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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 1-8944

CLEVELAND-CLIFFS INC.

(Exact Name of Registrant as Specified in Its Charter)

Ohio	34-1464672
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
200 Public Square, Cleveland, Ohio	44114-2315
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code: (216) 694-5700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, par value $0.125 per share	CLF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the registrant's common shares, par value $0.125 per share, was 570,584,966 as of October 20, 2026.

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DEFINITIONS

The following abbreviations or acronyms are used in the text. References in this report to the “Company,” “we,” “us,” “our,” "Cleveland-Cliffs" and “Cliffs” are to Cleveland-Cliffs Inc. and subsidiaries, collectively. References to “$” is to United States currency, unless otherwise stated.

Abbreviation or acronym	Term
2021 Equity Plan	Cleveland-Cliffs Inc. 2021 Equity and Incentive Compensation Plan
ABL Facility	Asset-Based Revolving Credit Agreement, dated as of March 13, 2020, which matures the earlier of June 9, 2028, or 91 days prior to the maturity of certain other material debt, among Cleveland-Cliffs Inc., the lenders party thereto from time to time and Bank of America, N.A., as administrative agent, as amended as of March 27, 2020, December 9, 2020, December 17, 2021, June 9, 2023, July 31, 2024, and September 13, 2024, and as may be further amended from time to time
Adjusted EBITDA	EBITDA, excluding certain items such as EBITDA from noncontrolling interests; idled facilities credits (charges); currency exchange; changes in fair value of derivatives, net; gain (loss) on disposal of assets, net; amortization of inventory step-up; severance; and other, net.
AI	Artificial intelligence
AOCI	Accumulated other comprehensive income (loss)
ASU	Accounting Standards Update
BOF	Basic oxygen furnace
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CODM	Chief Operating Decision Maker
CO_2e	Carbon dioxide equivalent
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOE	U.S. Department of Energy
EAF	Electric arc furnace
EBITDA	Earnings before interest, taxes, depreciation and amortization
EPA	U.S. Environmental Protection Agency
EPS	Earnings per share
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the United States
GHG	Greenhouse gas
GOES	Grain oriented electrical steel
HBI	Hot briquetted iron
HRC	Hot-rolled coil steel
IAM	International Association of Machinists and Aerospace Workers
Long ton (lt)	2,240 pounds
Metric ton (mt)	2,205 pounds
MMBtu	Million British Thermal Units
Net ton (nt)	2,000 pounds
NOES	Non-oriented electrical steel
N/M	Not meaningful
OPEB	Other postretirement benefits
POSCO	POSCO Holdings Inc., a publicly traded South Korean steel manufacturer headquartered in Pohang, South Korea
RCRA	Resource Conservation and Recovery Act
SEC	U.S. Securities and Exchange Commission
Section 232	Section 232 of the Trade Expansion Act of 1962 (as amended by the Trade Act of 1974)
Stelco	Stelco Holdings Inc., a Canadian corporation, and its consolidated subsidiaries, collectively, unless stated otherwise or the context indicates otherwise, which continues as Stelco Inc. following the amalgamation of Stelco Holdings Inc., Stelco Inc. and 13421422 Canada Inc. effective November 8, 2024
SunCoke Middletown	Middletown Coke Company, LLC, a subsidiary of SunCoke Energy, Inc.
UAW	United Auto Workers
USW	United Steelworkers
VIE	Variable interest entity

PART I

ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

STATEMENTS OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

(In millions, except share information)	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 77**	$ 57
Accounts receivable, net	**2,159**	1,442
Inventories	**4,694**	4,772
Other current assets	**174**	164
Total current assets	**7,104**	6,435
Non-current assets:		
Property, plant and equipment, net	**9,186**	9,481
Goodwill	**1,782**	1,814
Intangible assets, net	**1,041**	1,135
Pension and OPEB assets	**589**	469
Other non-current assets	**640**	678
TOTAL ASSETS	**$ 20,342**	$ 20,012
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**$ 2,327**	$ 1,893
Accrued employment costs	**527**	517
Accrued expenses	**310**	396
Other current liabilities	**628**	496
Total current liabilities	**3,792**	3,302
Non-current liabilities:		
Long-term debt	**7,645**	7,253
Pension and OPEB liabilities	**593**	655
Deferred income taxes	**300**	375
Asset retirement and environmental obligations	**698**	682
Other non-current liabilities	**1,348**	1,422
TOTAL LIABILITIES	**14,376**	13,689
Commitments and contingencies (See Note 18)		
Equity:		
Common shares - par value $0.125 per share Authorized - 1,200,000,000 shares (2025 - 1,200,000,000 shares); Issued - 606,051,530 shares (2025 - 606,051,530 shares); Outstanding - 570,555,800 shares (2025 - 569,759,243 shares)	**76**	76
Capital in excess of par value of shares	**5,761**	5,736
Retained deficit	**(759)**	(529)
Cost of 35,495,730 common shares in treasury (2025 - 36,292,287 shares)	**(642)**	(659)
Accumulated other comprehensive income	**1,251**	1,492
Total Cliffs shareholders' equity	**5,687**	6,116
Noncontrolling interests	**279**	207
TOTAL EQUITY	**5,966**	6,323
TOTAL LIABILITIES AND EQUITY	**$ 20,342**	$ 20,012

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

STATEMENTS OF UNAUDITED CONDENSED CONSOLIDATED OPERATIONS
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share amounts)	**2026**	2025	**2026**	2025
Revenues	**$ 5,612**	$ 4,734	**$ 15,760**	$ 14,297
Operating costs:				
Cost of goods sold	**(5,147)**	(4,780)	**(15,245)**	(14,951)
Selling, general and administrative expenses	**(153)**	(130)	**(432)**	(400)
Restructuring and other charges	**(1)**	(3)	**(4)**	(92)
Asset impairment	**—**	—	**—**	(39)
Miscellaneous, net	**—**	(25)	**(30)**	(63)
Total operating costs	**(5,301)**	(4,938)	**(15,711)**	(15,545)
Operating income (loss)	**311**	(204)	**49**	(1,248)
Other income (expense):				
Interest expense, net	**(148)**	(153)	**(452)**	(442)
Net periodic benefit credits other than service cost component	**64**	57	**192**	157
Changes in fair value of derivatives, net	**(15)**	(10)	**(37)**	(34)
Other non-operating income	**1**	1	**2**	2
Total other expense	**(98)**	(105)	**(295)**	(317)
Income (loss) from continuing operations before income taxes	**213**	(309)	**(246)**	(1,565)
Income tax benefit (expense)	**(46)**	78	**55**	375
Income (loss) from continuing operations	**167**	(231)	**(191)**	(1,190)
Loss from discontinued operations, net of tax	**(2)**	(3)	**(7)**	(3)
Net income (loss)	**165**	(234)	**(198)**	(1,193)
Net income attributable to noncontrolling interests	**(13)**	(17)	**(32)**	(42)
Net income (loss) attributable to Cliffs shareholders	**$ 152**	$ (251)	**$ (230)**	$ (1,235)
Earnings (loss) per common share attributable to Cliffs shareholders - basic				
Continuing operations	**$ 0.27**	$ (0.51)	**$ (0.39)**	$ (2.49)
Discontinued operations	**—**	—	**(0.01)**	—
	$ 0.27	$ (0.51)	**$ (0.40)**	$ (2.49)
Earnings (loss) per common share attributable to Cliffs shareholders - diluted				
Continuing operations	**$ 0.26**	$ (0.51)	**$ (0.39)**	$ (2.49)
Discontinued operations	**—**	—	**(0.01)**	—
	$ 0.26	$ (0.51)	**$ (0.40)**	$ (2.49)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

STATEMENTS OF UNAUDITED CONDENSED CONSOLIDATED COMPREHENSIVE INCOME (LOSS)
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Net income (loss)	**$ 165**	$ (234)	**$ (198)**	$ (1,193)
Other comprehensive income (loss):				
Changes in pension and OPEB, net of tax	**(23)**	(26)	**(70)**	(78)
Changes in derivative instruments, net of tax	**(58)**	(19)	**(123)**	37
Changes in foreign currency translation	**(4)**	(36)	**(48)**	67
Total other comprehensive income (loss)	**(85)**	(81)	**(241)**	26
Comprehensive income (loss)	**80**	(315)	**(439)**	(1,167)
Comprehensive income attributable to noncontrolling interests	**(13)**	(17)	**(32)**	(42)
Comprehensive income (loss) attributable to Cliffs shareholders	**$ 67**	$ (332)	**$ (471)**	$ (1,209)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

STATEMENTS OF UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

(In millions)	Nine Months Ended September 30, 2026	2025
OPERATING ACTIVITIES		
Net loss	**$ (198)**	$ (1,193)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation, depletion and amortization	**780**	963
Pension and OPEB credits	**(166)**	(130)
Deferred income taxes	**(57)**	(381)
Restructuring and other charges	**4**	92
Asset impairment	**—**	39
Other	**166**	126
Changes in operating assets and liabilities:		
Accounts receivable, net	**(723)**	(215)
Inventories	**59**	399
Income taxes	**—**	15
Pension and OPEB payments and contributions	**(116)**	(121)
Payables, accrued employment and accrued expenses	**412**	(31)
Other, net	**(32)**	(12)
Net cash provided (used) by operating activities	**129**	(449)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(461)**	(421)
Other investing activities	**74**	27
Net cash used by investing activities	**(387)**	(394)
FINANCING ACTIVITIES		
Proceeds from issuance of senior notes	**—**	1,700
Borrowings (repayments) under ABL Facility, net	**383**	(713)
Debt issuance costs	**—**	(26)
Other financing activities	**(110)**	(108)
Net cash provided by financing activities	**273**	853
Net increase in cash and cash equivalents	**15**	10
Cash, cash equivalents, and restricted cash at beginning of period	**63**	60
Effect of exchange rate changes on cash	**(1)**	3
Cash, cash equivalents, and restricted cash at end of period	**77**	73
Restricted cash	**—**	(7)
Cash and cash equivalents at end of period	**$ 77**	$ 66

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

STATEMENTS OF UNAUDITED CONDENSED CONSOLIDATED CHANGES IN EQUITY
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

(In millions)	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Earnings (Deficit)	Common Shares in Treasury	AOCI	Non-Controlling Interest	Total
December 31, 2025	**569.8**	**$ 76**	**$ 5,736**	**$ (529)**	**$ (659)**	**$ 1,492**	**$ 207**	**$ 6,323**
Comprehensive income (loss)	**—**	**—**	**—**	**(237)**	**—**	**(67)**	**8**	**(296)**
Stock and other incentive plans	**0.6**	**—**	**(4)**	**—**	**14**	**—**	**—**	**10**
Net distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(18)**	**(18)**
March 31, 2026	**570.4**	**$ 76**	**$ 5,732**	**$ (766)**	**$ (645)**	**$ 1,425**	**$ 197**	**$ 6,019**
Comprehensive income (loss)	**—**	**—**	**—**	**(145)**	**—**	**(89)**	**11**	**(223)**
Stock and other incentive plans	**0.1**	**—**	**14**	**—**	**2**	**—**	**—**	**16**
Net contributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**6**	**6**
June 30, 2026	**570.5**	**$ 76**	**$ 5,746**	**$ (911)**	**$ (643)**	**$ 1,336**	**$ 214**	**$ 5,818**
Comprehensive income (loss)	**—**	**—**	**—**	**152**	**—**	**(85)**	**13**	**80**
Stock and other incentive plans	**0.1**	**—**	**15**	**—**	**1**	**—**	**—**	**16**
Net contributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**52**	**52**
September 30, 2026	**570.6**	**$ 76**	**$ 5,761**	**$ (759)**	**$ (642)**	**$ 1,251**	**$ 279**	**$ 5,966**

(In millions)	Number of Common Shares Outstanding	Par Value of Common Shares Issued	Capital in Excess of Par Value of Shares	Retained Earnings (Deficit)	Common Shares in Treasury	AOCI	Non-Controlling Interest	Total
December 31, 2024	493.9	$ 66	$ 4,758	$ 949	$ (676)	$ 1,537	$ 233	$ 6,867
Comprehensive income (loss)	—	—	—	(498)	—	75	12	(411)
Stock and other incentive plans	0.6	—	(2)	—	12	—	—	10
Net distributions to noncontrolling interests	—	—	—	—	—	—	(15)	(15)
March 31, 2025	494.5	$ 66	$ 4,756	$ 451	$ (664)	$ 1,612	$ 230	$ 6,451
Comprehensive income (loss)	—	—	—	(486)	—	32	13	(441)
Stock and other incentive plans	0.2	—	12	—	4	—	—	16
Net distributions to noncontrolling interests	—	—	—	—	—	—	(20)	(20)
June 30, 2025	494.7	$ 66	$ 4,768	$ (35)	$ (660)	$ 1,644	$ 223	$ 6,006
Comprehensive income (loss)	—	—	—	(251)	—	(81)	17	(315)
Stock and other incentive plans	—	—	15	—	—	—	—	15
Net contributions to noncontrolling interests	—	—	—	—	—	—	1	1
September 30, 2025	494.7	$ 66	$ 4,783	$ (286)	$ (660)	$ 1,563	$ 241	$ 5,707

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CLEVELAND-CLIFFS INC. AND SUBSIDIARIES

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BUSINESS, CONSOLIDATION AND PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with SEC rules and regulations and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position, results of operations, comprehensive income (loss), cash flows and changes in equity for the periods presented. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of results to be expected for the year ending December 31, 2026 or any other future period. Certain prior period amounts have been reclassified to conform with the current year presentation. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2025.

NATURE OF BUSINESS

We are a leading North America-based steel producer with focus on value-added sheet products, particularly for the automotive industry. We are vertically integrated from the mining of iron ore, production of pellets and direct reduced iron, and processing of ferrous scrap through primary steelmaking and downstream finishing, stamping, tooling and tubing. Headquartered in Cleveland, Ohio, we employ approximately 25,000 people across our operations in the United States and Canada. More than 90% of our approximately 20,000 hourly workforce is represented by three prominent unions – USW, UAW and IAM.

BUSINESS OPERATIONS

We are organized into four operating segments based on differentiated products, Steelmaking, Tubular, Tooling and Stamping, and European Operations. We primarily operate through one reportable segment – the Steelmaking segment.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate our accounts and the accounts of our wholly owned subsidiaries, all subsidiaries in which we have a controlling interest and VIEs for which we are the primary beneficiary. All intercompany transactions and balances are eliminated upon consolidation.

INVESTMENTS IN AFFILIATES

We have investments in several businesses accounted for using the equity method of accounting. These investments are included within our Steelmaking segment. We review an investment for impairment when circumstances indicate that a loss in value below its carrying amount is other than temporary.

Our investment in affiliates of $131 million and $132 million as of September 30, 2026 and December 31, 2025, respectively, was classified in *Other non-current assets*.

SIGNIFICANT ACCOUNTING POLICIES

A detailed description of our significant accounting policies can be found in the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC. There have been no material changes in our significant accounting policies and estimates from those disclosed therein.

RECENT ACCOUNTING PRONOUNCEMENTS

ACCOUNTING PRONOUNCEMENTS - ISSUED AND NOT EFFECTIVE

In November 2024, the FASB issued *ASU No. 2024-03, Income Statement—Reporting Comprehensive Income (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This new standard does not affect the recognition, measurement or financial statement presentation. However, this guidance does require additional annual and interim disclosures related to the disaggregation of various income statement expense captions. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027.

In December 2025, the FASB issued *ASU No. 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*. The new standard establishes guidance for the recognition, measurement, presentation, and disclosure of government grants received by business entities, including grants related to assets and grants related to income. The amendments are effective for interim and annual reporting periods beginning after December 15, 2028. We plan to early adopt this standard beginning January 1, 2027 and do not expect the adoption to have a material impact on our consolidated financial statements.

NOTE 2 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

INVENTORIES

The following table presents the detail of our *Inventories* on the Statements of Unaudited Condensed Consolidated Financial Position:

(In millions)	September 30, 2026	December 31, 2025
Product inventories		
Finished and semi-finished goods	**$ 2,389**	$ 2,401
Raw materials	**1,780**	1,848
Total product inventories	**4,169**	4,249
Manufacturing supplies and critical spares	**525**	523
Inventories	**$ 4,694**	$ 4,772

SUPPLY CHAIN FINANCE PROGRAMS

We negotiate payment terms directly with our suppliers for the purchase of goods and services. We currently offer voluntary supply chain finance programs that enable our suppliers to sell their Company receivables to financial intermediaries, at the sole discretion of both the suppliers and financial intermediaries. No guarantees are provided by us or our subsidiaries under the supply chain finance programs. The supply chain finance programs allow our suppliers to be paid by the financial intermediaries earlier than the due date on the applicable invoice. Supply chain finance programs that extend terms or provide us an economic benefit are classified as short-term financings. As of September 30, 2026 and December 31, 2025, we had $19 million and $28 million, respectively, deemed as short-term financings that are classified in *Other current liabilities*. Additionally, as of September 30, 2026 and December 31, 2025, we had $76 million and $73 million, respectively, classified as *Accounts payable*.

INDEFINITELY IDLED FACILITIES CHARGES

The following table represents a reconciliation of our accrued liabilities related to the discontinuation of certain product lines resulting from the indefinite idling of our Steelton rail production facility and Weirton tinplate production facility:

(In millions)	Employee-Related Costs	Exit Costs	Total
Balance as of December 31, 2025	**$ 70**	**$ 8**	**$ 78**
Cash payments	**(13)**	**(1)**	**(14)**
Balance as of March 31, 2026	**$ 57**	**$ 7**	**$ 64**
Costs incurred[1]	**2**	**1**	**3**
Cash payments	**(12)**	**(1)**	**(13)**
Balance as of June 30, 2026	**$ 47**	**$ 7**	**$ 54**
Costs incurred[2]	**(1)**	**2**	**1**
Cash payments	**(12)**	**(3)**	**(15)**
Balance as of September 30, 2026	**$ 34**	**$ 6**	**$ 40**

[1] All $3 million of cost incurred was recorded in *Restructuring and other charges*.

[2] All $1 million of cost incurred was recorded in *Restructuring and other charges*.

CASH FLOW INFORMATION

A reconciliation of capital additions to cash paid for capital expenditures is as follows:

(In millions)	Nine Months Ended September 30, 2026	2025
Capital additions	**$ 523**	$ 488
Less:		
Non-cash accruals	**14**	(72)
Equipment financed with seller	**12**	60
Right-of-use assets - finance leases	**36**	79
Cash paid for capital expenditures including deposits	**$ 461**	$ 421

Cash payments (receipts) for income taxes and interest are as follows:

	Nine Months Ended September 30,	
(In millions)	**2026**	2025
Income taxes paid	**$ 5**	$ 5
Income tax refunds	**(6)**	(18)
Interest paid on debt obligations net of capitalized interest[1]	**411**	341

[1] Capitalized interest was $11 million for both the nine months ended September 30, 2026 and 2025.

NOTE 3 - REVENUES

We generate our revenue through product sales, in which shipping terms indicate when we have fulfilled our performance obligations and transferred control of products to our customer. Our revenue transactions consist of a single performance obligation to transfer promised goods. Our contracts with customers define the mechanism for determining the sales price, which is generally fixed upon transfer of control, but the contracts generally do not impose a specific quantity on either party. Quantities to be delivered to the customer are determined at a point near the date of delivery through purchase orders or other written instructions we receive from the customer. Spot market sales are made through purchase orders or other written instructions. We consider our performance obligation to be complete and recognize revenue when control transfers in accordance with shipping terms.

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring product. We reduce the amount of revenue recognized for estimated returns and other customer credits, such as discounts and volume rebates, based on the expected value to be realized. Payment terms are consistent with terms standard to the markets we serve. Sales taxes collected from customers are excluded from revenues. Revenue by market and product are presented net of intersegment revenues.

The following table represents our *Revenues* by market:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Steelmaking				
Direct automotive	**$ 1,541**	$ 1,356	**$ 4,370**	$ 3,902
Infrastructure and manufacturing	**1,545**	1,326	**4,346**	4,169
Distributors and converters	**1,829**	1,288	**4,930**	3,949
Steel producers	**532**	591	**1,610**	1,779
Total Steelmaking	**5,447**	4,561	**15,256**	13,799
Other Businesses				
Direct automotive	**138**	144	**423**	403
Infrastructure and manufacturing	**10**	11	**30**	35
Distributors and converters	**17**	18	**51**	60
Total Other Businesses	**165**	173	**504**	498
Total revenues	**$ 5,612**	$ 4,734	**$ 15,760**	$ 14,297

The following tables represent our *Revenues* by product line:

(In millions)	Three Months Ended September 30, 2026	2025	Nine Months Ended September 30, 2026	2025
Steelmaking				
Hot-rolled steel	**$ 1,749**	$ 1,122	**$ 4,698**	$ 3,620
Cold-rolled steel	**704**	636	**2,001**	1,872
Coated steel	**1,652**	1,442	**4,615**	4,195
Stainless and electrical steel	**514**	466	**1,504**	1,344
Plate steel	**267**	286	**774**	808
Other steel products	**—**	204	**124**	727
Other	**561**	405	**1,540**	1,233
Total Steelmaking	**5,447**	4,561	**15,256**	13,799
Other Businesses				
Other	**165**	173	**504**	498
Total revenues	**$ 5,612**	$ 4,734	**$ 15,760**	$ 14,297

NOTE 4 - SEGMENT REPORTING

We are vertically integrated from the mining of iron ore, production of pellets and direct reduced iron, and processing of ferrous scrap through primary steelmaking and downstream finishing, stamping, tooling, and tubing. We are organized into four operating segments based on our differentiated products – Steelmaking, Tubular, Tooling and Stamping, and European Operations. We have one reportable segment – Steelmaking. The operating segment results of our Tubular, Tooling and Stamping, and European Operations that do not constitute reportable segments are combined and disclosed in the Other Businesses category. Our Steelmaking segment operates as a leading North America-based steel producer with focus on value-added sheet products, primarily serving the automotive, infrastructure and manufacturing, and distributors and converters markets. Our Other Businesses primarily include the operating segments that provide customer solutions with carbon and stainless steel tubing products, advanced-engineered solutions, tool design and build, hot- and cold-stamped steel components, and complex assemblies. All intersegment transactions were eliminated in consolidation. Corporate assets and capital additions are primarily related to and support the operations of the Steelmaking segment and therefore have been incorporated within the Steelmaking segment total assets and capital additions below. We allocate Corporate *Selling, general and administrative expenses* to our operating segments.

Our CODM, Lourenco Goncalves, Chairman and Chief Executive Officer, evaluates performance on an operating segment basis, as well as a consolidated basis, based on Adjusted EBITDA, which is a non-GAAP measure. This measure is used by our CODM, management, investors, lenders and other external users of our financial statements to assess our operating performance and to compare operating performance to other companies in the steel industry. In addition, our CODM believes Adjusted EBITDA is a useful measure to assess the earnings power of the business because it excludes items that may obscure underlying commercial and operating trends, thereby providing additional insight into the Company's true performance.

The following tables provide our results by segment as well as a reconciliation from consolidated Adjusted EBITDA to our consolidated *Net income (loss)*:

	Three Months Ended September 30, 2026			
(In millions)	**Steelmaking**	**Other Businesses**	**Eliminations**	**Total**
Revenues	$ 5,492	$ 169	$ (49)	$ 5,612
Cost of goods sold	(5,036)	(158)	47	(5,147)
Selling, general and administrative expenses	(145)	(8)	—	(153)
Net periodic benefit credits other than service cost component	64	—	—	64
Excluding depreciation, depletion and amortization	250	9	—	259
Other segment items[1]	(24)	1	—	(23)
Total Adjusted EBITDA	$ 601	$ 13	$ (2)	$ 612
Interest expense, net				(148)
Income tax expense				(46)
Depreciation, depletion and amortization				(259)
EBITDA from noncontrolling interests[2]				19
Idled facilities charges				(4)
Currency exchange				(4)
Changes in fair value of derivatives, net				(15)
Gain on disposal of assets, net				14
Severance				(2)
Other, net				(2)
Net income				$ 165
Capital Additions	$ 207	$ 1	$ —	$ 208

[1] Other segment items primarily consist of the exclusion of EBITDA from noncontrolling interests and certain idled facilities amounts and the inclusion of certain items within *Miscellaneous, net* and *Other non-operating income*.

[2] EBITDA from noncontrolling interests includes net income attributable to noncontrolling interests of $13 million and the exclusion of depreciation, depletion and amortization of $6 million.

(In millions)	Three Months Ended September 30, 2025			
	Steelmaking	Other Businesses	Eliminations	Total
Revenues	$ 4,585	$ 173	$ (24)	$ 4,734
Cost of goods sold	(4,643)	(163)	26	(4,780)
Selling, general and administrative expenses	(123)	(7)	—	(130)
Net periodic benefit credits other than service cost component	57	—	—	57
Excluding depreciation, depletion and amortization	279	9	—	288
Other segment items[1]	(26)	—	—	(26)
Total Adjusted EBITDA	$ 129	$ 12	$ 2	$ 143
Interest expense, net				(153)
Income tax benefit				78
Depreciation, depletion and amortization				(288)
EBITDA from noncontrolling interests[2]				23
Idled facilities credits				3
Currency exchange				(20)
Changes in fair value of derivatives, net				(10)
Loss on disposal of assets, net				(2)
Severance				(5)
Other, net				(3)
Net loss				$ (234)
Capital Additions	$ 205	$ 2	$ —	$ 207

[1] Other segment items primarily consist of the exclusion of EBITDA from noncontrolling interests and certain idled facilities amounts and the inclusion of certain items within *Miscellaneous, net* and *Other non-operating income*.

[2] EBITDA from noncontrolling interests includes net income attributable to noncontrolling interests of $17 million and the exclusion of depreciation, depletion and amortization of $6 million.

(In millions)	Steelmaking	Other Businesses	Eliminations	Total
	Nine Months Ended September 30, 2026			
Revenues	$ 15,385	$ 513	$ (138)	$ 15,760
Cost of goods sold	(14,911)	(470)	136	(15,245)
Selling, general and administrative expenses	(409)	(23)	—	(432)
Net periodic benefit credits other than service cost component	192	—	—	192
Excluding depreciation, depletion and amortization	755	25	—	780
Other segment items[1]	(63)	1	—	(62)
Total Adjusted EBITDA	$ 949	$ 46	$ (2)	$ 993
Interest expense, net				(452)
Income tax benefit				55
Depreciation, depletion and amortization				(780)
EBITDA from noncontrolling interests[2]				50
Idled facilities credits				1
Currency exchange				(37)
Changes in fair value of derivatives, net				(37)
Gain on disposal of assets, net				23
Severance				(3)
Other, net				(11)
Net loss				$ (198)
Capital Additions	$ 518	$ 5	$ —	$ 523

[1] Other segment items primarily consist of the exclusion of EBITDA from noncontrolling interests and certain idled facilities amounts and the inclusion of certain items within *Miscellaneous, net* and *Other non-operating income*.

[2] EBITDA from noncontrolling interests includes net income attributable to noncontrolling interests of $32 million and the exclusion of depreciation, depletion and amortization of $18 million.

(In millions)	Nine Months Ended September 30, 2025			
	Steelmaking	Other Businesses	Eliminations	Total
Revenues	$ 13,888	$ 498	$ (89)	$ 14,297
Cost of goods sold	(14,577)	(463)	89	(14,951)
Selling, general and administrative expenses	(379)	(21)	—	(400)
Net periodic benefit credits other than service cost component	157	—	—	157
Excluding depreciation, depletion and amortization	939	24	—	963
Other segment items[1]	(8)	—	—	(8)
Total Adjusted EBITDA	$ 20	$ 38	$ —	$ 58
Interest expense, net				(442)
Income tax benefit				375
Depreciation, depletion and amortization				(963)
EBITDA from noncontrolling interests[2]				61
Idled facilities charges				(245)
Currency exchange				26
Changes in fair value of derivatives, net				(34)
Loss on disposal of assets, net				(6)
Amortization of inventory step-up				6
Severance				(25)
Other, net				(4)
Net loss				$ (1,193)
Capital Additions	$ 478	$ 10	$ —	$ 488

[1] Other segment items primarily consist of the exclusion of EBITDA from noncontrolling interests and certain idled facilities amounts and the inclusion of certain items within *Miscellaneous, net* and *Other non-operating income.*

[2] EBITDA from noncontrolling interests includes net income attributable to noncontrolling interests of $42 million and the exclusion of depreciation, depletion and amortization of $19 million.

The following summarizes our assets by segment:

(In millions)	**September 30, 2026**	December 31, 2025
Assets:		
Steelmaking	**$ 19,761**	$ 19,416
Other Businesses	**581**	596
Total segment assets	**$ 20,342**	$ 20,012

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

The following table indicates the carrying value of each of the major classes of our depreciable assets:

(In millions)	**September 30, 2026**	December 31, 2025
Land, land improvements and mineral rights	**$ 1,462**	$ 1,463
Buildings	**1,201**	1,205
Equipment	**11,819**	11,630
Other	**342**	357
Construction in progress	**799**	655
Total property, plant and equipment[1]	**15,623**	15,310
Allowance for depreciation and depletion	**(6,437)**	(5,829)
Property, plant and equipment, net	**$ 9,186**	$ 9,481

[1] Includes right-of-use assets related to finance leases of $570 million and $576 million as of September 30, 2026 and December 31, 2025, respectively.

We recorded depreciation and depletion expense of $240 million and $723 million for the three and nine months ended September 30, 2026, respectively, and $268 million and $906 million for the three and nine months ended September 30, 2025, respectively.

During the second quarter of 2025, we decided to indefinitely idle our Steelton, Conshohocken, and Riverdale facilities. As a result, a $39 million *Asset impairment* was recorded to *Property, plant and equipment, net* and accelerated depreciation of $12 million and $131 million was recorded for the three and nine months ended September 30, 2025, included within depreciation and depletion expense.

NOTE 6 - GOODWILL AND INTANGIBLE ASSETS AND LIABILITIES

GOODWILL

The following table summarizes the changes in *Goodwill* by segment:

(In millions)	Steelmaking	Other Businesses	Total
Beginning balance January 1, 2026	$ 1,765	$ 49	$ 1,814
Foreign currency translation	(32)	—	(32)
Ending balance September 30, 2026	$ 1,733	$ 49	$ 1,782

INTANGIBLE ASSETS AND LIABILITIES

The following is a summary of our intangible assets and liabilities:

	September 30, 2026			December 31, 2025		
(In millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets[1]:						
Customer relationships	$ 1,024	$ (152)	$ 872	$ 1,058	$ (104)	$ 954
Developed technology	60	(24)	36	60	(21)	39
Trade names and trademarks	88	(18)	70	91	(14)	77
Mining permits	72	(30)	42	72	(30)	42
Supplier relationships	29	(8)	21	29	(6)	23
Total intangible assets	$ 1,273	$ (232)	$ 1,041	$ 1,310	$ (175)	$ 1,135
Intangible liabilities[2]:						
Above-market supply contracts	$ (71)	$ 39	$ (32)	$ (71)	$ 35	$ (36)

[1] Amortization related to mining permits and supplier relationships is recognized in *Cost of goods sold*. Amortization of all other intangible assets is recognized in *Selling, general and administrative expenses*.

[2] Intangible liabilities are classified as *Other non-current liabilities*. Amortization of all intangible liabilities is recognized in *Cost of goods sold*.

Amortization expense related to *Intangible assets, net* was $20 million and $21 million for the three months ended September 30, 2026 and 2025, respectively. Amortization expense related to *Intangible assets, net* was $61 million for both the nine months ended September 30, 2026 and 2025. Any additional movements in the balance of *Intangible assets, net* as of September 30, 2026, compared to December 31, 2025, are due to fluctuations in foreign currency exchange rates. Estimated future amortization expense is $20 million for the remainder of 2026, $80 million annually for the years 2027 through 2029 and $79 million for 2030 and 2031.

Income from amortization related to intangible liabilities was $1 million for both the three months ended September 30, 2026 and 2025. Income from amortization related to intangible liabilities was $4 million for both the nine months ended September 30, 2026 and 2025. Estimated future income from amortization is $1 million for the remainder of 2026 and $5 million annually for the years 2027 through 2031.

NOTE 7 - DEBT AND CREDIT FACILITIES

The following represents a summary of our long-term debt:

(In millions)			
Debt Instrument	**Annual Effective Interest Rate**	**September 30, 2026**	December 31, 2025
Senior Unsecured Notes:			
4.625% 2029 Senior Notes	4.625%	**368**	368
6.875% 2029 Senior Notes	6.875%	**900**	900
6.750% 2030 Senior Notes	6.750%	**750**	750
4.875% 2031 Senior Notes	4.875%	**325**	325
7.500% 2031 Senior Notes	7.500%	**850**	850
7.000% 2032 Senior Notes	7.054%	**1,425**	1,425
7.375% 2033 Senior Notes	7.375%	**900**	900
7.625% 2034 Senior Notes	7.516%	**1,125**	1,125
6.250% 2040 Senior Notes	6.340%	**235**	235
ABL Facility	Variable[1]	**834**	452
Total principal amount		**7,712**	7,330
Unamortized discounts and issuance costs		**(67)**	(77)
Total long-term debt		**$ 7,645**	$ 7,253

[1] Our ABL Facility annual effective interest rate was 5.211% as of September 30, 2026.

ABL FACILITY

As of September 30, 2026, we were in compliance with the ABL Facility liquidity requirements and, therefore, the springing financial covenant requiring a minimum fixed charge coverage ratio of 1.0 to 1.0 was not applicable.

The following represents a summary of our borrowing capacity under our ABL Facility:

(In millions)	**September 30, 2026**
Available borrowing base on ABL Facility[1]	**$ 4,060**
Borrowings	**(834)**
Letter of credit obligations[2]	**(57)**
Borrowing capacity available	**$ 3,169**

[1] As of September 30, 2026, our ABL Facility has a maximum available borrowing base of $4.75 billion. The borrowing base is determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment.

[2] We issued standby letters of credit with certain financial institutions in order to support business obligations, including, but not limited to, operating agreements, employee severance, environmental obligations, workers' compensation and insurance obligations.

DEBT MATURITIES

The following represents a summary of our maturities of debt instruments based on the principal amounts outstanding as of September 30, 2026 (in millions):

2026	**2027**	**2028**	**2029**	**2030**	**Thereafter**	**Total**
$ —	$ —	$ 834	$ 1,268	$ 750	$ 4,860	$ 7,712

NOTE 8 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We offer benefits through defined benefit pension plans, defined contribution pension plans and OPEB plans to a significant portion of our employees and retirees. Benefits are also provided through multiemployer plans for certain union members.

The following are the components of defined benefit pension and OPEB costs (credits):

DEFINED BENEFIT PENSION COSTS (CREDITS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Service cost	**$ 7**	$ 7	**$ 21**	$ 21
Interest cost	**45**	53	**135**	158
Expected return on plan assets	**(81)**	(79)	**(244)**	(238)
Amortization:				
Prior service costs	**4**	4	**13**	13
Net actuarial gain	**(4)**	(2)	**(13)**	(6)
Net periodic benefit credits	**$ (29)**	$ (17)	**$ (88)**	$ (52)

OPEB COSTS (CREDITS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Service cost	**$ 2**	$ 2	**$ 5**	$ 6
Interest cost	**14**	14	**43**	43
Expected return on plan assets	**(11)**	(11)	**(33)**	(32)
Termination benefits	**—**	—	**—**	15
Amortization:				
Prior service credits	**(3)**	(3)	**(9)**	(10)
Net actuarial gain	**(28)**	(33)	**(84)**	(100)
Net periodic benefit credits	**$ (26)**	$ (31)	**$ (78)**	$ (78)

Based on funding requirements, we made $11 million and $27 million of defined benefit pension contributions for the three and nine months ended September 30, 2026, respectively, compared to $22 million and $51 million of defined benefit pension contributions for the three and nine months ended September 30, 2025, respectively. Based on funding requirements, we made no contributions to our voluntary employee benefit association trust plans for both the three and nine months ended September 30, 2026 and 2025.

NOTE 9 - STOCK COMPENSATION PLANS

PERFORMANCE SHARES

During the first quarter of 2026, we issued market stock units under our 2021 Equity Plan. The structure and performance metric for these units were modified as compared to prior performance share awards granted under our 2021 Equity Plan.

The market stock units granted during the first quarter of 2026 vest over a period of three years and are intended to be paid out in common shares. Performance is measured based on a trailing 30-day volume-weighted average of our stock price at the end of the performance period, measured against the grant-date stock price of $10.55 per share. The number of shares that will ultimately be earned at the end of the performance period will vary based on the level of absolute stock price appreciation or depreciation, subject to a payout range of 50% to 150% of the target number of market stock units granted. Approximately 2.8 million market stock units were granted during the first quarter of 2026.

Under the terms of these market stock units, certain retirement-eligible members of management become entitled to accelerated vesting upon retirement on or after December 31, 2026. As a result, the Company will recognize expense for such market stock units granted over the required service period, and these market stock units granted will be treated as fully vested at December 31, 2026.

We value our market stock units using a Monte Carlo simulation on the grant date. The simulation models the Company's future stock price over the performance period and incorporates the payout provisions of the award based on absolute stock price performance. The fair value reflects the probability-weighted outcomes of the performance condition, including applicable caps and floors on payout. The expected term of the grant represents the period from the grant date to the end of the performance period. We estimate the volatility of our common shares using daily historical stock price data over a period commensurate with the performance period. The risk-free interest rate is based on the rate in effect at the grant date for U.S. Treasury securities with a maturity consistent with the remaining performance period.

RESTRICTED STOCK UNITS

During the first quarter of 2026, the number of stock-settled restricted stock units granted were reduced to a nominal level as compared to the prior period in 2025.

NOTE 10 - INCOME TAXES

For the three months ended September 30, 2026, our income tax expense is $46 million compared to income tax benefit of $78 million for the prior-year period. This increase in income tax provision is primarily due to an increase in earnings included within *Income (loss) from continuing operations before income taxes*.

For the nine months ended September 30, 2026, our income tax benefit is $55 million compared to $375 million for the prior-year period. This decrease in benefit is primarily due to an increase in earnings included within *Income (loss) from continuing operations before income taxes*.

NOTE 11 - ASSET RETIREMENT AND ENVIRONMENTAL OBLIGATIONS

ASSET RETIREMENT OBLIGATIONS

The accrued closure obligation provides for contractual and legal obligations related to our indefinitely idled and closed operations and for the eventual closure of our active operations. The closure date for each of our active mine sites was determined based on the exhaustion date of the remaining mineral reserves, and the amortization of the related asset and accretion of the liability is recognized over the estimated mine lives. The closure date and expected timing of the capital requirements to meet our obligations for our indefinitely idled or closed mines is determined based on the unique circumstances of each property. For indefinitely idled or closed mines, the accretion of the liability is recognized over the anticipated timing of remediation. Asset retirement obligations at our steelmaking operations primarily include the closure and post-closure care for on-site landfills and other waste containment facilities. Asset retirement obligations have been recorded at present values using settlement dates based on when we expect these facilities to reach capacity and close.

The following is a summary of our asset retirement obligations:

(In millions)	**September 30, 2026**	December 31, 2025
Asset retirement obligations[1]	**$ 616**	$ 599
Less: current portion	**18**	18
Long-term asset retirement obligations	**$ 598**	$ 581

[1] Includes $387 million and $375 million related to our active operations as of September 30, 2026 and December 31, 2025, respectively.

The following is a roll-forward of our asset retirement obligations:

(In millions)	**2026**	2025
Asset retirement obligations as of January 1	**$ 599**	$ 526
Accretion expense	**25**	21
Revision in estimated cash flows	**—**	4
Remediation payments	**(8)**	(16)
Asset retirement obligations as of September 30	**$ 616**	$ 535

ENVIRONMENTAL OBLIGATIONS

Our operations currently use, and have in the past used, hazardous materials and substances, and we have generated, and expect to continue to generate, solid and hazardous waste. We have been, and may in the future be, subject to claims under laws and regulations for toxic torts, natural resource damages and other damages, as well as for the investigation and clean-up of soil, surface water, sediments, groundwater, and other natural resources and reclamation of properties. If we reasonably can, we estimate potential remediation expenditures for those sites where future remediation efforts are probable based on identified conditions, regulatory requirements, or contractual obligations arising from the sale of a business or facility. For sites involving government required investigations, including pursuant to RCRA and CERCLA, we typically make an estimate of potential remediation expenditures only after the investigation is complete and when we better understand the nature and scope of the remediation. In general, the material factors in these estimates include the costs associated with investigations, delineations, risk assessments, remedial work, governmental response and oversight, site monitoring and preparation of reports to the appropriate environmental agencies.

The following is a summary of our environmental obligations:

(In millions)	September 30, 2026	December 31, 2025
Environmental obligations	**$ 114**	$ 112
Less: current portion	**14**	11
Long-term environmental obligations	**$ 100**	$ 101

NOTE 12 - FAIR VALUE MEASUREMENTS

The carrying values of certain financial instruments (e.g., *Accounts receivable, net*, *Accounts payable* and *Other current liabilities*) approximate fair value and, therefore, have been excluded from the table below. See NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING for information on our derivative instruments, which are accounted for at fair value on a recurring basis.

A summary of the carrying value and fair value of other financial instruments were as follows:

		September 30, 2026		December 31, 2025	
(In millions)	Valuation Hierarchy Classification	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior notes	Level 1	**$ 6,811**	**$ 6,751**	$ 6,801	$ 7,037
ABL Facility - outstanding balance	Level 2	**834**	**834**	452	452
Total		**$ 7,645**	**$ 7,585**	$ 7,253	$ 7,489

The valuation of the financial instruments classified in Level 2 was determined using a market approach based upon quoted prices for similar assets in active markets or other inputs that were observable.

EMPLOYEE BENEFIT COMMITMENT

In connection with the acquisition of Stelco, we acquired funding commitments to employee life and health trusts. These obligations pertain to plans previously sponsored by Stelco prior to its emergence from bankruptcy protection. The commitments primarily involve fixed scheduled payments that will continue until 2042, with an additional variable component tied to Stelco's standalone operating performance. The financial liability is recorded at fair value on a recurring basis using a discounted cash flow model, which incorporates observable and unobservable inputs for risk-free interest rates and future operating estimates. The liability is classified as a Level 3 within the fair value hierarchy. The current and non-current portions of the employee benefit commitment are classified within *Other current liabilities* and *Other non-current liabilities* on the Statements of Unaudited Condensed Consolidated Financial Position, respectively.

The following table summarizes the changes in fair value of the employee benefit commitment:

(In millions)	2026	2025
Beginning balance as of January 1	**$ (169)**	$ (188)
Total expense included in earnings	**(8)**	(8)
Payments	**13**	19
Foreign currency translation	**6**	(6)
Ending balance as of September 30	**$ (158)**	$ (183)

MINNTAC OPTION

Stelco is party to an option to purchase a 25% ownership interest in the MinnTac iron ore mine and related infrastructure located in Mt. Iron, Minnesota from U. S. Steel for $500 million. This option is exercisable by Stelco at any time until January 31, 2027. This option is recorded as a derivative instrument at fair value on a recurring basis and included within *Other current assets* as of September 30, 2026 and *Other non-current assets* as of December 31, 2025 on the Statements of Unaudited Condensed Consolidated Financial Position. Any gain or loss recorded in relation to the fair value of this option is presented within *Changes in fair value of derivatives, net* on the Statements of Unaudited Condensed Consolidated Operations. The fair value of the derivative asset is estimated using the Black-Scholes option pricing model, which incorporates observable or unobservable inputs for risk-free interest rates, foreign exchange rates, commodity prices, discount rates, corresponding market volatility levels and other market-based pricing factors. This option is classified as a Level 3 derivative asset within the fair value hierarchy.

The following table summarizes the changes in fair value of the MinnTac option:

(In millions)	2026	2025
Beginning balance as of January 1	**$ 54**	$ 95
Total expense included in earnings	**(37)**	(34)
Foreign currency translation	**(1)**	4
Ending balance as of September 30	**$ 16**	$ 65

NOTE 13 - DERIVATIVE INSTRUMENTS AND HEDGING

We are exposed to price risk associated with fluctuations in the market prices of purchased raw materials and energy sources and the sales price of certain steel products. We may use cash-settled commodity purchase swaps to hedge the market risk associated with the purchase of certain of our raw materials and energy requirements and cash-settled sales swaps to hedge the sales price risk of certain steel products. Our hedging strategy is to reduce the effect on earnings from the price volatility of these various exposures.

Our commodity purchase swaps and sales swaps are designated as cash flow hedges for accounting purposes, and we record the gains and losses for the derivatives in *Accumulated other comprehensive income* until we reclassify them into *Cost of goods sold* when we recognize the associated underlying operating costs or *Revenues* when we recognize the associated underlying sale. Impacts of our designated commodity purchase swaps and sales swaps are reflected within *Other, net* in the Statements of Unaudited Condensed Consolidated Cash Flows. Refer to NOTE 15 - ACCUMULATED OTHER COMPREHENSIVE INCOME for further information.

Our commodity purchase swaps and sales swaps are classified as Level 2 as values were determined using a market approach based upon quoted prices for similar assets in active markets or other inputs that were observable.

The following table presents the notional amount of our outstanding hedge contracts:

				Notional Amount	
Hedge Contract	**Classification**	**Unit of Measure**	**Hedged Periods as of September 30, 2026**	**September 30, 2026**	December 31, 2025
Natural Gas	Commodity purchase swaps	MMBtu	October 2026 - June 2029	**124,905,000**	139,300,000
Electricity	Commodity purchase swaps	Megawatt hours	October 2026 - September 2029	**2,438,620**	1,974,380
HRC	Sales swaps	Net tons	October 2026 - December 2027	**566,434**	220,220

As of September 30, 2026, we estimate $51 million of net losses related to our commodity purchase swaps and $130 million of net losses related to our sales swaps will be reclassified from *Accumulated other comprehensive income* into *Cost of goods sold and Revenues*, respectively, during the next 12 months. This estimate is based on September 30, 2026 fair values, some of which will change before their actual reclassification into *Cost of goods sold* and *Revenues*.

The following table presents the fair value of our outstanding cash flow hedges and the classification in the Statements of Unaudited Condensed Consolidated Financial Position:

Balance Sheet Location (In millions)	September 30, 2026	December 31, 2025
Other current assets	**$ 15**	$ 7
Other non-current assets	**13**	10
Other current liabilities	**(170)**	(24)
Other non-current liabilities	**(8)**	(2)

NOTE 14 - CAPITAL STOCK

SHARE REPURCHASE PROGRAM

During the second quarter of 2024, our Board of Directors authorized a program to repurchase our outstanding common shares in the open market or in privately negotiated transactions, which may include purchases pursuant to Rule 10b5-1 plans or accelerated share repurchases, up to a maximum of $1.5 billion. We are not obligated to make any repurchases, and the program may be suspended or discontinued at any time. The share repurchase program does not have a specific expiration date.

During both the three and nine months ended September 30, 2026 and 2025, we did not repurchase any common shares. As of September 30, 2026, there was $1.4 billion remaining authorization under our share repurchase program.

PREFERRED STOCK

We have 3 million shares of Serial Preferred Stock, Class A, without par value, authorized and 4 million shares of Serial Preferred Stock, Class B, without par value, authorized. No preferred shares are issued or outstanding.

NOTE 15 - ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of *Accumulated other comprehensive income* within Cliffs shareholders' equity and related tax effects allocated to each are shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Foreign Currency Translation				
Beginning balance	**$ (27)**	$ 33	**$ 17**	$ (70)
Other comprehensive income (loss) before reclassifications	**(5)**	(42)	**(56)**	67
Income tax	**1**	6	**8**	—
Other comprehensive income (loss) before reclassifications, net of tax	**(4)**	(36)	**(48)**	67
Ending balance	**$ (31)**	$ (3)	**$ (31)**	$ (3)
Derivative Instruments				
Beginning balance	**$ (80)**	$ 3	**$ (15)**	$ (53)
Other comprehensive income (loss) before reclassifications	**(112)**	(41)	**(215)**	(33)
Income tax	**27**	10	**52**	8
Other comprehensive income (loss) before reclassifications, net of tax	**(85)**	(31)	**(163)**	(25)
Losses (gains) reclassified from AOCI to *Revenues*	**30**	6	**57**	30
Losses (gains) reclassified from AOCI to *Cost of goods sold*	**4**	10	**(6)**	52
Income tax expense (benefit)[1]	**(7)**	(4)	**(11)**	(20)
Net losses (gains) reclassified from AOCI to net income	**27**	12	**40**	62
Ending balance	**$ (138)**	$ (16)	**$ (138)**	$ (16)
Pension and OPEB				
Beginning balance	**$ 1,443**	$ 1,608	**$ 1,490**	$ 1,660
Losses (gains) reclassified from AOCI to net income[2]	**(31)**	(34)	**(93)**	(103)
Income tax expense (benefit)[1]	**8**	8	**23**	25
Net losses (gains) reclassified from AOCI to net income	**(23)**	(26)	**(70)**	(78)
Ending balance	**$ 1,420**	$ 1,582	**$ 1,420**	$ 1,582
Total AOCI Ending Balance	**$ 1,251**	$ 1,563	**$ 1,251**	$ 1,563

[1] Amounts recognized in *Income tax benefit (expense)* in the Statements of Unaudited Condensed Consolidated Operations.

[2] Amounts recognized in *Net periodic benefit credits other than service cost component* in the Statements of Unaudited Condensed Consolidated Operations.

NOTE 16 - VARIABLE INTEREST ENTITIES

SUNCOKE MIDDLETOWN

We purchase all the coke and electrical power generated from SunCoke Middletown's plant under long-term supply agreements and have committed to purchase all the expected production from the facility through 2032. We consolidate SunCoke Middletown as a VIE because we are the primary beneficiary despite having no ownership interest in SunCoke Middletown. SunCoke Middletown had income before income taxes of $13 million and $33 million for the three and nine months ended September 30, 2026, respectively, compared to $18 million and $47 million for the three and nine months ended September 30, 2025, respectively, which was included in our consolidated *Income (loss) from continuing operations before income taxes*. Additionally, SunCoke Middletown had cash used for capital expenditures of $2 million and $7 million for the three and nine months ended September 30, 2026, respectively, and $3 million for both the three and nine months ended September 30, 2025, that are included in our consolidated *Purchase of property, plant and equipment* on the Statements of Unaudited Condensed Consolidated Cash Flows.

The assets of the consolidated VIE can only be used to settle the obligations of the consolidated VIE and not obligations of the Company. The creditors of SunCoke Middletown do not have recourse to the assets or general credit of the Company to satisfy liabilities of the VIE. The Statements of Unaudited Condensed Consolidated Financial Position include the following amounts for SunCoke Middletown:

(In millions)	September 30, 2026	December 31, 2025
Inventories	**$ 29**	$ 27
Property, plant and equipment, net	**263**	273
Accounts payable	**(22)**	(20)
Other assets (liabilities), net	**20**	(61)
Noncontrolling interests	**(290)**	(219)

NOTE 17 - EARNINGS PER SHARE

The following table summarizes the computation of basic and diluted EPS:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share amounts)	**2026**	2025	**2026**	2025
Income (loss) from continuing operations	**$ 167**	$ (231)	**$ (191)**	$ (1,190)
Net income from continuing operations attributable to noncontrolling interest	**(13)**	(17)	**(32)**	(42)
Net income (loss) from continuing operations attributable to Cliffs shareholders	**154**	(248)	**(223)**	(1,232)
Loss from discontinued operations, net of tax	**(2)**	(3)	**(7)**	(3)
Net income (loss) attributable to Cliffs shareholders	**$ 152**	$ (251)	**$ (230)**	$ (1,235)
Weighted average number of shares:				
Basic	**572**	495	**571**	495
Employee stock plans[1]	**2**	—	**—**	—
Diluted	**574**	495	**571**	495
Income (loss) per common share attributable to Cliffs shareholders - basic:				
Continuing operations	**$ 0.27**	$ (0.51)	**$ (0.39)**	$ (2.49)
Discontinued operations	**—**	—	**(0.01)**	—
	$ 0.27	$ (0.51)	**$ (0.40)**	$ (2.49)
Income (loss) per common share attributable to Cliffs shareholders - diluted:				
Continuing operations	**$ 0.26**	$ (0.51)	**$ (0.39)**	$ (2.49)
Discontinued operations	**—**	—	**(0.01)**	—
	$ 0.26	$ (0.51)	**$ (0.40)**	$ (2.49)

[1] For the three and nine months ended September 30, 2026, an immaterial amount and 5 million, respectively, potentially dilutive shares were excluded from the computation of diluted EPS because their effect would have been anti-dilutive. For both the three and nine months ended September 30, 2025, 3 million potentially dilutive shares were excluded from the computation of diluted EPS because their effect would have been anti-dilutive.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

PURCHASE COMMITMENTS

We purchase portions of the principal raw materials required for our steel manufacturing operations under annual and multi-year agreements, some of which have minimum quantity requirements. We also use large volumes of natural gas, electricity and industrial gases in our operations. We negotiate most of our purchases of chrome, industrial gases and a portion of our electricity under multi-year agreements. Our purchases of coke and iron ore are made under annual or multi-year agreements with periodic price adjustments. We typically purchase coal under annual fixed price agreements. We also purchase certain transportation services under multi-year contracts with minimum quantity requirements.

OTHER COMMERCIAL COMMITMENTS

We use surety bonds and letters of credit to provide financial assurance for certain obligations and statutory requirements. As of September 30, 2026, we had $336 million of surety-backed letters of credit and surety bonds outstanding. Additionally, as of September 30, 2026, we had $57 million of outstanding letters of credit issued under our ABL Facility.

CONTINGENCIES

We are currently the subject of, or party to, various claims and legal proceedings incidental to our current and historical operations. These claims and legal proceedings are subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include monetary damages, additional funding requirements or an injunction. If an unfavorable ruling were to occur, there exists the possibility of a material adverse effect on our financial position and results of operations for the period in which the ruling occurs or future periods. However, based on currently available information, we do not believe that any pending claims or legal proceedings will result in a material adverse effect in relation to our consolidated financial statements.

ENVIRONMENTAL CONTINGENCIES

Our environmental remediation obligations for known environmental matters at active and closed operations have been recognized based on estimates of the cost of investigation and remediation at each facility. We cannot predict the ultimate costs for each site with certainty because of the evolving nature of the investigation and remediation process. Rather, to estimate the probable costs, we must make certain assumptions. The most significant of these assumptions is for the nature and scope of the work that will be necessary to investigate and remediate a particular site and the cost of that work. Other significant assumptions include the cleanup technology that will be used, whether and to what extent any other parties will participate in paying the investigation and remediation costs, reimbursement of past response costs and future oversight costs by governmental agencies, and the reaction of the governing environmental agencies to the proposed work plans. Costs for future investigation and remediation are not discounted to their present value, unless the amount and timing of the cash disbursements are readily known. To the extent that we have been able to reasonably estimate future liabilities, we do not believe that there is a reasonable possibility that we will incur a loss or losses that exceed the amounts we accrued that would, either individually or in the aggregate, have a material adverse effect on our consolidated financial condition, results of operations or cash flows. However, since we recognize amounts in the consolidated financial statements in accordance with GAAP that exclude potential losses that are not probable or that may not be currently estimable, the ultimate costs of these environmental matters may be higher than the liabilities we currently have recorded in our consolidated financial statements.

Pursuant to RCRA, which governs the treatment, handling and disposal of hazardous waste, the EPA and authorized state environmental agencies may conduct inspections of RCRA-regulated facilities to identify areas where there have been releases of hazardous waste or hazardous constituents into the environment and may order the facilities to take corrective action to remediate such releases. Likewise, the EPA or the states may require closure or post-closure care of residual, industrial and hazardous waste management units. Environmental regulators have the authority to inspect all of our facilities. While we cannot predict the future actions of these regulators, it is possible that they may identify conditions in future inspections of these facilities that they believe require corrective action.

Pursuant to CERCLA, the EPA and state environmental authorities have conducted site investigations at some of our facilities and other third-party facilities, portions of which previously may have been used for disposal of materials that are currently regulated. The results of certain of these investigations remain pending, and we could be directed to spend funds for remedial activities at the former disposal areas. Because of the uncertain status of these investigations, however, we cannot reasonably predict whether or when such spending might be required or its magnitude.

In addition to the foregoing matters, we are and may in the future be involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. We believe that the ultimate disposition of any such proceedings will not have, individually or in the aggregate, a material adverse effect on our consolidated financial condition, results of operations or cash flows.

TAX MATTERS

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained when challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period could be materially affected. An unfavorable tax settlement would require use of our cash and result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. Refer to NOTE 10 - INCOME TAXES for further information.

OTHER CONTINGENCIES

In addition to the matters discussed above, there are various pending and potential claims against us and our subsidiaries involving antitrust, product liability, personal injury, commercial, mining royalties, employee benefits and other matters arising in the ordinary course of business. Because of the considerable uncertainties that exist for any claim, it is difficult to reliably or accurately estimate what the amount of a loss would be if a claimant prevails. If material assumptions or factual understandings we rely on to evaluate exposure for these contingencies prove to be inaccurate or otherwise change, we may be required to record a liability for an

adverse outcome. If, however, we have reasonably evaluated potential future liabilities for all of these contingencies, including those described more specifically above, it is our opinion, unless we otherwise noted, that the ultimate liability from these contingencies, individually or in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

NOTE 19 - SUBSEQUENT EVENTS

We have evaluated subsequent events through the date of financial statement issuance.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity and other factors that may affect our future results. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes that appear in *Part 1 — Item 1 - Financial Statements and Supplementary Data* of this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2025, as well as other publicly available information.

OVERVIEW

We are a leading North America-based steel producer with focus on value-added sheet products, particularly for the automotive industry. We are vertically integrated from the mining of iron ore, production of pellets and direct reduced iron, and processing of ferrous scrap through primary steelmaking and downstream finishing, stamping, tooling, and tubing. Headquartered in Cleveland, Ohio, we employ approximately 25,000 people across our operations in the United States and Canada.

ECONOMIC OVERVIEW

STEEL MARKET OVERVIEW

Steel market conditions continued to improve throughout the third quarter of 2026 driven by higher than historical HRC pricing, continued subdued import levels, extending lead times and increasing demand. The price for domestic HRC, the most significant index impacting our revenues and profitability, averaged $1,195 per net ton during the third quarter of 2026, representing a 42% increase compared to the third quarter of 2025, and the highest quarterly average per net ton since the second quarter of 2022. Finished steel import levels remained significantly below historical levels during the third quarter of 2026, which helped support domestic steel pricing. Looking forward, we expect domestic steel demand to grow, as implemented tariffs support demand for domestically produced steel, steel imports remain unattractive and other end-user demand continues to improve. Additionally, the war with Iran, along with other global tensions, has led to rising global steel costs and increased freight rates, making imports less attractive, which further supports higher domestic steel demand and HRC pricing. Steel and light vehicles remain at the top of the trade agenda of President Trump's administration, and we operate at the intersection of both of these industries.

We believe steel tariffs play a crucial role in protecting the U.S. economy, national security and the industrial base from violators of fair trade. The American steel industry has long faced significant challenges resulting from global overcapacity and overproduction of steel, as well as other unfair trade practices. The overproduction by certain countries has led to dumping of steel in the U.S. at below market value. The U.S. remains the only major steel-producing country that produces less steel than it consumes. Additionally, foreign steel producers often take advantage of cheaper labor, government subsidies, currency manipulation and weak environmental and safety regulations. During 2025, President Trump signed a Presidential proclamation to implement 50% tariffs on steel imports originating from all major steel producing countries. In early April 2026, President Trump issued a proclamation adjusting the Section 232 tariffs on steel and steel derivative products. The proclamation maintained 50% tariff coverage on steel products and expanded the 50% tariff rate coverage to the full value of articles of iron and steel, including pipe and tube products. This proclamation also added new steel derivative products, including certain types of transformers, while simplifying the steel derivative product tariff regime. The strong commitment of President Trump's administration to the resilience of the Section 232 national security tariffs is helping the competitive landscape by reducing the prevalence of dumped steel in the U.S. market, ultimately leading to increased domestic demand. Year-to-date total steel imports through August 2026 declined 15% as compared to the same period in 2025. As a leading American steel producer, we expect to benefit for years to come from President Trump's pro-manufacturing and America-first agenda, along with the implemented Section 232 tariffs, not only for steel but also for the automotive industry.

The Canadian steel industry is also an important market for us. Similar to the U.S. steel market, the Canadian steel market is impacted by global overcapacity and other unfair trade practices, resulting in the dumping of steel in Canada at below market value. This contributed to weakened results for our Canadian operations in 2025. In the second half of 2025, Canada imposed tariff-rate quotas on steel imports to protect its domestic steel industry. During the second quarter of 2026, the Department of Finance Canada announced the extension of the tariff-rate quota regime through June 2027. We expect these tariff-rate quotas to help support a healthier Canadian steel industry for HRC and give Stelco the opportunity to generate improved margins for the remainder of 2026 and beyond. While we have recently seen a stronger HRC market in Canada, demand for value-add sheet products remains weak and imports of these products into Canada remain prevalent, leading us to indefinitely idle the finishing operations at our Hamilton Works facility. We believe it is crucial for Canada to strengthen measures in place to protect its domestic steel industry in order to preserve the Canadian economy and national security.

OTHER KEY DRIVERS

The largest market for our steel products is the automotive industry in North America, which makes light vehicle production a key driver of demand. North American light vehicle production in the third quarter of 2026 was approximately 3.8 million units, down from approximately 4.0 million units in the third quarter of 2025. During the third quarter of 2026, light vehicle sales in the U.S. saw an average seasonally adjusted annualized rate of 16.4 million units sold, representing an approximate 200 thousand unit improvement compared to the second quarter of 2026. Our direct automotive shipments during the third quarter were the highest level since the third quarter of 2023. The average age of light vehicles on the road in the U.S. remains at an all-time high of 12.8

years, which should support demand as older vehicles need to be replaced. Furthermore, we expect the 25% tariff on imports of automobiles and certain automobile parts, which were implemented during 2025, to lead to increased demand for domestically produced vehicles that consume domestically made steel. As a leading supplier of automotive-grade steel in the U.S., we expect to benefit from improved domestic vehicle production over the coming years as we continue to be an established and reliable supplier. Additionally, automotive customers are prioritizing supply chain resiliency and localization, which has enabled us to further expand market share in automotive.

In the U.S., the steel industry continues to see increased costs from elevated freight rates, electricity, gas and other utilities. However, rising global steel costs, along with elevated freight rates, are expected to make imported steel in the U.S. less attractive. Additionally, certain foreign aluminum and steel facilities have experienced disruptions in production as a result of the war with Iran, which could impact the global supply of aluminum and steel. As the U.S. is heavily reliant on imported aluminum, a negative impact to the global aluminum supply chain, along with higher aluminum costs, could result in customers pursuing steel as an alternative material. We expect rising domestic steel demand, along with lower imports, to support higher steel prices, which we would expect to more than offset any inflationary costs we experience as a result of the war with Iran.

Since 2021, the price for busheling scrap, a necessary input for flat-rolled steel production in EAFs in the U.S., has continued to average well above the prior annual ten-year average of approximately $400 per long ton. The busheling price averaged $465 per long ton during the third quarter of 2026. We expect the supply of busheling scrap to further tighten due to decreasing prime scrap generation from original equipment manufacturers and the growth of EAF capacity in the U.S., reduced metallics import availability, supply chain disruptions from global tensions, and a push for expanded scrap use globally. As we are fully integrated and have primarily a blast furnace footprint, increased prices for busheling scrap in the U.S. bolster our competitive advantage, as we source the majority of our iron feedstock from our stable-cost mining and pelletizing operations in Michigan and Minnesota.

We have made significant progress in our cost-cutting efforts and have continuously reduced our year-over-year cost per ton since 2023. We have been able to capture cost reductions as a result of optimizing our integrated footprint, reducing overhead and fixed costs, improving efficiencies, working through higher cost inventory, and benefiting from lower coal and alloy costs, which has helped mitigate elevated freight, utility and additional inflationary cost increases we have experienced.

COMPETITIVE STRENGTHS

As a leading North America-based steel producer, we benefit from having the size and scale necessary in a competitive, capital intensive business. We have a unique vertically integrated profile from mined raw materials, direct reduced iron, and ferrous scrap to primary steelmaking and downstream finishing, stamping, tooling and tubing. This positioning gives us more predictable costs throughout our supply chain and more control over both our manufacturing inputs and our end-product destination.

Our primary competitive strength lies within our automotive steel business. We are a leading supplier of automotive-grade steel in the U.S. Compared to other steel end markets, automotive steel is generally higher quality, more operationally and technologically intensive to produce, and requires significantly more devotion to customer service than other steel end markets. This dedication to service and the infrastructure in place to meet our automotive customers' demanding needs took decades to develop. We have continued to invest capital and resources to meet the requirements needed to serve the automotive industry. We continue to be an established and reliable supplier of automotive-grade steel and intend to bolster our position as an industry leader going forward.

Due to its demanding nature, the automotive steel business typically generates higher through-the-cycle margins, making it a desirable end market. Demand for our automotive-grade steel is expected to be healthier in the coming years as a result of government support for domestically produced vehicles, the further shift away from other metals such as aluminum, low unemployment rate, and the replacement of older vehicles. As an established and reliable supplier of domestically produced automotive-grade steel, we expect customers to continue to look to us to serve increased demand in the coming years.

Our automotive customers continue to recognize us for our product quality, operational excellence, and supply-chain reliability. During 2026, we received Toyota's Quality Excellence Award and were awarded 2025 Supplier of the Year from General Motors, reinforcing our position as a leading and preferred supplier to the U.S. automotive industry.

Since becoming a steel company in 2020, we have dedicated significant resources to maintain and upgrade our facilities and equipment. The quality of our assets gives us a unique advantage in product offerings and operational efficiencies. After elevated spend in 2022 to perform overdue maintenance work at the facilities acquired as part of our 2020 acquisitions, we resumed normalized levels of maintenance capital and operating expenses, which we have maintained since 2023. The necessary resources that we have invested in our footprint are expected to keep our assets at an automotive-grade level of quality and reliability for years to come.

Our utilization of annual or multi-year fixed price contracts provides us a competitive advantage, as the steel industry is often viewed as volatile and subject to the market price of steel. Our fixed price contracts mitigate pricing volatility through the cycle. Approximately 40-45% of our flat-rolled steel shipments are sold under fixed price contracts.

Our ability to source our primary feedstock domestically, and primarily internally, is a competitive strength. This model reduces our exposure to volatile pricing and unreliable global sourcing. The war with Iran, the ongoing conflict between Russia and Ukraine, other global tensions, and President Trump's administration focus on U.S. manufacturing underscore the importance of our North American-centric footprint, as our competitors primarily operating EAF facilities rely on imported pig iron and prime scrap to produce flat-rolled steel, the supply of which, from time to time, has been disrupted. The best example is our legacy business of producing iron ore pellets. By internally sourcing the vast majority of our iron ore pellet requirements, our primary steelmaking raw material feedstock can be secured at a stable and predictable cost and not be subject to as many factors outside of our control.

We believe we offer the most comprehensive flat-rolled steel product selection in the industry, along with several complementary products and services. A sampling of our offering includes advanced high-strength steel, hot-dipped galvanized, aluminized, galvalume, electrogalvanized, galvanneal, HRC, cold-rolled coil, plate, GOES, NOES, stainless steels, tool and die, stamped components and slabs. Across the quality spectrum and the supply chain, our customers can frequently find the solutions they need from our product selection.

We are a leading producer of electrical steels in the U.S., which we believe will be critical for the modernization of the electrical grid. Distribution transformers are critical to the maintenance and expansion of America's electric grid. Transformers are in short supply, and that shortage stifles economic growth across the country. The shortage will continue to be exacerbated by the anticipated widespread adoption of AI in virtually all sectors of the economy, which will exponentially increase the consumption of electricity in the U.S. and worldwide. Because of these industry dynamics and our current customer base, our electrical steel business is expected to continue to achieve strong profitability in the coming years.

We are the first and the only producer of HBI in the Great Lakes region. From our Toledo, Ohio facility, we produce a high-quality, low-cost and low-carbon intensive HBI product that can be used in our blast furnaces as a productivity enhancer, or in our BOFs and EAFs as a premium scrap alternative. We use HBI to stretch our hot metal production, lowering carbon intensity and reliance on coke. With increasing tightness in the scrap and metallics markets combined with our own internal needs, we expect our Toledo direct reduction plant to continue to support our operational efficiency going forward.

One of our most critical strengths that differentiates us from others in our industry is a unique and powerful partnership with our unionized workforce, particularly the USW. We are currently engaged in good faith negotiations with the USW to renew various collective bargaining agreements across our mining and steelmaking operations. With over 18,000 employees subject to collective bargaining agreements, our strong and productive labor relationships are key to our long-term success and allow us to work together in achieving our goals. A clear example of the strength of our relationship is how we partner together to fight against dumped and illegally subsidized imported steel products. Our deep alignment with our represented employees is also recognized by our political leaders, who often publicly support us as a significant employer of a unionized workforce with a track record of working to maintain and increase middle class jobs.

STRATEGY

MAXIMIZE OUR COMMERCIAL STRENGTHS

We offer a full suite of flat steel products encompassing effectively all of our customers' needs. We are a leading supplier to the automotive sector, where our portfolio of high-end products delivers a broad range of differentiated solutions for this highly sought-after customer base. As an established and reliable supplier of domestically produced automotive-grade steel, we expect to bolster our position as an industry leader going forward.

Our unique capabilities, driven by our portfolio of assets and technical expertise, give us an advantage in our flat-rolled product offering. We offer products that have superior formability, surface quality, strength and corrosion resistance for the automotive industry. In addition, our state-of-the-art Research and Innovation Center in Middletown, Ohio gives us the ability to collaborate with our customers and create new products and develop new and efficient steel manufacturing processes. A prime example of our ability to help our customers through research and development occurred during the fourth quarter of 2025 when we successfully completed a production trial in collaboration with a major automotive customer, where our steel was stamped into exposed parts with no defects using the customer's existing aluminum-forming equipment. After the successful production trial, we moved to routine production and delivery of regular orders to the customer.

Our five-year contract to supply semi-finished steel slabs that was initiated in connection with the closing of the acquisition of ArcelorMittal USA concluded in December 2025, with final shipments occurring during the first quarter of 2026 as we worked through remaining inventory. This contract historically represented approximately 10% of our sales volume and was unprofitable in 2025 due to unfavorable market conditions. Upon conclusion of this contract, we shifted sales and product mix to higher margin business, which ultimately improves efficiency as we increase steel throughput within our operations.

UTILIZE ARTIFICIAL INTELLIGENCE TO IMPROVE OPERATIONAL EFFICIENCY

During the second quarter of 2026, we announced a multi-year strategic partnership with Palantir Technologies, a prominent enterprise software company that offers platforms for integrating, managing and securing organizational data in order to improve real-time operational decisions through the use of AI. As a leading steel producer, it is crucial for us to modernize our operational systems and continuously improve our efficiency across our footprint. Utilizing cutting-edge platforms and AI capabilities, we expect to improve real-time visibility into production and material flows and inventory levels, enable faster identification of bottlenecks, and assist with production planning to improve coordination across our facilities. By leveraging AI directly in our operations, we expect to reduce costs, improve yields and strengthen our operational efficiency across our steelmaking operations.

OPTIMIZE OUR FULLY-INTEGRATED STEELMAKING FOOTPRINT

We are a fully-integrated steel enterprise with an expansive footprint providing the opportunity to achieve healthy margins for flat-rolled steel throughout the business cycle. Our focus remains on realizing our inherent cost advantage in flat-rolled steel while continuing to optimize our footprint. The combination of our ferrous raw materials, including iron ore, scrap and HBI, allows us to do so relative to peers who must rely on more unpredictable and unreliable raw material sourcing strategies.

During 2025, we made the decision to fully or partially idle, or permanently close, six of our operations. We made the decision to idle our blast furnace, BOF steel shop, and continuous casting facilities at our Dearborn facility. We also made the decision to permanently close our Steelton, Conshohocken and Riverdale facilities due to underperformance at these operations. Additionally,

we made the decision to idle the Minorca mine and partially idle the Hibbing mine. During the second quarter of 2026, we further optimized our footprint by idling our Gary plate finishing line and idling one of the two plate mills at our Burns Harbor facility. We successfully consolidated all production capabilities to one plate mill at Burns Harbor, which has improved utilization and enhanced cost performance without compromising capability or steel output. These changes allowed us to streamline our operations and enhance efficiency, with minimal impact to our flat-rolled steel output.

During the third quarter of 2026, we made the decision to indefinitely idle the finishing operations at our Hamilton Works facility. The indefinite idle is not expected to have any impact on production as we shift mix further towards HRC, which is more profitable under current market conditions. The indefinite idle is a result of continued weak demand for value-add sheet products in the Canadian market and the continued presence of imported products into Canada.

In parallel with these operational initiatives, our commercial strategy remains focused on optimizing utilization across our entire downstream footprint and directing tons to the highest-value applications. A key area of focus is increasing throughput on our U.S. coating assets, several of which have historically operated below their optimal utilization levels. By better aligning our product mix, commercial efforts and customer engagement with available coating capacity, we are improving fixed-cost absorption, enhancing overall margin performance and maximizing the value of our integrated manufacturing network. These efforts complement our footprint optimization initiatives by ensuring that available production capacity is utilized as efficiently as possible while meeting customer demand across key end markets.

EXPLORE STRATEGIC OPPORTUNITIES

During the third quarter of 2025, we signed a Memorandum of Understanding (the "Memorandum of Understanding") with POSCO, Korea's largest steelmaker and the world's third largest steelmaker outside of China, who seeks to leverage our unmatched U.S. footprint and trade-compliant operations to support and grow its established U.S. customer base while ensuring that its products meet U.S. trade and origin requirements. The Memorandum of Understanding reflects rising interest in Cliffs amid the resurgence of U.S. manufacturing and should enable smooth onboarding for downstream industrial customers moving production from South Korea to the U.S. Any partnership we might pursue with POSCO should be strategic and accretive for our shareholders. UBS is acting as our financial advisor for the potential transaction.

Although we believe a successful transaction would be highly accretive to our shareholders, the strategic partnership contemplated by the Memorandum of Understanding remains subject to negotiation of definitive terms regarding such strategic partnership, together with the execution and closing of definitive agreements between the parties. As such, there can be no assurances that the parties will enter into such definitive agreements, that the strategic partnership will be implemented in accordance with the terms of the Memorandum of Understanding, or that the strategic partnership will proceed as currently expected or will ultimately be successful. While we expect to realize certain financial benefits arising out of the proposed partnership under the Memorandum of Understanding, including substantial proceeds that could be used to reduce our outstanding indebtedness, there is risk that the proposed partnership with POSCO does not come to fruition in a timely manner or at all or that any ultimate financial benefits could be less significant than we currently anticipate.

Beyond steelmaking, the renewed importance of rare earths in the U.S. has driven us to re-focus on this potential opportunity at our upstream mining assets. We have begun to explore rare earths at our ore bodies and tailings basins and have identified two sites with key geological indicators for rare earth extraction potential. If successful, it would align us with the broader national strategy for critical material independence. Before we can determine the economic potential for rare-earth extraction at our properties, we will need to conduct additional technical and economic studies, and there can be no assurance that rare-earth extraction at our properties will be economical. While we believe concentrations of rare earths exist within our ore bodies and tailings basins, the economic potential of this venture will depend heavily on the United States' investment in refineries, among other factors.

ENHANCE OUR ENVIRONMENTAL SUSTAINABILITY

We remain committed to operating our business in a sustainable manner. Our utilization of environmentally friendly U.S. iron ore pellets, HBI, scrap and natural gas allows us to operate in a more sustainable manner than our global peers. We have made significant progress in reducing our emissions on a per ton basis. Since 2020, we have reduced our average Scope 1 and 2 emissions of integrated mills from 1.82 to 1.64 metric tons of CO_2e per metric ton of crude steel produced in 2025, which is significantly lower than the global industry average.

ADVANCE MIDDLETOWN WORKS INVESTMENT

During the third quarter of 2026, we announced that the DOE established a framework to finalize negotiations and implementation plans for our Middletown Works investment, rescoping the previously awarded $500 million DOE grant. The project represents a $1 billion total investment at Middletown Works, with funding shared equally between Cleveland-Cliffs and the DOE. The Middletown Works investment includes state-of-the-art upgrades to its blast furnace, advanced material handling and artificial intelligence-enabled process control technologies. Additionally, we plan to construct an advanced cogeneration facility that will capture and utilize blast furnace gas to generate electricity and steam for on-site utilization, improving overall energy efficiency, reducing reliance on externally supplied electricity, and lowering operating costs. This multi-year investment is expected to be completed in 2030.

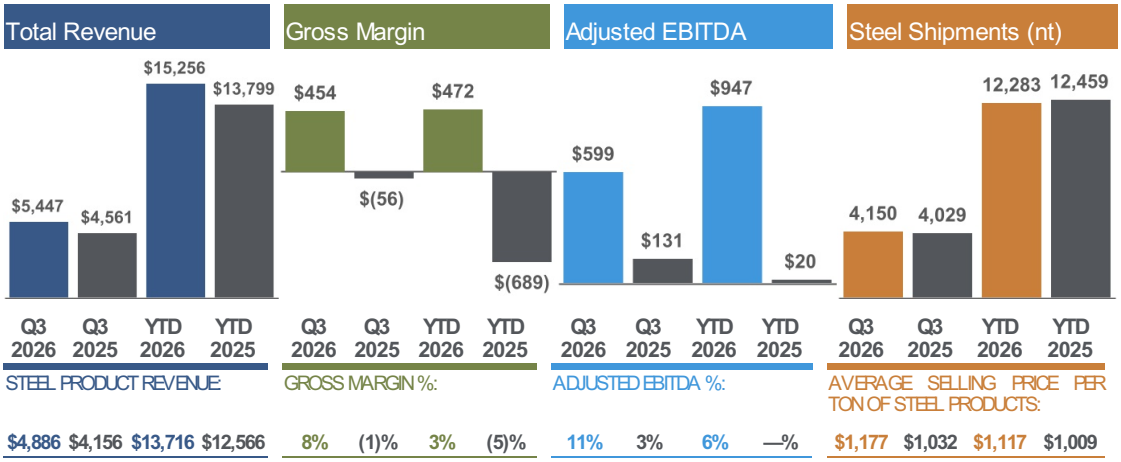
IMPROVE FINANCIAL FLEXIBILITY

Given the cyclicality of our business, it is important to us to be in the financial position to easily withstand economic cycles and be opportunistic when attractive strategic opportunities arise. Since becoming a steel company in 2020, we have demonstrated our ability to generate healthy free cash flow and use it to reduce substantial amounts of debt, return capital to shareholders, and make investments to both improve and grow our business.

We have a track record of demonstrating that we can quickly deleverage our balance sheet and have also historically shown our ability to take advantage of volatility in the debt markets and repurchase notes at a discount. We expect to generate healthy free cash flow in the coming years and intend to utilize it to deleverage our balance sheet. We also maintain a long maturity runway with our outstanding debt, with our nearest senior note maturities coming in 2029, have healthy liquidity consisting of cash and availability under our ABL Facility of $3.2 billion as of September 30, 2026, and have approximately $3 billion of secured note capacity, which supports our flexibility to navigate varied economic environments for extended periods of time.

STEELMAKING RESULTS

The following is a summary of our Steelmaking segment operating results, net of intersegment eliminations, for the three and nine months ended September 30, 2026 and 2025 (dollars in millions, except for average selling price, and shipments in thousands of net tons):



REVENUES

The following tables represent our steel shipments by product and total revenues by market:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands of net tons)	**2026**	2025	**%Change**	**2026**	2025	**%Change**
Steel shipments by product:						
Hot-rolled steel	**1,899**	1,484	28 %	**5,521**	4,904	13 %
Cold-rolled steel	**625**	611	2 %	**1,856**	1,846	1 %
Coated steel	**1,289**	1,178	9 %	**3,716**	3,443	8 %
Stainless and electrical steel	**160**	149	7 %	**462**	426	8 %
Plate	**177**	232	(24) %	**539**	652	(17) %
Slab and other steel products	**—**	375	N/M	**189**	1,188	(84) %
Total steel shipments by product	**4,150**	4,029	3 %	**12,283**	12,459	(1) %

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In millions)	**2026**	2025	**%Change**	**2026**	2025	**%Change**
Steelmaking revenues by market:						
Direct automotive	**$ 1,541**	$ 1,356	14 %	**$ 4,370**	$ 3,902	12 %
Infrastructure and manufacturing	**1,545**	1,326	17 %	**4,346**	4,169	4 %
Distributors and converters	**1,829**	1,288	42 %	**4,930**	3,949	25 %
Steel producers	**532**	591	(10) %	**1,610**	1,779	(9) %
Total Steelmaking revenues by market	**$ 5,447**	$ 4,561	19 %	**$ 15,256**	$ 13,799	11 %

Revenues increased by approximately $890 million, or 19%, for the three months ended September 30, 2026, as compared to the prior-year period, which includes a $730 million improvement in steel product revenue. The increase in steel product revenue was primarily driven by higher steel pricing, higher steel product shipments, and favorable sales mix:

- Higher steel pricing: Revenue increased by approximately $500 million due to rising pricing, particularly for hot-rolled steel, which increased our average selling price to $1,177 per net ton of steel;
- Higher steel product shipment volumes: Revenue increased by approximately $130 million due to a 3% increase in overall steel product sales volume; and
- Favorable sales mix: Revenue increased by approximately $100 million from favorable mix as our contract to supply semi-finished steel slabs, which was initiated in connection with the closing of the acquisition of ArcelorMittal USA, concluded in December 2025, enabled us to shift toward higher margin hot-rolled steel sales.

Additionally, non-steel product revenue increased by approximately $160 million, primarily driven by higher revenue in the scrap business.

Revenues increased by $1.5 billion, or 11%, for the nine months ended September 30, 2026, as compared to the prior-year period, which includes a $1.2 billion improvement in steel product revenue. The increase in steel product revenue was primarily driven by higher steel pricing and favorable sales mix, partially offset by lower shipment volumes:

- Higher steel pricing: Revenue increased by approximately $990 million due to rising pricing, particularly for hot-rolled steel, which increased our average selling price to $1,117 per net ton of steel; and
- Favorable sales mix: Revenue increased by approximately $340 million from favorable mix as our contract to supply semi-finished steel slabs, which was initiated in connection with the closing of the acquisition of ArcelorMittal USA, concluded in December 2025, enabled us to shift toward higher margin hot-rolled steel sales; partially offset by
- Lower shipment volumes: Revenue decreased by approximately $180 million due to a 1% reduction in overall steel product sales volume.

Additionally, non-steel product revenue increased by approximately $310 million, primarily driven by higher revenue in the scrap business.

GROSS MARGIN

Gross margin increased by $510 million during the three months ended September 30, 2026, as compared to the prior-year period, primarily due to:

- Higher pricing on hot-rolled steel sales: Revenue increased by approximately $890 million, primarily driven by an $500 million increase in pricing on hot-rolled steel sales, which favorably impacted gross margin for the quarter; partially offset by
- Higher cost of goods sold: Cost of goods sold increased by approximately $380 million, primarily driven by volume and from higher cost per ton resulting from product mix and elevated repair and maintenance expense.

Gross margin increased by $1.2 billion during the nine months ended September 30, 2026, as compared to the prior-year period, primarily due to:

- Higher pricing on hot-rolled steel sales: Revenue increased by $1.5 billion, primarily driven by a $990 million increase in pricing on hot-rolled steel sales, which favorably impacted gross margin for the nine months ended September 30, 2026; partially offset by
- Higher cost of goods sold: Cost of goods sold increased by approximately $300 million, reflecting higher energy costs, repair and maintenance expense, and product mix; partially offset by a net decrease in idle charges incurred as compared to 2025.

ADJUSTED EBITDA

Adjusted EBITDA from our Steelmaking segment for the three and nine months ended September 30, 2026, increased by $468 million and $927 million, respectively, as compared to the prior-year periods, primarily due to the increased gross margin from our Steelmaking operations. This gross margin increase included a net decrease in idled facilities charges, which is excluded from Adjusted EBITDA.

RESULTS OF OPERATIONS

REVENUES & GROSS MARGIN

During the three and nine months ended September 30, 2026, our consolidated *Revenues* increased by $878 million and $1.5 billion, respectively, and our consolidated gross margin increased by $511 million and $1.2 billion, respectively, as compared to the prior-year periods. See "— Steelmaking Results" above for further detail on our operating results.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased by $23 million and $32 million for the three and nine months ended September 30, 2026, respectively, as compared to the prior-year period. The increases were primarily driven by higher incentive based compensation.

RESTRUCTURING AND OTHER CHARGES AND ASSET IMPAIRMENT

During the three and nine months ended September 30, 2025, we recorded *Restructuring and other charges* of $3 million and $92 million, respectively, primarily related to our indefinitely idled Steelton rail production facility. Additionally, we recorded $39 million of *Asset impairment* for the nine months ended September 30, 2025. During the three and nine months ended September 30, 2026, we recorded *Restructuring and other charges* of $1 million and $4 million, respectively.

MISCELLANEOUS - NET

During the three months ended September 30, 2026, *Miscellaneous, net* decreased by $25 million compared to the prior-year period. The decrease was primarily due to a gain on sale of non-core assets in 2026 and from routine remeasurement of an intercompany note with our Stelco subsidiary, which resulted in favorable expense period-over-period.

For the nine months ended September 30, 2026, *Miscellaneous, net* decreased by $33 million compared to the prior-year period. The decrease was primarily due to lower idle expense and severance costs, as the prior-year period included idle facilities charges related to the indefinite idling of our Conshohocken and Riverdale facilities and severance costs related to a reduction in our salaried workforce, as well as gains on the sale of non-core assets in the current-year period. This was partially offset by unfavorable currency exchange expense period-over-period related to routine remeasurement of an intercompany note with our Stelco subsidiary.

INTEREST EXPENSE, NET

Consolidated *Interest expense, net* decreased by $5 million for the three months ended September 30, 2026, as compared to the prior-year period. This decrease was the result of lower average borrowings in the period.

Consolidated *Interest expense, net* increased by $10 million for the nine months ended September 30, 2026, as compared to the prior-year period. This increase was driven by an increase in average interest rates primarily driven by debt mix.

NET PERIODIC BENEFIT CREDITS OTHER THAN SERVICE COST COMPONENT

Net periodic benefit credits other than service cost component increased by $7 million and $35 million, respectively, for the three and nine months ended September 30, 2026, as compared to the prior-year periods. Refer to NOTE 8 - PENSIONS AND OTHER POSTRETIREMENT BENEFITS for further information.

CHANGES IN FAIR VALUE OF DERIVATIVES, NET

Changes in fair value of derivatives, net consists entirely of fair value adjustments to the MinnTac option. Refer to NOTE 12 - FAIR VALUE MEASUREMENTS for further information.

INCOME TAXES

Our effective tax rate is impacted by state and foreign income taxes as well as permanent items. It also is affected by discrete items that may occur in any given period but are not consistent from period to period.

The year-over-year change in income taxes for both the three and nine months ended September 30, 2026 periods was primarily attributable to the significant improvement in earnings included within *Income (loss) from continuing operations before income taxes*.

LIQUIDITY, CASH FLOWS AND CAPITAL RESOURCES

OVERVIEW

Our capital allocation decision-making process is focused on preserving healthy liquidity levels, strengthening our balance sheet, and creating financial flexibility to manage through the cyclical demand for our products and volatility in commodity prices. We are focused on maximizing the cash generation of our operations, reducing debt, returning capital to shareholders, and aligning capital investments with our strategic priorities and the requirements of our business plan, including regulatory and permission-to-operate related projects.

The following table provides a summary of our cash flow:

	Nine Months Ended September 30,	
(In millions)	**2026**	2025
Cash flows provided by (used in):		
Operating activities	**$ 129**	$ (449)
Investing activities	**(387)**	(394)
Financing activities	**273**	853
Net increase in cash, cash equivalents and restricted cash	**$ 15**	$ 10

CASH FLOWS

OPERATING ACTIVITIES

(In millions)	Nine Months Ended September 30, 2026	2025	Variance
Net loss	**$ (198)**	$ (1,193)	$ 995
Non-cash adjustments to net loss	**727**	709	18
Working capital:			
Accounts receivable, net	**(723)**	(215)	(508)
Inventories	**59**	399	(340)
Income taxes	**—**	15	(15)
Pension and OPEB payments and contributions	**(116)**	(121)	5
Payables, accrued employment and accrued expenses	**412**	(31)	443
Other, net	**(32)**	(12)	(20)
Total working capital	**(400)**	35	(435)
Net cash provided (used) by operating activities	**$ 129**	$ (449)	$ 578

The variance was primarily driven by:

- A $1.0 billion decrease in net loss after adjustments for non-cash items primarily due to higher gross margins resulting from an increase in selling prices for our steel products as compared to the prior-year period. See "— Steelmaking Results" above for further detail on our operating results; and
- A $443 million increase in cash from *Payables, accrued employment and accrued expenses,* the result of higher costs including inputs and product mix and from timing of payments; partially offset by
- A $508 million decrease in cash from *Accounts receivable, net,* the result of rising steel prices and the timing of sales in the period; and
- A $340 million decrease in cash from *Inventories,* the result of a reduction in raw materials inventories, including iron ore pellets and coke, during 2025.

INVESTING ACTIVITIES

(In millions)	Nine Months Ended September 30, 2026	2025	Variance
Purchase of property, plant and equipment	**$ (461)**	$ (421)	$ (40)
Other investing activities	**74**	27	47
Net cash used by investing activities	**$ (387)**	$ (394)	$ 7

Our cash used for capital expenditures during the nine months ended September 30, 2026 was $40 million higher than the prior-year period. Our cash used for capital expenditures primarily relates to sustaining capital spend, which includes infrastructure, mobile equipment, fixed equipment, product quality, environmental, and health and safety spend. Included within cash used for capital expenditures was $7 million related to our non-owned SunCoke Middletown VIE for the nine months ended September 30, 2026, compared to a $3 million amount for the nine months ended September 30, 2025.

We anticipate total cash used for capital expenditures during the next 12 months to be approximately $1.0 billion, which includes sustaining capital spend as well as previously disclosed strategic projects.

FINANCING ACTIVITIES

(In millions)	Nine Months Ended September 30, 2026	2025	Variance
Net proceeds of senior notes	**$ —**	$ 1,700	$ (1,700)
Net borrowings (repayments) under ABL Facility	**383**	(713)	1,096
Other financing activities	**(110)**	(134)	24
Net cash provided by financing activities	**$ 273**	$ 853	$ (580)

The period-over-period change in financing activities reflects differences in our capital-raising and borrowing activity:

- For the nine months ended September 30, 2026: No senior notes were issued, and borrowings under our ABL Facility increased to support general corporate requirements.

- For the nine months ended September 30, 2025: We issued $1.7 billion aggregate principal amount of 7.500% Senior Notes due 2031 and 7.625% Senior Notes due 2034. The net proceeds were used to repay borrowings under our ABL Facility during the period and, in October 2025, to redeem all $685 million aggregate principal amount of our senior notes that had maturity dates in 2027.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are *Cash and cash equivalents,* cash generated from our operations, availability under our ABL Facility and access to capital markets. Cash and cash equivalents, which totaled $77 million as of September 30, 2026, include cash on hand and on deposit, as well as short-term securities held for the primary purpose of general liquidity. The combination of cash and availability under our ABL Facility equated to $3.2 billion in liquidity as of September 30, 2026. We believe our liquidity and access to capital markets will be adequate to fund our cash requirements for the next 12 months and for the foreseeable future.

Our ABL Facility, which matures in June 2028, has a maximum borrowing base of $4.75 billion. The available borrowing base is determined by applying customary advance rates to eligible accounts receivable, inventory and certain mobile equipment. As of September 30, 2026, outstanding letters of credit totaled $57 million, which reduced availability under our ABL Facility. We issue standby letters of credit with certain financial institutions in order to support business obligations, including, but not limited to, workers' compensation, operating agreements, employee severance, environmental obligations and insurance. Our ABL Facility agreement contains various financial and other covenants. As of September 30, 2026, we were in compliance with the ABL Facility liquidity requirements and, therefore, the springing financial covenant requiring a minimum fixed charge coverage ratio of 1.0 to 1.0 was not applicable.

We have the capability to issue additional unsecured notes and, subject to the limitations set forth in our existing senior notes indentures and ABL Facility, additional secured debt, if we elect to access the debt capital markets. We currently have approximately $3 billion of secured note capacity. However, our ability to issue additional notes could be limited by market conditions. We intend from time to time to seek to redeem or repurchase our outstanding senior notes with cash on hand, borrowings from existing credit sources or new debt or equity financings and/or exchanges for debt or equity securities, in open market purchases, privately negotiated transactions or otherwise. Such redemptions or repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material. We also have the potential to generate liquidity from the sale of non-core assets, recently idled facilities and certain other inactive sites.

Refer to NOTE 7 - DEBT AND CREDIT FACILITIES for more information on our ABL Facility and debt.

NON-GAAP FINANCIAL MEASURE

The following provides a description and reconciliation of our non-GAAP financial measure to its most directly comparable GAAP measure. The presentation of this measure is not intended to be considered in isolation from, as a substitute for, or as superior to, the financial information prepared and presented in accordance with GAAP. The presentation of this measure may be different from non-GAAP financial measures used by other companies.

ADJUSTED EBITDA

We evaluate performance on an operating segment basis, as well as a consolidated basis, based on Adjusted EBITDA, which is a non-GAAP measure. This measure is used by management, investors, lenders and other external users of our financial statements to assess our operating performance and to compare operating performance to other companies in the steel industry. In addition, management believes Adjusted EBITDA is a useful measure to assess the earnings power of the business because it excludes items that may obscure underlying commercial and operating trends, thereby providing additional insight into the Company's true performance.

The following table provides a reconciliation of our *Net income (loss)* to Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Net income (loss)	**$ 165**	$ (234)	**$ (198)**	$ (1,193)
Less:				
Interest expense, net	**(148)**	(153)	**(452)**	(442)
Income tax benefit (expense)	**(46)**	78	**55**	375
Depreciation, depletion and amortization	**(259)**	(288)	**(780)**	(963)
Total EBITDA	**618**	129	**979**	(163)
Less:				
EBITDA from noncontrolling interests[1]	**19**	23	**50**	61
Idled facilities credits (charges)	**(4)**	3	**1**	(245)
Currency exchange	**(4)**	(20)	**(37)**	26
Changes in fair value of derivatives, net	**(15)**	(10)	**(37)**	(34)
Gain (loss) on disposal of assets, net	**14**	(2)	**23**	(6)
Amortization of inventory step-up	**—**	—	**—**	6
Severance	**(2)**	(5)	**(3)**	(25)
Other, net	**(2)**	(3)	**(11)**	(4)
Total Adjusted EBITDA	**$ 612**	$ 143	**$ 993**	$ 58

[1] EBITDA from noncontrolling interests includes the following:

Net income attributable to noncontrolling interests	**$ 13**	$ 17	**$ 32**	$ 42
Depreciation, depletion and amortization	**6**	6	**18**	19
EBITDA from noncontrolling interests	**$ 19**	$ 23	**$ 50**	$ 61

The following table provides a summary of our Adjusted EBITDA by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	2025	**2026**	2025
Adjusted EBITDA:				
Steelmaking	**$ 601**	$ 129	**$ 949**	$ 20
Other Businesses	**13**	12	**46**	38
Intersegment Eliminations	**(2)**	2	**(2)**	—
Total Adjusted EBITDA	**$ 612**	$ 143	**$ 993**	$ 58

INFORMATION ABOUT OUR GUARANTORS AND THE ISSUER OF OUR GUARANTEED SECURITIES

The accompanying summarized financial information has been prepared and presented pursuant to SEC Regulation S-X, Rule 3-10, “Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered,” and Rule 13-01 "Financial Disclosures about Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralized a Registrant's Securities." Certain of our subsidiaries (the "Guarantor subsidiaries") as of September 30, 2026 have fully and unconditionally, and jointly and severally, guaranteed the obligations under the 4.625% 2029 Senior Notes, the 6.875% 2029 Senior Notes, the 6.750% 2030 Senior Notes, the 4.875% 2031 Senior Notes, the 7.500% 2031 Senior Notes, the 7.000% 2032 Senior Notes, the 7.375% 2033 Senior Notes, and the 7.625% 2034 Senior Notes issued by Cleveland-Cliffs Inc. on a senior unsecured basis. See NOTE 7 - DEBT AND CREDIT FACILITIES for further information.

The following presents the summarized financial information on a combined basis for Cleveland-Cliffs Inc. (parent company and issuer of the guaranteed obligations) and the Guarantor subsidiaries, collectively referred to as the obligated group. Transactions between the obligated group have been eliminated. Information for the non-Guarantor subsidiaries was excluded from the combined summarized financial information of the obligated group.

Each Guarantor subsidiary is consolidated by Cleveland-Cliffs Inc. as of September 30, 2026. Refer to Exhibit 22, incorporated herein by reference, for the detailed list of entities included within the obligated group as of September 30, 2026.

As of September 30, 2026, the guarantee of a Guarantor subsidiary with respect to the 4.625% 2029 Senior Notes, the 6.875% 2029 Senior Notes, the 6.750% 2030 Senior Notes, the 4.875% 2031 Senior Notes, the 7.500% 2031 Senior Notes, the 7.000% 2032 Senior Notes, the 7.375% 2033 Senior Notes, and the 7.625% 2034 Senior Notes will be automatically and unconditionally released and discharged, and such Guarantor subsidiary's obligations under the guarantee and the related indentures (the “Indentures”) will be automatically and unconditionally released and discharged, upon the occurrence of any of the following, along with the delivery to the trustee of an officer’s certificate and an opinion of counsel, each stating that all conditions precedent

provided for in the applicable Indenture relating to the release and discharge of such Guarantor subsidiary's guarantee have been complied with:

(a) any sale, exchange, transfer or disposition of such Guarantor subsidiary (by merger, consolidation, or the sale of) or the capital stock of such Guarantor subsidiary after which the applicable Guarantor subsidiary is no longer a subsidiary of the Company or the sale of all or substantially all of such Guarantor subsidiary's assets (other than by lease), whether or not such Guarantor subsidiary is the surviving entity in such transaction, to a person which is not the Company or a subsidiary of the Company; provided that (i) such sale, exchange, transfer or disposition is made in compliance with the applicable Indenture, including the covenants regarding consolidation, merger and sale of assets and, as applicable, dispositions of assets that constitute notes collateral, and (ii) all the obligations of such Guarantor subsidiary under all debt of the Company or its subsidiaries terminate upon consummation of such transaction;

(b) designation of any Guarantor subsidiary as an "excluded subsidiary" (as defined in the Indentures); or

(c) defeasance or satisfaction and discharge of the Indentures.

Each entity in the summarized combined financial information follows the same accounting policies as described in the consolidated financial statements. The accompanying summarized combined financial information does not reflect investments of the obligated group in non-Guarantor subsidiaries. The financial information of the obligated group is presented on a combined basis; intercompany balances and transactions within the obligated group have been eliminated. The obligated group's amounts due from, amounts due to, and transactions with, non-Guarantor subsidiaries and related parties have been presented in separate line items.

SUMMARIZED COMBINED FINANCIAL INFORMATION OF THE ISSUER AND GUARANTOR SUBSIDIARIES

The following table is summarized combined financial information from the Statements of Unaudited Condensed Consolidated Financial Position of the obligated group:

(In millions)	**September 30, 2026**	December 31, 2025
Current assets	**$ 6,896**	$ 6,198
Non-current assets	**11,455**	11,556
Current liabilities	**(4,370)**	(3,922)
Non-current liabilities	**(9,183)**	(8,884)

The following table is summarized combined financial information from the Statements of Unaudited Condensed Consolidated Operations of the obligated group:

(In millions)	**Nine Months Ended September 30, 2026**
Revenues	**$ 14,074**
Cost of goods sold	**(13,556)**
Loss from continuing operations	**(67)**
Net loss	**(67)**
Net loss attributable to Cliffs shareholders	**(67)**

The obligated group had the following balances with non-Guarantor subsidiaries and other related parties:

(In millions)	**September 30, 2026**	December 31, 2025
Balances with non-Guarantor subsidiaries:		
Accounts receivable, net	**$ 761**	$ 758
Accounts payable	**(1,014)**	(1,069)
Balances with other related parties:		
Accounts receivable, net	**$ 13**	$ 11
Accounts payable	**(16)**	(11)

Additionally, for the nine months ended September 30, 2026, the obligated group had *Revenues* of $92 million and *Cost of goods sold* of $79 million, in each case, with other related parties.

MARKET RISKS

We are subject to a variety of risks, including those caused by changes in commodity prices, foreign currency exchange rates, and interest rates. We have established policies and procedures to manage such risks; however, certain risks are beyond our control.

PRICING RISKS

In the ordinary course of business, we are exposed to price fluctuations in both the production and sale of our products. Price fluctuations related to the production of our products are impacted by market prices for natural gas, electricity, diesel fuel, ferrous and stainless steel scrap, metallurgical coal, coke, zinc, chrome, nickel and other alloys. Price fluctuations related to the sale of our products are primarily impacted by market prices for HRC and other related spot indices. Our financial results can vary for our operations as a result of these fluctuations.

Our strategy to address the risk of changes in the prices of both energy and raw materials that are purchased and utilized in our operations includes improving efficiency in energy usage, identifying alternative providers, utilizing the lowest cost alternative fuels and making forward physical purchases.

Some customer contracts have fixed pricing terms, which increase our exposure to fluctuations in raw material and energy costs. To reduce our exposure, we enter into annual, fixed price agreements for certain raw materials. Some of our existing multi-year raw material supply agreements have required minimum purchase quantities. Under adverse economic conditions, those minimums may exceed our needs. Absent exceptions for force majeure and other circumstances affecting the legal enforceability of the agreements, these minimum purchase requirements may compel us to purchase quantities of raw materials that could significantly exceed our anticipated needs or pay damages to the supplier for shortfalls. In these circumstances, we would attempt to negotiate agreements for new purchase quantities. There is a risk, however, that we would not be successful in reducing purchase quantities, either through negotiation or litigation. If that occurred, we would likely be required to purchase more of a particular raw material in a particular year than we need, negatively affecting our results of operations and cash flows.

Certain of our customer contracts include variable-pricing mechanisms that adjust selling prices in response to changes in the costs of certain raw materials and energy, while other of our customer contracts exclude such mechanisms. We may enter into multi-year purchase agreements for certain raw materials with similar variable-price mechanisms, allowing us to achieve natural hedges between the customer contracts and supplier purchase agreements. Therefore, in some cases, price fluctuations for energy (particularly natural gas and electricity), raw materials (such as scrap, chrome, zinc and nickel) or other commodities may be, in part, passed on to customers rather than absorbed solely by us. There is a risk, however, that the variable-price mechanisms in the sales contracts may not necessarily change in tandem with the variable-price mechanisms in our purchase agreements, negatively affecting our results of operations and cash flows.

If we are unable to align fixed and variable components between customer contracts and supplier purchase agreements, we routinely evaluate the use of derivative instruments to hedge market risk. As a result, we use commodity-based derivative contracts to hedge a portion of our exposure from our natural gas and electricity requirements. Our hedging strategy is designed to protect us from excessive pricing volatility. However, since we do not typically hedge 100% of our exposure, abnormal price increases in any of these commodity markets would negatively affect operating costs.

Our primary strategy for managing fluctuations related to the selling price of our products is to obtain competitive prices and allow operating results to reflect market price movements dictated by supply and demand; however, from time to time, we also utilize derivative instruments to manage a portion of our exposure to HRC price volatility in the average selling price of our products.

The following table summarizes the negative effect of a hypothetical change in the fair value of our derivative instruments outstanding as of September 30, 2026, due to a 10% and 25% change in the market price of each of the indicated commodities:

Contract Type (In millions)	10% Change	25% Change
Natural gas	$ 41	$ 102
Electricity	15	38
HRC	72	179

Any resulting changes in fair value would be recorded as adjustments to AOCI, net of income taxes, or recognized in net earnings, as appropriate. These hypothetical losses would be partially offset by the benefit of lower prices paid for the related commodities or the benefit of higher selling prices related to the HRC price, respectively.

VALUATION OF GOODWILL AND OTHER LONG-LIVED ASSETS

GOODWILL

We assign goodwill arising from acquired companies to the reporting units that are expected to benefit from the synergies of the acquisition. Goodwill is tested on a qualitative or quantitative basis for impairment at the reporting unit level on an annual basis (October 1) and between annual tests if a triggering event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We have an unconditional option to bypass the qualitative test for any reporting unit in any period and proceed directly to performing the quantitative test. Should our qualitative test indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative test to determine the amount of impairment, if any, to the carrying value of the reporting unit and its associated goodwill.

Triggering events could include a significant and sustained change in the business climate, including, among other factors, declines in historical or projected revenue, operating income, Adjusted EBITDA or cash flows, and declines in the stock price or market capitalization, considered both in absolute terms and relative to peers, legal factors, competition, or sale or disposition of a significant portion of a reporting unit. Automotive production and sales are cyclical and sensitive to general economic conditions and other factors, including interest rates, consumer credit, spending and preferences, and supply chain disruptions. Additionally, to the extent that commodity prices, including the HRC price, coated and other specialty steel prices, international steel prices and

scrap metal prices, significantly decline for an extended period, we may have to further revise our operating plans. As a result, testing for potential impairment on our goodwill may be adversely affected by uncertain market conditions for the global steel industry, as well as changes in interest rates, inflation, commodity prices and general economic conditions. Changes in general economic and/or industry specific conditions, such as the impacts of significant recent shifts in trade policies, including the imposition of tariffs, retaliatory tariff measures and subsequent modifications or suspensions thereof, and market reactions to such policies and resulting trade disputes, could further impact our impairment assessments. We do not believe the current macroeconomic and industry conditions, or volatility in our market capitalization, have significantly changed our assessment of the fair value of our reporting units.

Application of a goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and the determination of the fair value of each reporting unit, if a quantitative assessment is deemed necessary. The fair value of each reporting unit is estimated using the guideline public company method, the discounted cash flow methodology, or a combination of both, which considers forecasted cash flows discounted at an estimated weighted average cost of capital. Assessing the recoverability of our goodwill requires significant assumptions regarding discount rates, market multiples, the estimated future cash flows and other factors to determine the fair value of a reporting unit, including, among other things, estimates related to forecasts of future revenues, Adjusted EBITDA, capital expenditures and working capital requirements, which are based upon our long-range plan estimates. The assumptions used to calculate the fair value of a reporting unit may change based on operating results, market conditions and other factors. Changes in these assumptions could materially affect the determination of fair value for each reporting unit.

OTHER LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. Such indicators may include: a significant decline in expected future cash flows; a sustained, significant decline in market pricing; a significant adverse change in legal or environmental factors or in the business climate; changes in estimates of our recoverable reserves; and unanticipated competition. Any adverse change in these factors could have a significant impact on the recoverability of our long-lived assets and could have a material impact on our consolidated statements of operations and statements of financial position.

A comparison of each asset group's carrying value to the estimated undiscounted net future cash flows expected to result from the use of the assets, including cost of disposition, is used to determine if an asset is recoverable. Projected future cash flows reflect management's best estimate of economic and market conditions over the projected period, including growth rates in revenues and costs, and estimates of future expected changes in operating margins and capital expenditures. If the carrying value of the asset group is higher than its undiscounted net future cash flows, the asset group is measured at fair value and the difference is recorded as a reduction to the long-lived assets. We estimate fair value using a market approach, an income approach or a cost approach. For the nine months ended September 30, 2026, we concluded that there were no triggering events resulting in the need for an impairment assessment.

FOREIGN CURRENCY EXCHANGE RATE RISK

We are subject to changes in foreign currency exchange rates primarily as a result of our operations in Canada, which could impact our financial condition. Foreign exchange rate risk arises from our exposure to fluctuations in foreign currency exchange rates because our reporting currency is the U.S. dollar, but the functional currency of our Stelco subsidiaries is the Canadian dollar. Specifically, we are primarily exposed to fluctuations in foreign currency rates in relation to an intercompany note with our Stelco subsidiary that is denominated in the Canadian dollar. Changes in the Canadian dollar exchange rate may result in volatility in our financial condition due to the routine remeasurement of this note. As of September 30, 2026, a 1% change in the Canadian dollar foreign currency exchange rate would result in a $9 million change in currency exchange income (expense). Additionally, we engage in routine transactions denominated in foreign currencies, such as the purchases of goods and services. However, the potential impact of these transactions to our financial condition is significantly less than the potential impact of the routine remeasurement of the intercompany note.

INTEREST RATE RISK

Interest payable on our senior notes is at fixed rates. Interest payable under our ABL Facility is at a variable rate based upon the applicable base rate plus the applicable base rate margin depending on the excess availability. As of September 30, 2026, we had $834 million of outstanding borrowings under our ABL Facility. An increase in prevailing interest rates would increase interest expense and interest paid for any outstanding borrowings under our ABL Facility. For example, a 100 basis point change to interest rates under our ABL Facility at the September 30, 2026 borrowing level would result in a change of $8 million to interest expense on an annual basis.

SUPPLY CONCENTRATION RISKS

Many of our operations and mines rely on one source for each of electric power and natural gas. A significant interruption or change in service or rates from our energy suppliers could materially impact our production costs, margins and profitability.

FORWARD-LOOKING STATEMENTS

This report contains statements that constitute "forward-looking statements" within the meaning of the federal securities laws. As a general matter, forward-looking statements relate to anticipated trends and expectations rather than historical matters. Forward-looking statements are subject to uncertainties and factors relating to our operations and business environment that are difficult to predict and may be beyond our control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. These statements speak only as of the date of this report, and we undertake no ongoing obligation, other than that imposed by law, to update these statements. Investors are cautioned not to place undue reliance on forward-looking statements. Uncertainties and risk factors that could affect our future performance and cause results to differ from the forward-looking statements in this report include, but are not limited to:

- continued volatility of steel, scrap metal and iron ore market prices, which directly and indirectly impact the prices of the products that we sell to our customers;
- uncertainties associated with the highly competitive and cyclical steel industry and our reliance on the demand for steel from the automotive industry;
- potential weaknesses and uncertainties in global economic conditions, excess global steelmaking capacity and production, prevalence of steel imports and reduced market demand;
- severe financial hardship, bankruptcy, temporary or permanent shutdowns or operational challenges of one or more of our major customers, key suppliers or contractors, which, among other adverse effects, could disrupt our operations or lead to reduced demand for our products, increased difficulty collecting receivables, and customers and/or suppliers asserting force majeure or other reasons for not performing their contractual obligations to us;
- risks related to U.S. and Canadian government actions and other countries' reactions with respect to Section 232, the USMCA and/or other trade agreements, tariffs, treaties or policies, as well as the uncertainty of obtaining and maintaining effective antidumping and countervailing duty orders to counteract the harmful effects of unfairly traded imports;
- impacts of extensive governmental regulation, including actual and potential environmental regulations relating to climate change and carbon emissions, and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorizations of, or from, any governmental or regulatory authority and costs related to implementing improvements to ensure compliance with regulatory changes, including potential financial assurance requirements, and reclamation and remediation obligations;
- potential impacts to the environment or exposure to hazardous substances resulting from our operations;
- our ability to maintain adequate liquidity, our level of indebtedness and the availability of capital could limit our financial flexibility and cash flow necessary to fund working capital, planned capital expenditures, acquisitions, and other general corporate purposes or ongoing needs of our business, or to repurchase our common shares;
- our ability to reduce our indebtedness or return capital to shareholders within the currently expected timeframes or at all;
- adverse changes in credit ratings, interest rates, foreign currency rates and tax laws;
- risks and uncertainties related to our ability to realize the anticipated synergies or other expected benefits of any acquisitions, including the acquisition of Stelco, any potential transaction arising out of our Memorandum of Understanding with POSCO and completing any proposed asset divestiture transactions;
- challenges to successfully implementing our business strategy to achieve operating results in line with our guidance;
- the outcome of, and costs incurred in connection with, lawsuits, claims, arbitrations or governmental proceedings relating to commercial and business disputes, antitrust claims, environmental matters, government investigations, occupational or personal injury claims, property-related matters, labor and employment matters, mineral royalty disputes, or suits involving legacy operations and other matters;
- supply chain disruptions or changes in the cost, quality or availability of energy sources, including electricity, natural gas and diesel fuel, water, critical raw materials and supplies, including iron ore, industrial gases, graphite electrodes, scrap metal, chrome, zinc, other alloys, coke and metallurgical coal, and critical manufacturing equipment and spare parts, including as a result of geopolitical conflicts;
- problems or disruptions associated with transporting products to our customers, moving manufacturing inputs or products internally among our facilities, or suppliers transporting raw materials and spare parts to us;
- our ability to implement strategic or sustaining capital projects on time and on budget, including our ability to successfully complete the optimization and modernization project at our Middletown Works steel plant;
- uncertainties associated with natural or human-caused disasters, adverse weather conditions, unanticipated geological conditions, critical equipment failures, infectious disease outbreaks, tailings dam failures and other unexpected events;
- cybersecurity incidents relating to, disruptions in, or failures of, IT systems that are managed by us or third parties that host or have access to our data or systems, including the loss, theft or corruption of our or third parties' sensitive or essential business or personal information and the inability to access or control systems;

- emerging risks related to the adoption and regulation of AI, including our ability to achieve the expected benefits of our adoption of IT platforms that use AI;
- liabilities and costs arising in connection with business decisions to temporarily or indefinitely idle or permanently close an operating facility or mine, which could adversely impact the carrying value of associated assets and give rise to impairment charges or closure and reclamation obligations, as well as uncertainties associated with resuming production at any previously idled operating facility or mine;
- our level of self-insurance and our ability to obtain sufficient third-party insurance to adequately cover potential adverse events and business risks;
- uncertainties associated with our ability to meet customers' and suppliers' decarbonization goals and reduce our emissions in alignment with our own announced targets;
- challenges to maintaining our social license to operate with our stakeholders, including the impacts of our operations on local communities, reputational impacts of operating in a carbon-intensive industry that produces GHG emissions, and our ability to foster a consistent operational and safety track record;
- our actual economic mineral reserves or reductions in current mineral reserve estimates, and any title defect or loss of any lease, license, option, easement or other possessory interest for any mining property;
- our ability to complete technical and economic studies to determine the potential for economic extraction of rare earth minerals at our mining properties, and the risk that rare-earth extraction at our properties may not be economically viable;
- our ability to maintain satisfactory labor relations with unions and our employees and to successfully renew expiring collective bargaining agreements;
- unanticipated or higher costs associated with pension and OPEB obligations resulting from changes in the value of plan assets or contribution increases required for unfunded obligations, including for multiemployer plan withdrawal liability;
- uncertain availability or cost of skilled workers to fill critical operational positions and potential labor shortages caused by experienced employee attrition or otherwise, as well as our ability to attract, hire, develop and retain key personnel; and
- potential significant deficiencies or material weaknesses in our internal control over financial reporting.

For additional factors affecting our business, refer to *Part II – Item 1A. Risk Factors* of this Quarterly Report on Form 10-Q. You are urged to carefully consider these risk factors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding our market risk is presented under the caption "Market Risks," which is included in our Annual Report on Form 10-K for the year ended December 31, 2025, and *Part I – Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

There was no change in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Environmental Matters. SEC regulations require us to disclose certain information about administrative or judicial proceedings involving the environment and to which a governmental authority is a party if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to SEC regulations, we use a threshold of $1 million for purposes of determining whether disclosure of any such proceedings is required. We believe that this threshold is reasonably designed to result in disclosure of any such proceedings that are material to our business or financial condition.

We have described the other material pending legal proceedings, including administrative or judicial proceedings involving the environment, to which we are a party in our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 1A. RISK FACTORS

We caution readers that our business activities involve risks and uncertainties that could cause actual results to differ materially from those currently expected by management. We described the most significant risks that could impact our results in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information with respect to repurchases by the Company of our common shares during the periods indicated:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased[1]	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs[2]
July 1 - 31, 2026	4,168	$ 10.52	—	$ 1,375,931,379
August 1 - 31, 2026	1,643	$ 11.49	—	$ 1,375,931,379
September 1 - 30, 2026	—	$ —	—	$ 1,375,931,379
Total	**5,811**	**$ 10.79**	**—**	

[1] Shares that were delivered to us in order to satisfy tax withholding obligations due upon the vesting or payment of stock awards.

[2] On April 22, 2024, we announced that our Board of Directors authorized a program to repurchase our outstanding common shares in the open market or in privately negotiated transactions, which may include purchases pursuant to Rule 10b5-1 plans or accelerated share repurchases, up to a maximum of $1.5 billion. We are not obligated to make any repurchases, and the program may be suspended or discontinued at any time. The share repurchase program does not have a specific expiration date.

ITEM 4. MINE SAFETY DISCLOSURES

We are committed to protecting the occupational health and well-being of each of our employees. Safety is one of our core values and we strive to ensure that safe production is the first priority for all employees. Our internal objective is to achieve zero injuries and incidents across the Company by focusing on proactively identifying needed prevention activities, establishing standards and evaluating performance to mitigate any potential loss to people, equipment, production and the environment. We have implemented intensive employee training that is geared toward maintaining a high level of awareness and knowledge of safety and health issues in the work environment through the development and coordination of requisite information, skills and attitudes. We believe that through these policies, we have developed an effective safety management system.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, the information concerning mining safety and health or other regulatory matters for each of our mine locations that are covered under the scope of the Dodd-Frank Act are included in Exhibit 95 of *Part II – ITEM 6. EXHIBITS* of this Quarterly Report on Form 10-Q.

ITEM 5. OTHER INFORMATION

Securities Trading Arrangements. On July 30, 2026, John Baldwin, a Director of the Company, adopted a new "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under

the Exchange Act. This trading arrangement provides for the potential sale of up to 130,000 shares of the Company's common stock beginning on November 2, 2026, and is scheduled to terminate on November 2, 2027.

No other directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) during the quarter ended September 30, 2026.

ITEM 6. EXHIBITS

All documents referenced below have been filed pursuant to the Securities Exchange Act of 1934 by Cleveland-Cliffs Inc., file number 1-08944, unless otherwise indicated.

Exhibit Number	Exhibit
22	Schedule of the obligated group, including the parent and issuer and the subsidiary guarantors that have guaranteed the obligations under the 4.625% 2029 Senior Notes, the 6.875% 2029 Senior Notes, the 6.750% 2030 Senior Notes, the 4.875% 2031 Senior Notes, the 7.500% 2031 Senior Notes, the 7.000% 2032 Senior Notes, the 7.375% 2033 Senior Notes, and the 7.625% 2034 Senior Notes issued by Cleveland-Cliffs Inc. (filed herewith).
31.1	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves as of October 20, 2026 (filed herewith).
31.2	Certification Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed and dated by Celso L. Goncalves Jr. as of October 20, 2026 (filed herewith).
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Lourenco Goncalves, Chairman and Chief Executive Officer of Cleveland-Cliffs Inc., as of October 20, 2026 (filed herewith).
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed and dated by Celso L. Goncalves Jr., President and Chief Financial Officer of Cleveland-Cliffs Inc., as of October 20, 2026 (filed herewith).
95	Mine Safety Disclosures (filed herewith).
101	The following financial information from Cleveland-Cliffs Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Statements of Unaudited Condensed Consolidated Financial Position, (ii) the Statements of Unaudited Condensed Consolidated Operations, (iii) the Statements of Unaudited Condensed Consolidated Comprehensive Income (Loss), (iv) the Statements of Unaudited Condensed Consolidated Cash Flows, (v) the Statements of Unaudited Condensed Consolidated Changes in Equity, and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

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

CLEVELAND-CLIFFS INC.

By: /s/ Kimberly A. Floriani

Name: Kimberly A. Floriani

Title: Senior Vice President, Controller & Chief Accounting Officer

Date: October 20, 2026