

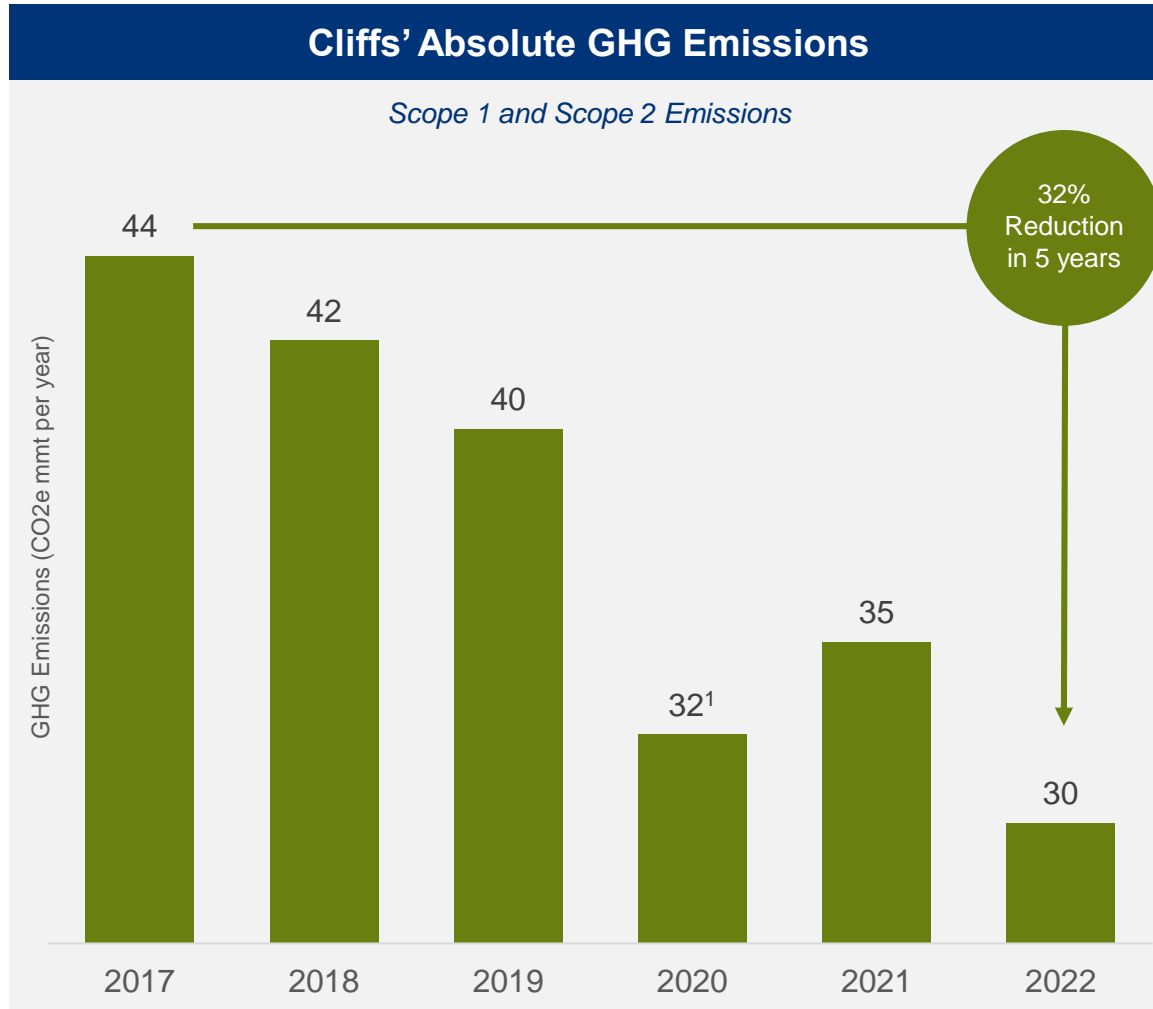


BF-BOF

- ✓ Secures prime scrap for EAFs
- ✓ HBI used in blast furnaces

CREATES AN ESG LEADER

Pro forma company well positioned to accelerate GHG emissions reductions across shared asset base



Iron Ore Pellets



Use of HBI in Blast Furnaces



Low Coke Rates



Natural Gas BF Injection (Prepared to Replace with Hydrogen)



Access to Ample Prime Scrap from FPT



LEED Certified Steelmaking at Big River

Note: Pro forma GHG emissions profile of Cliffs' current operating footprint

1. 2020 GHG emission levels were lower than expected due to pandemic-related production levels

DELIVERS SIGNIFICANT VALUE CREATION POTENTIAL

~\$500 million in synergies

Cost Synergies

- ✓ Significant synergies from asset and capex optimization
- ✓ Procurement savings (healthcare, raw materials, supplies and freight, among others)
- ✓ SG&A and channel efficiencies as a result of complementary operating platforms
- ✓ Reduction of corporate and public company costs

Investment Synergies

- ✓ Enhanced financial and capital markets profile and robust FCF substantially de-risk U.S. Steel's multi-year strategic initiatives

Multiple Expansion

- ✓ Potential for trading multiple expansion as a result of stronger financial position and growth to drive shareholder value

Both companies' shareholders will be direct beneficiaries of the significant synergies in the pro forma company and valuation uplift potential going forward

PROVIDES OPPORTUNITY FOR IMMEDIATE MULTIPLE EXPANSION

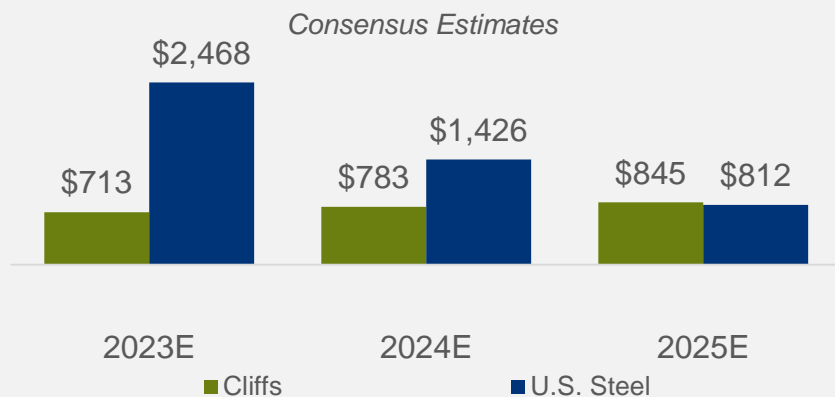
NTM EBITDA Multiples Over Time



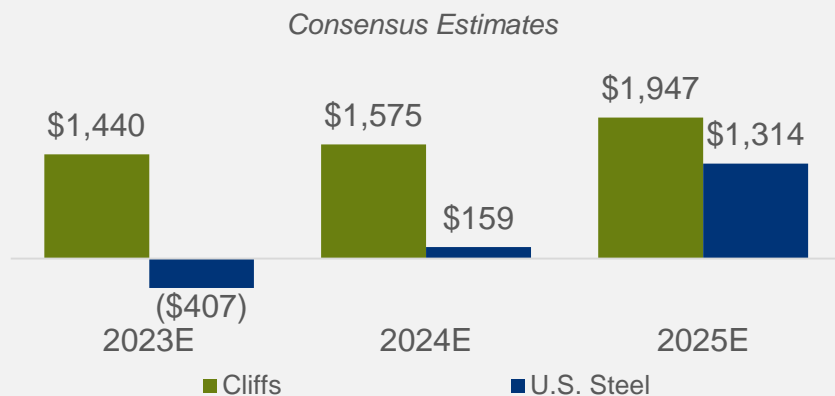
Note: NTM EBITDA multiples over the 2 year period ending on 07/28/2023, the initial offer date

DE-RISKS U.S. STEEL'S CAPITAL SPEND

Near-Term Capital Expenditures (\$ millions)



Near-Term Free Cash Flow (\$ millions)¹



Pro Forma Free Cash Flow (\$ millions)^{1,2}

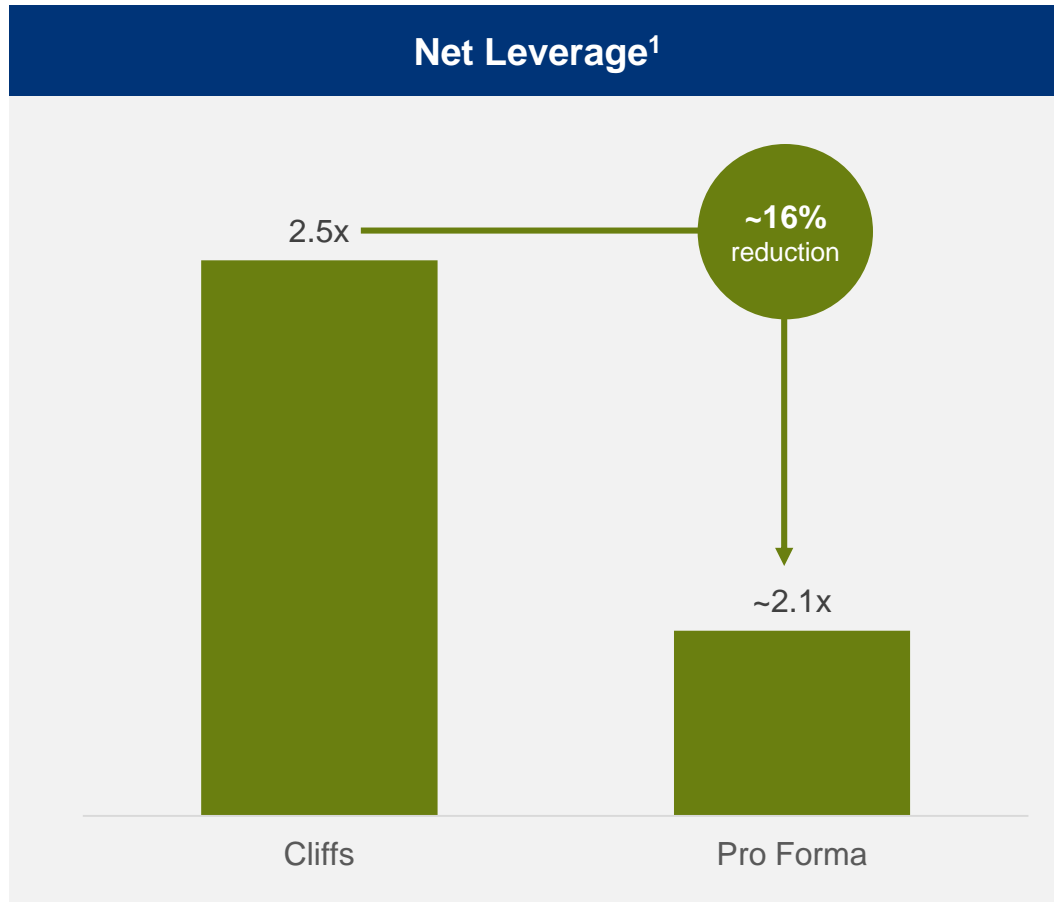


Note: Cliffs and U.S. Steel figures represent consensus estimates; market data as of 08/11/2023

1. Free cash flow defined as EBITDA – capex

2. Pro forma free cash flow figures including synergies of \$500mm in 2024E and 2025E

IMPROVED BALANCE SHEET AND FINANCIAL PROFILE



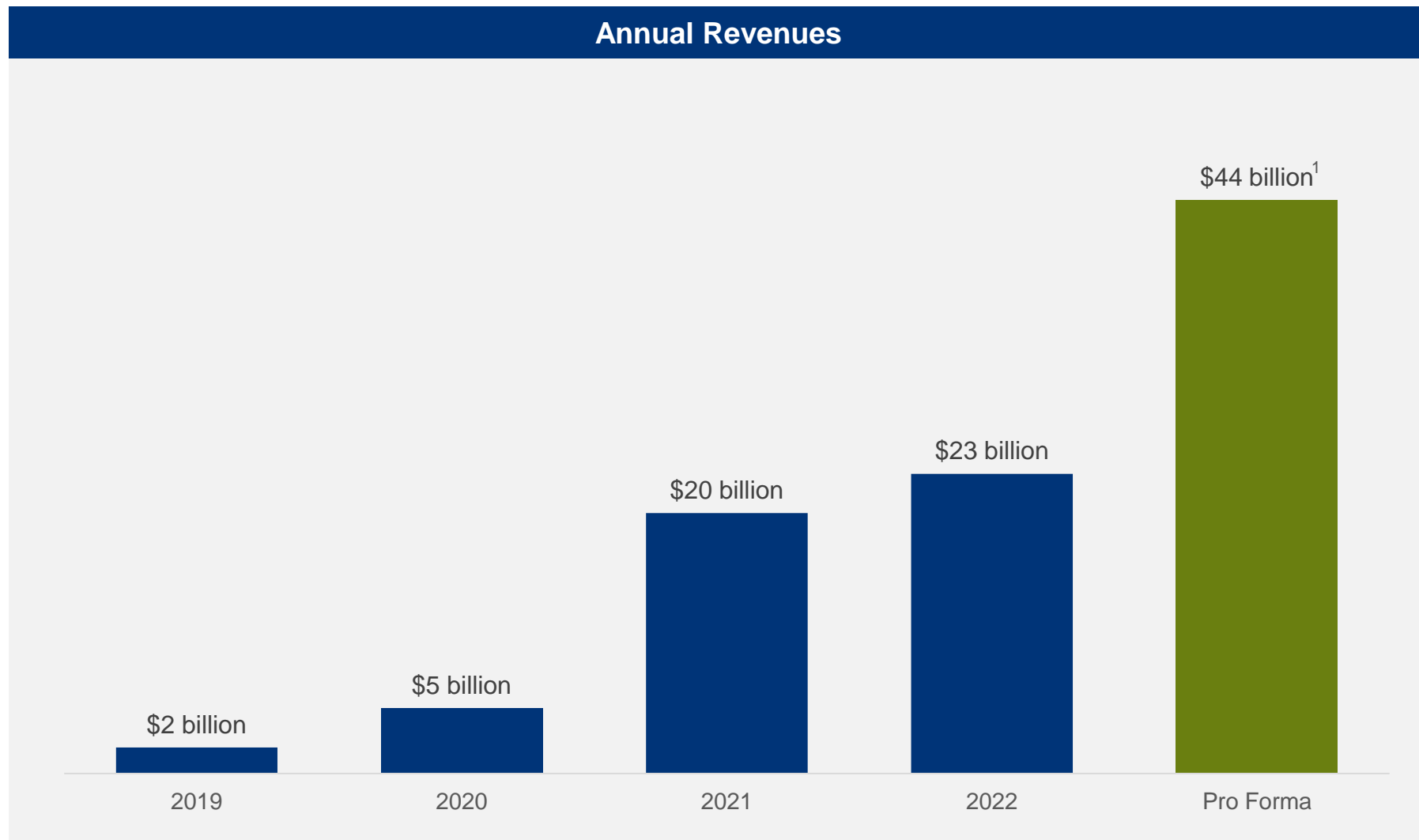
Strong Pro Forma Profile

- ✓ Significant pro forma FCF profile to pay down debt in the immediate term
- ✓ Intention to maintain Cliffs' track record of strong (and improving) credit ratings
- ✓ EPS accretive in year one

Cliffs expects to maintain existing credit ratings

1. LTM 06/30/2023 leverage (pro forma includes synergies)

CLIFFS' CONSISTENT TRACK RECORD OF TRANSFORMATIVE GROWTH



1. Pro forma 2022 revenue

PROVEN ABILITY TO DELIVER ADDITIONAL JOBS AND RE-INVEST IN CRITICAL MATERIALS



2020



2020

Transaction Value²

\$3.0 billion

\$3.3 billion

Net Job Creation

~1,700 new jobs added

**Re-investment in
Critical Niche Materials
For U.S. Supply Chain**

Electrical Steel

Tinplate

**Cost Synergies
Planned vs. Achieved**



**\$120 million
Overachieved**



**\$150 million
Overachieved**

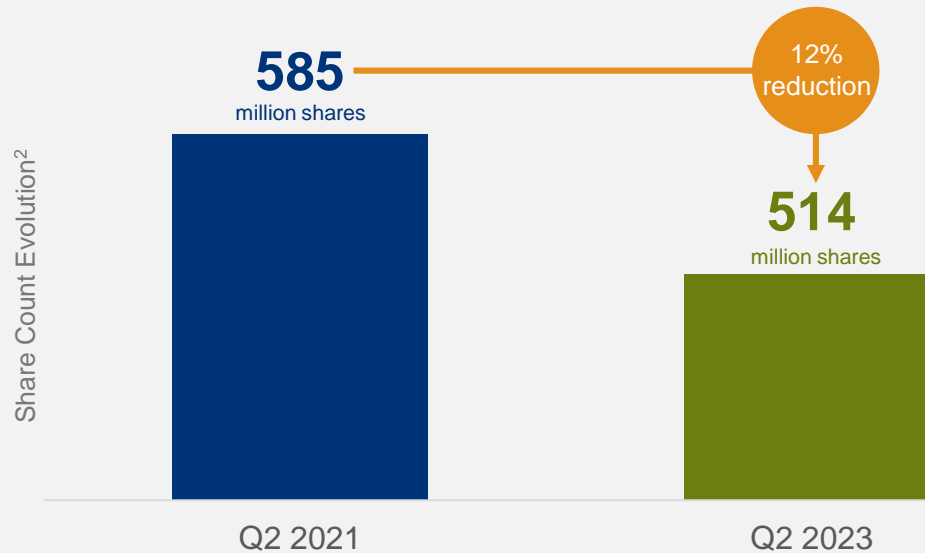
1. Transaction details can be found in SEC Filings

2. Represents total enterprise value; ArcelorMittal USA enterprise value includes assumption of pension/OPEB liabilities and working capital

COMMITMENT TO CAPITAL RETURNS

Significant Share Repurchase Program Since 2022

- ✓ Announced \$1 billion share repurchase program in 2022
- ✓ Repurchased 12.5 million shares in 2022
- ✓ ~\$666 million remaining under current repurchase program¹



Meaningful Quarterly Dividend Going Forward

- ✓ Initiating a \$0.05 per share quarterly dividend in conjunction with the transaction
- ✓ Will deliver ~\$155 million in annual dividend to all shareholders

1. As of Q2 2023

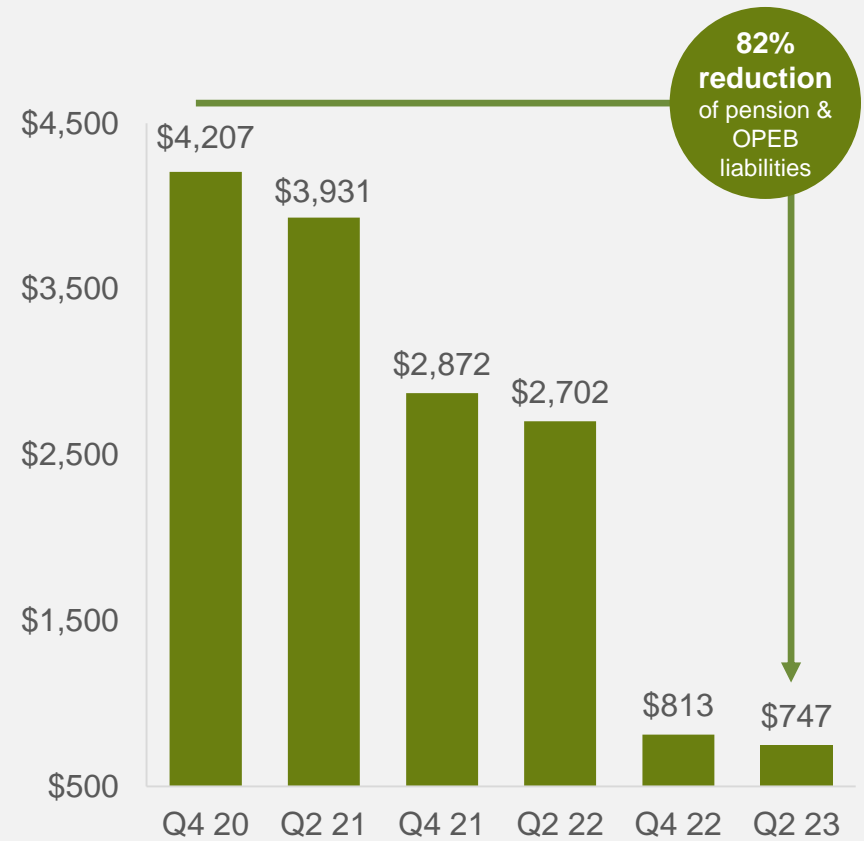
2. Represents diluted shares outstanding

LONGSTANDING FOCUS ON LIABILITY REDUCTION

Total Net Debt (\$ millions)



Historical Net Pension & OPEB (\$ millions)

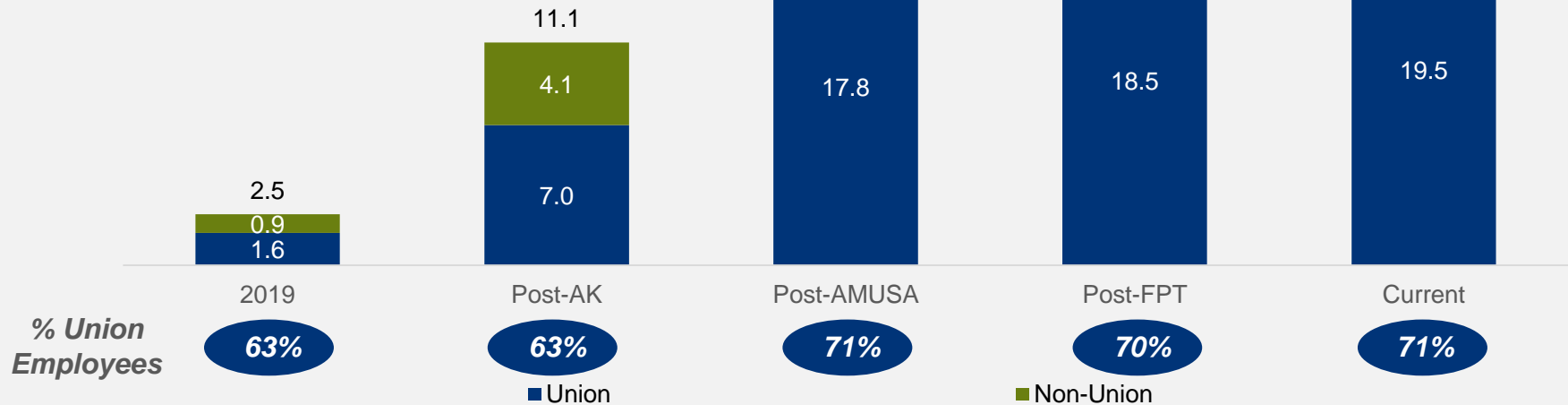


EXTREMELY STRONG RELATIONSHIP WITH GROWING UNION WORKFORCE

Cliffs Total Number of Employees ('000)



Signed letter from the USW demonstrating full support and backing of the proposed transaction



FULL SUPPORT AND BACKING OF THE USW



August 3, 2023

To Whom It May Concern:

This letter is to express the United Steelworkers' (USW) support of the acquisition of United States Steel Corporation (USS) by Cleveland-Cliffs Inc. (Cliffs).

Under the terms of the USW's collective bargaining agreement with USS, the USW has the right to counter any proposal to acquire a controlling interest in USS or its facilities covered by the USW agreement. The USW has a very strong relationship with Cliffs and will not exercise this right of a counter offer. It will, rather, unequivocally endorse such a transaction. Moreover, the USW will not endorse anyone other than Cliffs for such a transaction.

Over the years, Cliffs has shown itself to be an outstanding employer to all of its workers, including its long-legacy operations in iron ore and more recently its steel operations from the 2020 acquisitions of AK Steel and ArcelorMittal USA. Different from typical acquirers, Cliffs did not cut union jobs when it bought AK Steel and ArcelorMittal USA, but rather significantly increased the union workforce. Cliffs now has more than 14,000 members of the USW. Cliffs has also proven itself to be a collaborative partner to the USW leadership. This is evidenced by the labor contracts negotiated and ratified last year in which both Cliffs and the USW worked hand-in-hand to meaningfully improve the work conditions, wage rates and the benefits for its USW employees.


We have no doubt that the extension of our strong partnership with Cliffs to the 11,000 union represented employees at USS will benefit the employees, their families and the communities in which they operate. A strong and productive U.S. labor force is of utmost importance to our country.


Maintaining American leadership in the steel industry is critical to many vital parts of the U.S. economy. The USW feels that Cliffs is the single steel producer in the best position to ensure that U.S. based manufacturing remains strong in this country with the support of the USW and its represented workforce.


Sincerely,


Thomas M. Conway,
International President - United Steelworkers


CLEAR ROADMAP TO COMPLETION


 Proposed transaction has the full support and backing of the USW


 60% overlap across all institutional shareholders¹

 Regulatory approval expected in timely manner

 Signed highly confident letters from several tier 1 U.S. and international banks

 Minimal private-side business due diligence required²

 Unanimous support of Cliffs Board

 Substantial time and effort already expended with key advisors in place

1. Top 3 and 15 Cliffs shareholders own 24% and 36% of U.S. Steel, respectively
2. Customary public company legal due diligence needed to get to definitive agreement

CLIFFS' PROPOSAL IS COMPELLING FOR ALL STAKEHOLDERS



Creates a top 10 steel company in the world

| | | |
|-----------------------------------|---|---|
| Domestic Economic Security | ▶ | Combination provides a stronger foundation for critical infrastructure and national security, along with accelerated job creation and economic impact |
| Employees | ▶ | Unwavering commitment to all employees, as evidenced by the full support of the USW and strong track record of growing Cliffs' hourly workforce |
| Communities | ▶ | Significant U.S.-based footprint with ~40,500 ¹ employees across 16 states |
| Customers | ▶ | Broad-based steelmaking capability set, with particular excellence in value-add steels critical to the U.S. economy |
| Shareholders | ▶ | Delivery of ~\$500 million of annual synergies, a de-risked financial profile and strong capital returns going forward |

1. U.S. Steel active North American employees and Cliffs U.S. employees as of 12/31/2022

