

The background image shows the interior of a large industrial building. A prominent feature is a large, circular window with a grid of dark frames, looking out onto a landscape. The ceiling and walls are composed of a complex, dark steel lattice structure. The floor is a light-colored, polished concrete. The overall color palette is dominated by dark blues and greys, with the white text providing a strong contrast.

2025

ANNUAL REPORT
U. S. STEEL KOŠICE





**RESPONSIBILITY BRINGS
SUCCESS, AND SUCCESS
BRINGS RESPONSIBILITY.**



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INTRODUCTION

FOREWORDS

DAVID BURRITT

President and CEO of U. S. Steel



At U. S. Steel, we understand that steel is not simply a product. It is a responsibility — to operate safely, to perform reliably, to contribute positively to the communities and economies we serve, and to deliver consistently for the customers who depend on our steel every day.

At U. S. Steel Košice, that responsibility is carried with professionalism and pride, in service of both our communities and our customers across Europe.

The past year has been demanding across Europe. Energy volatility, geopolitical tension, and shifting market conditions tested industrial companies throughout the region. In this environment, the team at USSK demonstrated resilience, discipline, and quiet strength. The results reflected in this report — solid production performance, continued progress in safety, and positive financial outcomes — are a testament to their focus and character.

USSK remains one of Europe's leading integrated steel operations. Its technical capability, skilled workforce, and strength in flat-rolled and value-added products make it an essential part of our global enterprise and a cornerstone of the regional industrial economy.

As we look forward, our priorities remain consistent and clear.

Safety comes first. Nothing is more important than ensuring that every person returns home safely at the end of each shift.

Operational reliability and cost discipline follow closely. Markets will rise and fall, but fundamentals endure. Stable operations, consistent quality, and responsible cost management form the foundation of sustainable success and of the long-term relationships we build with our customers.

Strategic partnership also defines our future. Through our partnership with Nippon Steel, we are combining complementary strengths — technology, operational expertise, and global reach. Together, we are strengthening our capabilities and positioning USSK for long-term competitiveness and responsible growth.

U. S. Steel Košice stands not only as a cornerstone of European industry, but also as an integral part of a broader global enterprise strengthened through our partnership with Nippon Steel. Nippon brings more than scale. It brings a long tradition of industrial discipline, technological excellence, and respect for craftsmanship — values deeply aligned with those that define Košice.

Together, we share a common belief: that competitiveness is earned through continuous improvement; that safety and quality are inseparable; and that strong companies contribute to the stability and prosperity of the societies in which they operate.

In our 125th year as a company, we at U. S. Steel are reminded that longevity is not achieved through size alone, but through character — through the choices made each day in how we lead, how we protect one another, and how we honor our commitments.

The true strength of U. S. Steel Košice lies in its people — in their craftsmanship, perseverance, and care for one another. That strength cannot be measured only in tons or financial results. It is measured in trust — the trust of our employees, our communities, and our customers.

With that trust comes responsibility.

We will continue to move forward with steadiness and purpose — committed to safety, committed to excellence, and committed to building a future worthy of the generations who will follow.

JAMES E. BRUNO

President of U. S. Steel Košice, s.r.o.



As we reflect on the past year, I want to begin by expressing my sincere gratitude to our employees for their resilience and unwavering commitment. In a demanding and often uncertain environment, your dedication, professionalism, and willingness to continuously improve how we work have been decisive factors in maintaining safe, stable, and competitive

operations. The progress we have achieved is theZdirect result of your daily efforts and your determination to find better, more efficient ways of doing things.

Continuous improvement is not a slogan. It is a mindset that our workforce demonstrates every day. Whether through safer work practices, operational discipline, or the adoption of new technologies and processes, you continue to raise standards and strengthen the foundation of our company. This shared commitment gives me confidence in our ability to adapt, perform, and succeed over the long term.

Looking ahead, we also recognize that the future competitiveness of our industry depends not only on our own actions, but on the broader policy environment in which we operate. We remain hopeful that government officials will advance more balanced and predictable energy and trade policies that support industrial production in Europe. Competitive energy costs and fair trade conditions are essential for sustaining investment, protecting jobs, and enabling steel producers to contribute to economic growth and regional stability.

With the strength of my colleagues and an improved, supportive policy framework, I am confident that we can continue to move forward—improving our performance, securing our future, and creating lasting value for our employees, our partners, and the communities we serve.

2025 IN NUMBERS

Quantity of steel produced

3.223 million metric tons
of raw steel slabs

EBITDA

103 million
EUR

Sales and other income

2,903 million
EUR

Employment*

7,573 employees

Proportion of women in USSK

14.3%

Proportion of women among statutory representatives

30%

OSHA Days Away From Work Frequency

0.017

OSHA Recordable Injuries Frequency

0.052

* U. S. Steel Košice as of December 31, 2025

INTRODUCTION

COMPANY PROFILE



U. S. Steel Košice, s.r.o. was established as a limited liability company on June 7, 2000 and inscribed in the Commercial Register of Municipal Court Košice, Section Sro, Insert 11711/V on June 20, 2000. The Company's registered office is at Vstupný areál U. S. Steel, 044 54 Košice and as of December 31, 2025, its sole shareholder was U. S. Steel Global Holdings VI B.V., Basisweg 10, 1043 AP, Amsterdam, Netherlands. The ultimate parent company is **Nippon Steel Corporation**, a Japanese company with the head office at 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8071, Japan (Nippon Steel Corporation hereinafter also referred to as NSC).

As of December 31, 2025, U. S. Steel Košice, s.r.o. had 4 subsidiaries, 2 of them located in Slovakia and 2 abroad. U. S. Steel Košice, s.r.o. does not have an organizational unit abroad, or other remote production sites.

On December 18, 2023, U. S. Steel entered into a merger agreement with Nippon Steel Corporation. The transaction was completed on June 18, 2025, including the relevant regulatory approvals.

This partnership ensures that U. S. Steel will retain its iconic name and headquarters in Pittsburgh,

Pennsylvania, with U. S. Steel Košice playing a key role in the global corporate network. Nippon Steel aims to strengthen U. S. Steel Košice competitiveness through transferring its technology and expertise and dispatching five managers, including appointment of Isao Takenami as Vice President and Chief Strategy Officer, as well as statutory representative of U. S. Steel Košice on October 10, 2025.

COMPLEX PRODUCTION AND TECHNOLOGICAL PLANT

U. S. Steel Košice, s.r.o. also referred to as "U. S. Steel Košice," "USSK" or "the Company," is one of the largest integrated producers of flat-rolled steel products in Central Europe, providing a wide assortment of hot-rolled, cold-rolled and coated products including hot-dip galvanized, color-coated, tinplate and non-grain-oriented sheets. On top of flat-rolled steel products, the Company also produces spiral welded pipes.

U. S. Steel Košice, s.r.o. has annual raw steel slab production capability of **4.5 million metric tons**. Operation facilities include two coke batteries **(1)**, four sintering strands **(2)**, three blast furnaces **(3)**, four steelmaking vessels **(4)**, a vacuum degassing unit **(5)**, two dual strand continuous casters **(6)**, a hot strip mill **(7)**, two pickling lines **(8)**, two cold reduction mills **(9)**, a batch annealing facility **(10)**, a skinpass **(11)**, a two-stand tandem mill **(12)**, two continuous annealing lines **(13)**, two hot-dip galvanizing lines **(14)**, two tin-coating lines **(15)**, one dynamo line **(16)**, a color-coating line **(16)** and two lines for spiral-welded pipelines **(17)**. U. S. Steel Košice, s.r.o. also has multiple slitting, cutting and other finishing lines for flat products. Power engineering plant **(18)** is also part of the Company. The research and development unit **(19)** operates pilot lines for laboratory-scale simulation of liquid steel production, hot and cold rolling, annealing, hot-dip coating, stamping, physical and corrosion process, as well as laser-based thickness and profile measurement of steel sheets.

MEMBERSHIP IN ORGANIZATIONS

- [Eurofer](#) - European Steel Association
- [Steel for packaging Europe](#) - Association of European Producers of Steel for Packaging
- [RÚZ](#) - National Union of Employers
- [AmCham Slovakia](#) - American Chamber of Commerce
- [SOPK](#) - Slovak Chamber of Commerce and Industry
- [ZAP](#) - Automotive Industry Association of the Slovak Republic
- [BLF](#) - Business Leaders Forum
- [Košice IT Valley](#)

HISTORY OF USSK

- **1959** – On the basis of the government’s decision, the Deed of Foundation, establishing the national enterprise – the East Slovakian Steelworks (VSŽ) – was signed on April 1.
- **1960** – On January 4th construction of the iron and steel works started. More than four thousand people participated in the official groundbreaking.
- **1965** – One of the largest investment projects – construction of the first blast furnace – was completed and the first iron was smelted on June 2nd.
- **1966** – The whole metallurgical cycle was completed thanks to rapidly proceeding construction.
- **1969** – The old type of radiator production started.
- **1972** – The first spiral welded pipe intended for export.
- **1982** – On April 28th the continuous casting of steel slabs was officially put into operation.
- **1989** – VSŽ, national enterprise was transformed on July 1 into a state company.
- **1990** – From November 15th the steel company became a joint-stock company (a.s.).
- **1991-1992** – VSŽ was included in the first wave of voucher privatization.
- **1995** – VSŽ, a.s. became an associate member of Eurofer – the European Steel Association.
- **1996** – The last ingot was rolled out in the Slabbing Plant on January 10th. This technology was then replaced by 100% steel casting into slabs.
- **1998** – VSŽ and the United States Steel Corporation set up a joint venture based in Košice.
- **2000** – On November 24th the United States Steel Corporation took over the Košice steelworks.
- **2007** – On September 27th Galvanizing Line No. 3 was officially brought into operation.
- **2023** – In December 2023 Nippon Steel Corporation, a Japanese corporation, announced it had entered into a definitive merger agreement with Nippon Steel North America and United States Steel Corporation.
- **2025** – On June 18, 2025 U. S. Steel completed the transaction contemplated by the terms of the Merger Agreement and became a wholly owned subsidiary of NSC.

COMPANY MANAGEMENT

AS OF DECEMBER 31, 2025:



JAMES E. BRUNO
President / statutory representative



MICHAEL L. PIEKUT
Deputy President / statutory representative



KARL G. KOCSIS
Vice President Human Resources and Transformation / statutory representative



RNDr. MIROSLAV KIRALVARGA, MBA
Vice President External Affairs, Administration and Business Development / statutory representative



JUDr. ELENA PETRÁŠKOVÁ, LL.M
Vice President and General Counsel / statutory representative



Ing. SILVIA GAÁLOVÁ, FCCA
Vice President and Chief Financing Officer / statutory representative



Mgr. MARTINA KOVÁČOVÁ
Vice President Commercial & Customer Technical Service / statutory representative



DAVID E. HATHAWAY
Vice President Engineering and Innovation / statutory representative



ISAO TAKENAMI
Vice President and Chief Strategy Officer / statutory representative



Ing. MARCEL NOVOSAD
Vice President Operations / statutory representative



DUSAN STEFANOVIC
Chief Information Officer

SUPERVISORY BOARD

SCOTLAND MICHAEL DUNCAN
Chairman

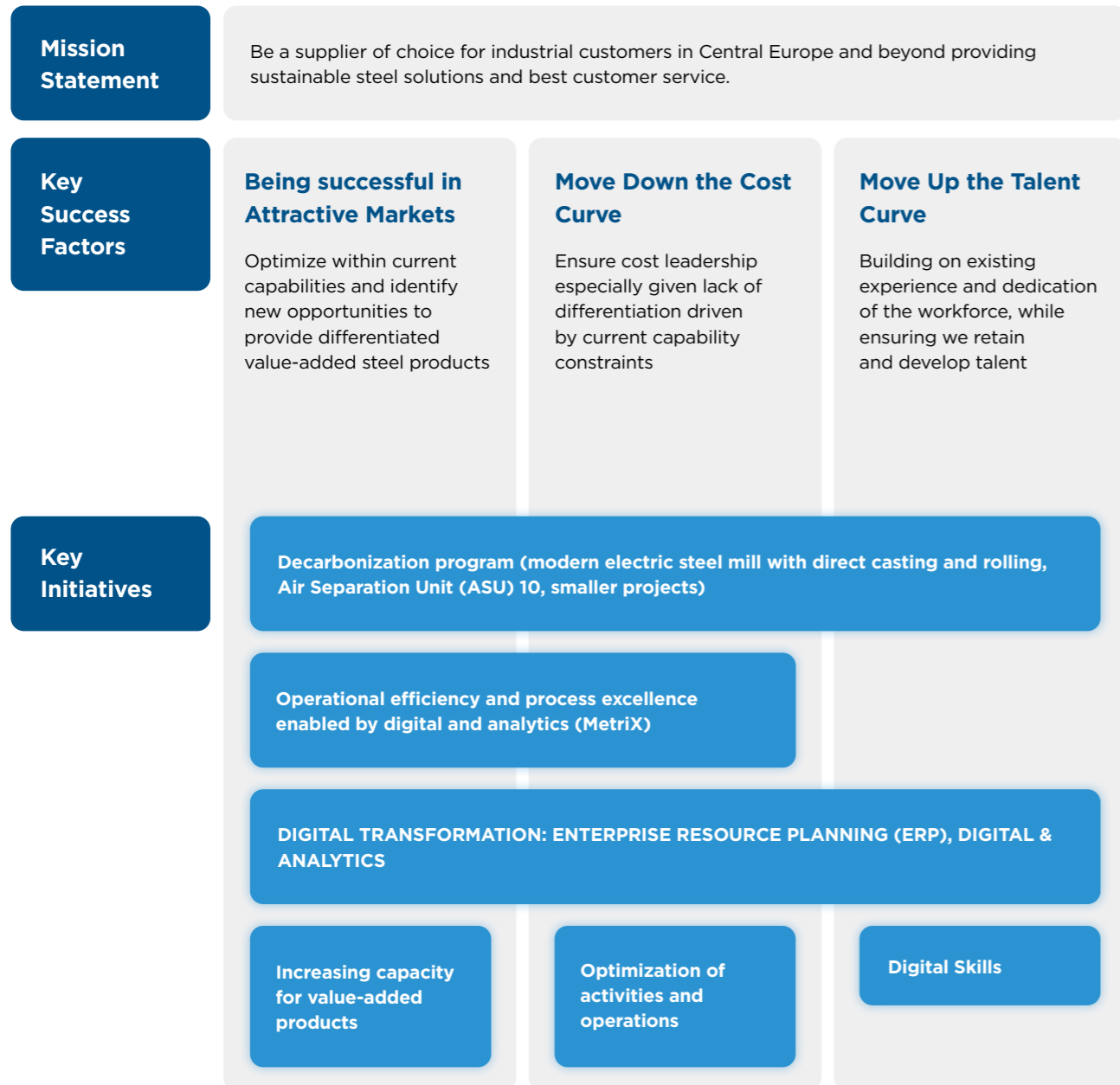
KEVIN MICHAEL LEWIS

Mgr. EVA DURZÓOVÁ



INTRODUCTION

STRATEGY



Building on USS's corporate strategy and recognizing specifics of the local environment and the segment, USSK aspires to be a supplier of choice for industry in Central Europe and beyond providing sustainable steel solutions and best customer service.

This aspiration stems from USSK's strengths, including a wide portfolio of products, quality credentials and customer service accolades.

With its strategy, USSK aims to target three main success factors:

- ✓ **Grow its presence in attractive market segments** (within current constraints and through potential future projects).
- ✓ **Continue its efforts in cost leadership** acknowledging that steel is a globally traded commodity where price (and hence production costs) is one of the key buying factors.
- ✓ **Continue developing its experienced and highly dedicated workforce.**

To deliver this strategy, USSK is managing a portfolio of initiatives comprising mainly:

- ✓ **Decarbonization plan**
 - » Following the transaction with Nippon Steel Corporation, the Company is evaluating the extent and timing of its decarbonization pathway, while continuing to focus on substantial future CO₂ reductions through technological upgrades such as Electric Arc Furnaces (EAFs) and electrification projects including a new air separation unit and electric compressors.
- ✓ **Increasing the capacity of value-added products**
 - » USSK has been continuously improving throughput of existing value-added lines and will continue to pursue these opportunities.

» In addition, USSK has identified several potential projects in this area which may become relevant after decarbonization.

✓ **Operations and process excellence**

- » Continuous improvement is in the DNA of USSK. As steel is, to some extent, a commodity product, USSK aspires to outperform its competitors on key value drivers in operations (such as yields, productivity or fuel rates).
- » After completing the BestX program in 2023 and metriX program in 2025, USSK is starting the next wave of its continuous improvement program under the name SynEx, this time covering years 2026 to 2028. More details on metriX can be found in *Continuous Improvement Programs* section.

✓ **Digital transformation - ERP, Digital&Analytics**

- » Leveraging digital tools is key to improving our operations.
- » We have successfully implemented a new market leading standardized ERP solution, which will enable a sustainable future through digital solutions and reliable process and data.
- » In addition, we will continue running a Digital&Analytics program focused on implementing innovative digital and AI solutions in our processes.

✓ **Footprint optimization**

- » We continuously evaluate our core and non-core activities to reduce greenhouse gas emissions while ensuring maximum returns.

✓ **Digital skills**

- » As part of our Digital&Analytics program, USSK invests into capability building of its employees through a range of trainings focused on Digital and AI skills including internal training activities under the SteelAI Fusion.

USSK management has quantified the strategy and regularly reviews progress towards achieving ambitious targets in safety, profitability, carbon footprint as well as customer experience and employee engagement.



INTRODUCTION

SUSTAINABILITY AND ESG

SUSTAINABILITY AND ESG CORPORATE SOCIAL RESPONSIBILITY (CSR) ESG ISSUES

Every company defines these phrases a bit differently. U. S. Steel views them through a simple lens: Ensuring more sustainable future, for our company and the stakeholders who depend on us, is not only the right thing to do, it is also essential to our long-term success. To realize this future, we have implemented our Best for All® strategy to transform our company into a sustainable, competitive business, enabling us to remain a pillar of our communities, a source of pride for our employees, and the bedrock of sustainable manufacturing for generations to come.

Sustainability within U. S. Steel means ensuring that our Company creates long-term value for all who participate in it – for business partners, employees, the community where we live and work, and ultimately for the planet.

BEST FOR ALL®

Best for All® strategy is focused on providing customers with profitable steel solutions for people and the planet, creating a more sustainable future for all our stakeholders. This strategy is informed by assessment of the climate-related risks and opportunities in our industry as well as potential climate impacts on our facilities, customers, and suppliers.

U. S. STEEL CORPORATE FRAMEWORK



Inspiring innovation

U. S. Steel innovation culture inspires the development of profitable, sustainable solutions for customers and drives positive outcomes for all stakeholders. This innovation drives material efficiency, energy management and process, and product progress.



Protecting the planet

U. S. Steel strives to minimize our environmental footprint through implementation of our greenhouse gas (GHG) intensity reduction goal, air quality goal and adherence to environmental standards. We cooperate with our stakeholders throughout the year and report on our performance to relevant groups across our organization.



Supporting people

U. S. Steel maximizes the potential of the people we impact, both internal and external to the organization, through employee benefits and development, and community outreach. Our focus on support includes community engagement, corporate governance, health and safety, relationships with unions, and talent management.



SUSTAINABLE DEVELOPMENT GOALS AT USSK

As a responsible company, we strive to focus our attention not only on the sustainability of our business, but also on contributing to efforts aimed at overcoming global challenges. For a long time, USSK has been setting goals that are in line with the global **Sustainable Development Goals (SDGs)**, which were adopted by the UN member states in 2015 as part of the 2030 Agenda and which the Slovak Republic also endorsed.

We strive to do business responsibly. Towards the end of 2021, USSK started setting up a structure focused on meeting ESG requirements, by also creating our own ESG team. We continue doing so while intensifying both communication and cooperation as well as developing our skills and knowledge in this area. We have been deepening SDGs within USSK and looking for new ways to embed them in our principles and values which include the environment, anti-corruption system, and human rights.

Working towards these goals not only contributes to overcoming global challenges, but also helps to create better working conditions, improve fair play on the market, reduce the risks that occur in the process and last but not least, to be more competitive.



- Talent and Skills Development (p. [72](#))
- Safety and Health Protection and Work (p. [86](#))
- Chemicals (p. [90](#))
- Crisis Management (p. [92](#))
- Community Engagement (p. [94](#))



- Talent and Skills Development (p. [72](#))
- Cooperation with Schools (p. [75](#))
- Community Engagement (p. [94](#))



- Equal Opportunities (p. [80](#))
- Governing Principles (p. [108](#))



- Mitigating Impact on Environment (p. [50](#))
- Water Management (p. [56](#))



- Process Innovation (p. [29](#))
- Energy Efficiency (p. [64](#))

	<ul style="list-style-type: none"> • Talent and Skills Development (p. 72) • Employee Social Program and Cooperation with Labor Unions (p. 77)
	<ul style="list-style-type: none"> • Process Innovation (p. 29) • Products and Industrial Solutions (p. 30) • Research and Development (p. 33) • Capital Investments (p. 38) • Continuous Improvement Programs (p. 40)
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	<ul style="list-style-type: none"> • Community Engagement (p. 94)
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	<ul style="list-style-type: none"> • Community Engagement (p. 94)

ESG

Corporate Social Responsibility (CSR) and **ESG (Environmental, Social, Governance)** representing the criteria used to assess a company's impact on climate and the environment, its societal impact and the quality of decision-making and management) are nothing new for our Company. We have been producing in Slovakia high-quality steel that serves world needs for more than 20 years.

Long before the word “sustainability” began to be used in connection with the business to society relationship, the Company applied a responsible approach in its business. Since the beginning of our operations in Košice, we have followed the principles of ethical and transparent business of the first Chairman of the Supervisory Board of U. S. Steel, Elbert Gary, which he introduced at the beginning of the 20th century.

USSK as the **largest employer and company in eastern Slovakia** has been regularly informing about the impact of its business in social, economic, and environmental areas through corporate responsibility reports, and ever since 2011 via integrated annual reports. USSK is one of the founding members of the informal association of companies, Business Leaders Forum, which since 2004, has been systematically working on promotion of CSR in Slovakia.

USSK is a leading corporate partner and **responsible community member supporting the development of the region** where its partners and employees live. It has been doing so since its establishment in 2000 via the promotion of children's and youth activities, health care, sport and sporting events, environmental and educational programs, projects helping to preserve the cultural identity of the region. It supports its active employees, appreciates their generosity in corporate fundraisers for charitable purposes, and develops their volunteer work for the benefit of communities.

USSK pays significant attention to issues of **management, education, and development of human resources** – from the preparation of the next generation of employees through the support of students at partner schools, to a close cooperation with trade unions – in creating a motivated workforce. We put special emphasis on the **safety and health of employees**, which U. S. Steel Košice promotes as a key value in cooperation with its partners and the community. Last but not least, USSK is a **leader in the application of business ethics and anti-corruption practices in Slovakia**.





MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

U. S. Steel Košice has been intensively preparing for the new obligation to compile a sustainability report according to the European Sustainability Reporting Standards (ESRS). Therefore, at the end of 2023, a **double materiality assessment** was conducted, based on these standards. On the identified set of cross-sectional ESG topics, which were selected from the relevant sustainability context of U. S. Steel Košice, U. S. Steel, as well as for similar companies operating in the steel segment, the Company evaluated the importance of these topics from the point of view of impacts and financial significance. In addition, it engaged a wide range of internal and external stakeholders from employees, investors, affected communities, the value chain and non-governmental organizations to confirm the internal assessment of double materiality. Stakeholders were involved in the form of a questionnaire or dialogue, within which they evaluated the importance of ESG topics for themselves and for other stakeholders.

The disclosure of the double materiality assessment will be prepared as part of the annual report compiled on the basis of the Corporate Sustainability Reporting Directive (CSRD).

Sustainability throughout the production process

Sustainability within U. S. Steel means ensuring that our Company creates long-term value for all who participate in it – for business partners, employees, the community where we live and work, and ultimately for the planet.

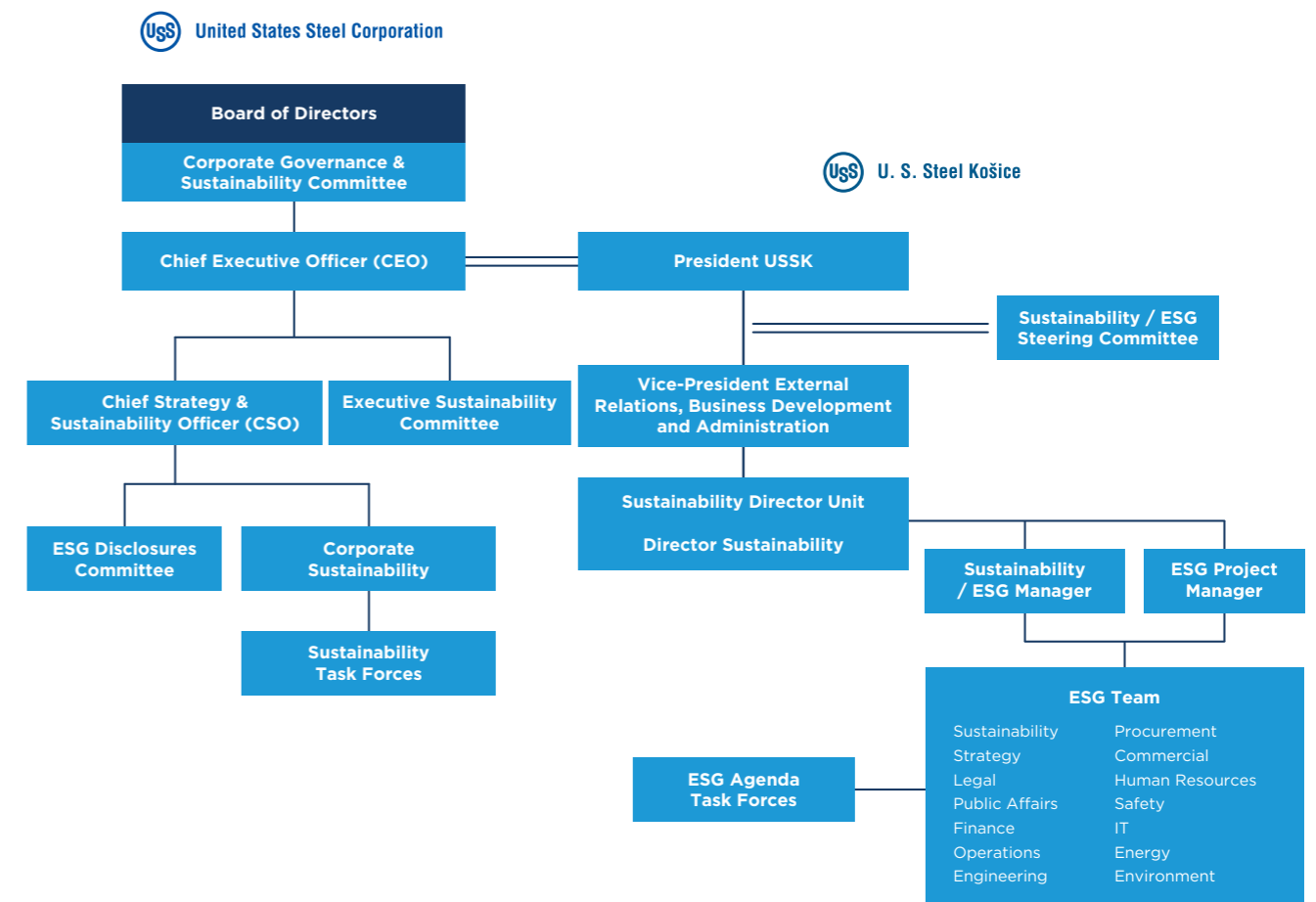
Within U. S. Steel Košice we systematically work on the development of our Company's sustainability strategy. We have an effectively functioning ESG / Sustainability team, which covers the agenda across the entire scope of the Company as we care about sustainability. We believe that a responsible and sustainable way to succeed is key to our business. It not only brings economic development, but also strengthens the motivation and loyalty of employees, evokes customer satisfaction and loyalty, and promotes understanding with the community in which we operate and live.

U. S. Steel is an active ResponsibleSteel™ (RS) member. Being committed to the RS standard, which stems from and follows ESG principles, USS obtained the 1st Site certification in North America (Big River Steel). While supporting USS RS membership, USSK has been in close cooperation with the corporate team, actively preparing for RS Site Certification process.

During 2025, U. S. Steel Košice continued to develop its activities in the area of sustainability and responsible steel production in accordance with international standards and stakeholder expectations.

Within U. S. Steel Košice, ESG agenda is the responsibility of the Vice President for External Relations, Administration and Business Development, Director of Sustainability, Sustainability/ ESG Manager, and ESG Projects Manager.

On the corporate level, Sustainability & ESG agenda is led by the Senior Vice President Sustainability & Chief Technology Officer, and Head of Sustainability.





BUSINESS ENVIRONMENT

TRUSTED BY OUR EMPLOYEES, CUSTOMERS, COMMUNITY

Company Management (ESG)

- Transparent and ethical management of the company

Procurement of raw materials, products and services (ESG)

- **Transparent and responsible principles for selecting suppliers and collaborating within the supply chain, based on mutual trust and development. The USSK company strives to work with its suppliers with the aim of continuous improvement.**
- Implementation of the **Supplier Code of Conduct**

- **Use of alternative materials**

- Efforts to use recycled lighting materials within a circular economy.
- Use of **BIO alternatives** for sealing and insulating materials as a substitute for materials with carcinogenic elements.
- By purchasing zinc from suppliers who focus on reducing the carbon intensity of their production processes, and by using high-purity material for galvanizing operations, we support stable production of the highest-quality steel while maintaining high environmental standards.
- Use of metal-bearing by-products and waste from the engineering industry in the sinter and blast furnace burden.

- **A greener approach to transport**

- More than 85% of our deliveries are imported using rail transport.

Production (ESG)

- Monitoring and systematically reducing environmental impact
- Efficient and responsible use of raw materials, energy, and water
- The repeated use of technological residues, wastewater treatment and reuse, air pollution reduction, and biodiversity support represent the key areas of environmental care in our Company
- We strategically invest in R&D, including lower-emission steel production
- **Steel production is an ideal example of a CIRCULAR ECONOMY:**

- Steel can be infinitely recycled without loss of quality. At USSK, we can use up to 1,400-4,000 tons of scrap per day.
- Steel has an average lifespan of 40 years, and many steel products can be reused at their end of life, conserving resources.
- By-products of the production process can be further used.
- 50% of technological residues from production consist of blast furnace slag, which has further applications in various industrial sectors. We process waste in our own waste recovery facilities, and any waste that cannot be further utilized is disposed of in our own landfill sites.
 - **By-products and materials** that are formed during the production process of steel and coke are reused in **various segments of industry and construction**. They are not landfilled, thus impact on the environment is being minimized.
 - **Blast furnace slag** is further processed into products used in the construction industry, while by-products from coke and coke gas production are utilized in the **chemical industry**.
 - In the field of **recovery and treatment of selected waste** through stabilization and/or decontamination, we obtain recycled material for landfill reclamation or enable its disposal at a non-hazardous waste landfill.
- USSK produces approximately 34% of the total electricity consumed at the plant.

- The steel industry is constantly innovating new products and processes, as evidenced by more than 3,500 grades of steel with specific uses.
- Steel production energy consumption has decreased by about 60% since the 1960s, thanks to energy efficiency improvements.
- Advanced High-Strength Steels make applications across industries lighter and stronger, reducing their environmental footprint.
- Nearly all technologies designed to reduce greenhouse gas (GHG) emissions rely on steel: renewable energy generation, transportation, electrification and the hydrogen industry. In order to transition to net-zero GHG emissions by 2050, the world needs steel.
- By 2050, global steel use is expected to rise about 20% from today's level to meet the needs of the world's growing population.

Products (ESG)

- We respond, among others, to the needs of the construction, automotive, white goods and energy industries.
- We are constantly expanding our product portfolio.
- Our products help to create sustainable infrastructure and promote a more sustainable lifestyle.
- Transport of products – changing to eco-friendly, multimodal method of material delivery to customers, through distribution warehouses in Germany (CO₂ savings in 2025 – 926 tons).

Quality and safe working environment (ESG)

- Fair, ethical, and respectful treatment of our employees
- Opportunities for further development
- A wide range of benefits (beyond the legislative requirements)
- Safe, healthy, and quality working life for our people
- Safety of our employees is our priority
- We implement complex safety projects
- We provide our employees with the necessary personal protective equipment (PPE)

Engaged member of the community (ESG)

- Active cooperation with the local community, interest in the needs of the region and engagement in their solution – either directly or through its foundation, Nadácia U. S. Steel Košice.
- The priorities in the area of donations and sponsorship are public benefit projects for children, support for health care, science and education, culture and sports.
- Volunteering programs.
- Partner to many non-profit organizations that are active in solving problems and providing innovative solutions for community development and social care for disabled people and senior citizens.





INSPIRE INNOVATION

INSPIRE INNOVATION

PROCESS INNOVATION



COLLABORATING WITH CUSTOMERS TOWARD SHARED SUCCESS

In recent years, we have collaborated with several customers to solve specific problems during the design process to ensure better end results. What began as intermittent customer requests has evolved into ongoing collaborations, customized solutions, and more differentiated products.

These collaborations have been extraordinarily successful, in large part because of the high level of trust we have built with our customers over time through our strong business relationships. There is a mutual respect for each other's knowledge and expertise, a comprehensive understanding of each other's businesses, and confidence that each party will fulfil its commitments.

We have continuously strived to improve all aspects of our business, including optimizing how we produce steel, and this is taking us in exciting new directions. We believe that long-term success depends on our ability to adapt to the changing needs of our customers and the environment.

Our engagements start with understanding our customers' business needs, engineering requirements, as well as possible obstacles. Then we identify a solution, which could be creating a specialized product or modifying an existing one to fit their needs. The more our customers learn about the properties of steel and the ways it can be used, the more they are turning to differentiated steel products as a solution earlier in the design process and pushing the boundaries of its use.

INSPIRE INNOVATION

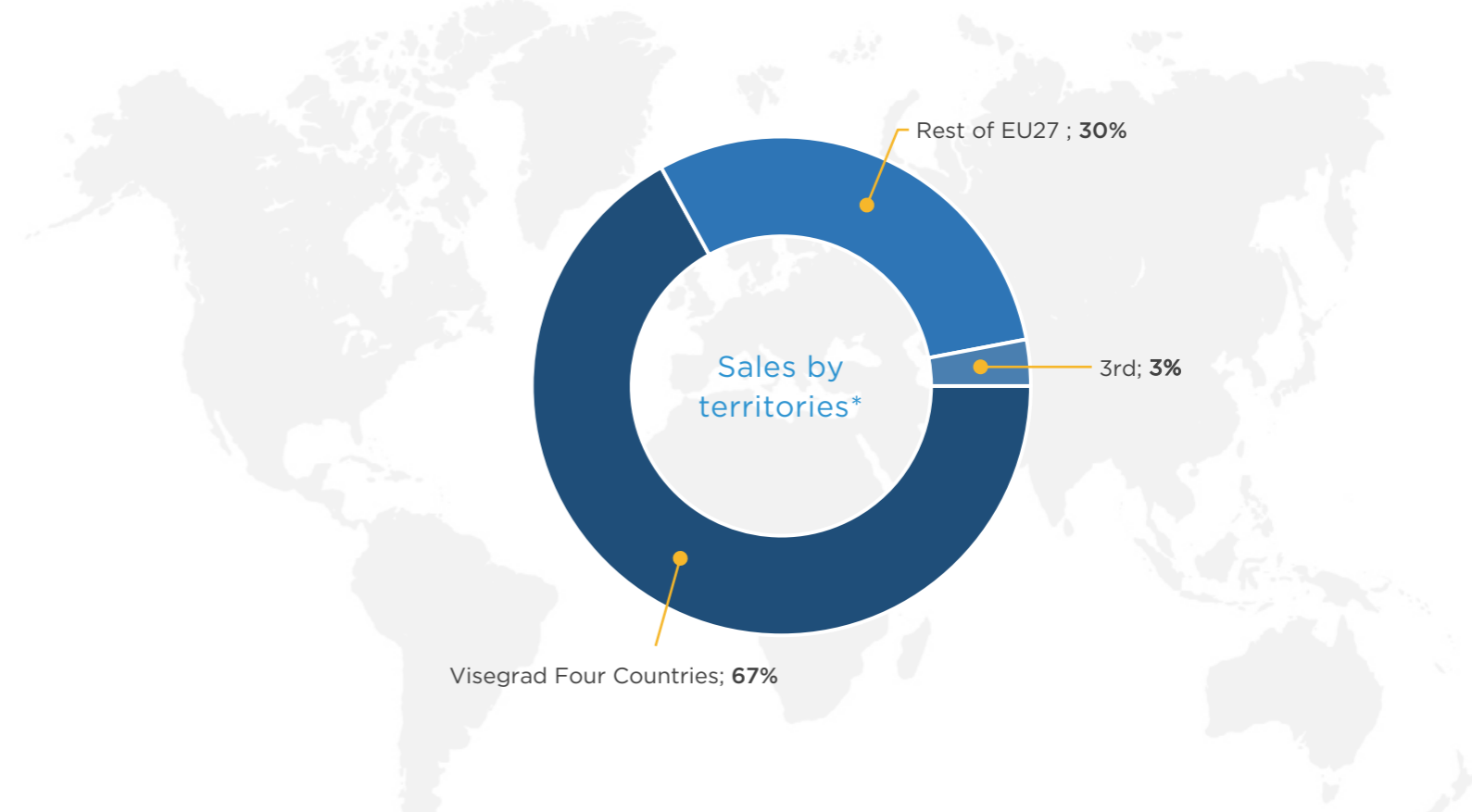
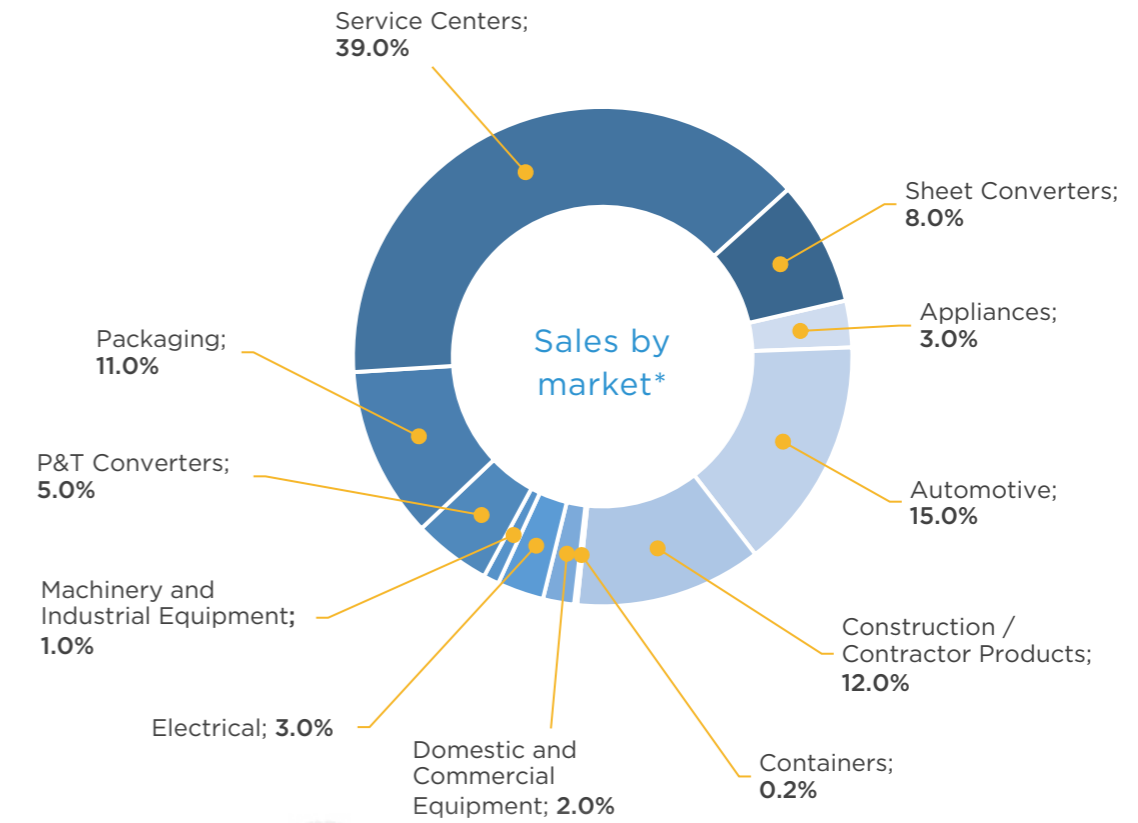
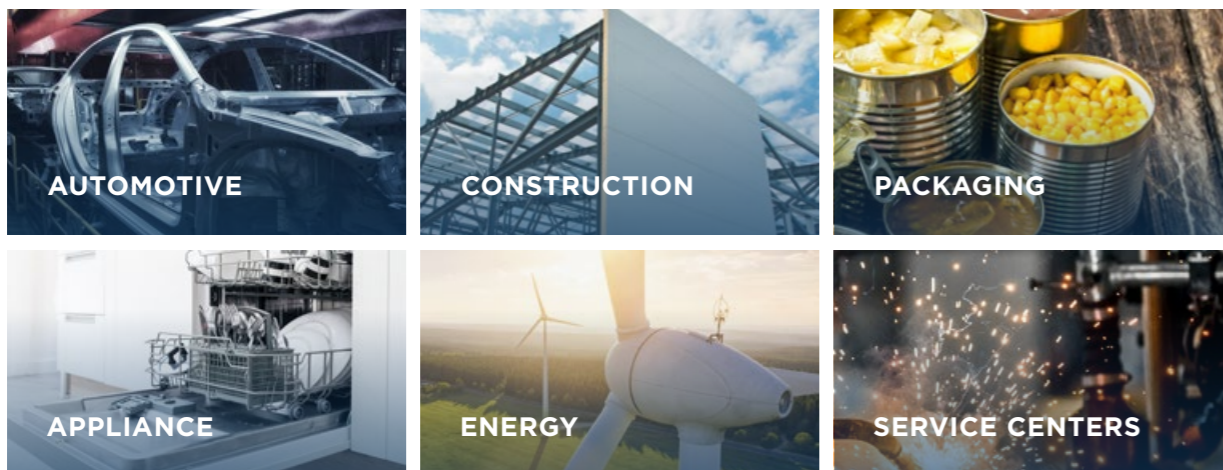
PRODUCTS AND INDUSTRIAL SOLUTIONS



U. S. Steel Košice maintains longstanding, strategic relationships with its major customers. Over recent years, our company has intensified its customer focus, working more closely with key partners on product development, quality improvement, and supply-chain reliability.

Following the acquisition of U. S. Steel by Nippon Steel Corporation, our customers increasingly view U. S. Steel Košice as part of a larger, technology-driven global steel group with a strong and established presence in the European and international markets. Nippon Steel's reputation as a leading supplier to major Japanese and global automotive, industrial, and high-end manufacturing companies, including those with significant production footprint in the EU, reinforces confidence in the long-term stability, technical capabilities, and innovation potential of our operations.

The combination of U. S. Steel Košice's strong regional presence and Nippon Steel's world-leading technologies and customer relationships positions our company to support the evolving needs of key European and multinational customers and to strengthen its role in critical value chains, including automotive, packaging, construction, and energy-related applications.



Main territories

The main territories in which U. S. Steel Košice operates are Central and Western Europe.

* Of the total shipped volume in 2025.

INSPIRE INNOVATION

QUALITY AND CUSTOMER TECHNICAL SERVICE (CTS)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



USSK has an established and **certified quality management system (QMS)** according to the **EN ISO 9001 standard and according to the IATF 16949 standard for the automotive industry**, the performance of which is checked once a year by an accredited certification body. The Company **holds several dozen product certificates** for its final and secondary products and also has several laboratories accredited according to the EN ISO/IEC 17025 standard.

In 2025, the Company successfully completed a **surveillance audit according to EN ISO 9001:2015 and IATF 16949:2016**, thus confirming suitability and the efficiency of established processes. This audit also confirmed the synergy of USSK's established and certified management systems in the area of environment, energy efficiency, safety and maintenance of railway transport (ECM) with the vision of introducing an integrated management system.

In the field of **internal quality**, when defining demanding internal goals, the quality of deliveries in 2025 was evaluated positively by USSK customers.

As for external quality, in 2025 a positive trend in customer claims was recorded. As regards the claims ratio as well as claims losses, both key indicators were fully met. The claims ratio reached the same excellent level as in 2024 and claim losses were even 1% lower than in 2024.

As to cooperation with customers, the **Customer Satisfaction Survey** is a significant external quality parameter of supplied products and services. The response rate in 2025 reached the same record level as in previous year, **98%**, whereby the customer satisfaction rating reached a **value of 1.75** (on a scale of 1 – excellent down to 5 – poor). **This result belongs to TOP 5 best customer satisfaction survey ratings since U. S. Steel acquired the Košice plant.** The Customer Satisfaction Survey, having clearly showed a stable and consistent quality level of supplied products, proved the leading position of USSK in the area of delivery performance, sales service, and mainly in customer technical service.

INSPIRE INNOVATION

RESEARCH AND DEVELOPMENT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



WE CONTRIBUTE TO INCREASING EFFICIENCY AND SUSTAINABILITY

Adverse developments in the steel market, the energy crisis, and the overall situation caused by the war in Ukraine affected research and development activities in 2025 as well.

The primary objectives of R&D efforts remained focused on improving and optimizing production processes while meeting customer requirements.

FOCUS OF RESEARCH AND DEVELOPMENT ACTIVITIES

- By leveraging advanced analytical methodologies and process optimization, we enhanced the procurement of strategic raw materials, streamlined supply chains, and minimized their adverse impact on product quality.
- Improvements in production efficiency and productivity led to further reductions in CO₂ emissions, as well as decreases in energy intensity and overall manufacturing costs.
- In primary steelmaking, process optimizations were implemented in the management of coal blend homogenization piles, deoxidation, heat balance control in the basic oxygen furnace process, alloying, modification, and continuous casting operations. Optimization of metallurgical processes is based on the use of analytical methods and artificial intelligence.
- Research continued on the development of a predictive model for optimizing costs and the use of input raw materials while maintaining the safe operation of coke oven battery equipment.

- A comprehensive system for predicting hot metal temperature during transport from the blast furnace to the steel shop was put into permanent operation to support the optimization of the metallic charge in the basic oxygen furnace.
- A charge model for calculating the amount of hot metal and scrap to be charged into the basic oxygen furnace at the steel shop was implemented with the aim of reducing steel production costs and CO₂ emissions by increasing scrap consumption.
- To improve steel quality and save production costs, tests of new, progressive materials used in steel production, processing, and casting are continuing.
- A mathematical model was created with the aim of eliminating undesirable events caused by excessive molten metal weight in the ladle.
- In terms of ongoing research into current production and casting conditions, optimized calcium steel processing procedures have been successfully implemented for selected steel grades with limited silicon content.
- Research began to focus on looking for new quality parameters for lime for the basic oxygen furnace process at Steel Shop 2 (OC2) to describe the assumption of its disintegration rate and the impact on the increased maintenance requirements of the gas cleaning system.
- Within the application of projects utilizing innovative refractory materials, the costs per metric ton of steel produced were optimized and the specific heat consumption of production equipment was reduced.
- Using statistical modeling and predictive models of the mechanical properties of steels, the technological parameters of production and the chemical composition of steel were optimized, which led to a significant reduction in the proportion of repeated mechanical tests and non-prime products on all production lines.
- The design of a predictive model for quantifying the mechanical properties of steels after cold rolling has been completed and will be implemented in production control systems next year. The main benefits will be an increase in the material yield at the cold rolling mill, labor savings, and a reduction in the costs associated with sampling and testing materials.
- The research also focused on the development of non-sampling certification systems using SEMP (System of Estimating Mechanical Properties After Rolling) and IMPOC (Impulse Magnetic Process On-line Controller).
- Cooperation between our Company and universities is essential and supports research and development activities. In this context, one of the areas addressed was the SMART STEEL research project, focused on steel casting processes. As part of its pilot phase, the specification of conditions, preparation, and launch of initial simulations of steel flow conditions in the mold were initiated, using the latest available physical and mathematical modeling tools.
- Enhancing product quality remained an integral part of research and development. Projects were carried out to improve internal steel purity, surface quality, and mechanical properties.
- The development of new steel grades tailored to specific customer needs and requirements continued. The mechanical properties of multiple products were modified to align with precise specifications. In addition to new steel grades, the product portfolio was expanded to include new thicknesses and widths.
- Products with the highest added value were manufactured for strategic industries, including the automotive, packaging, electrical, and construction sectors.



- The search on a new continuously annealed steel grade for tinplate production as a replacement for an existing batch-annealed grade was completed. This transition reduces the energy intensity and overall production costs
- The development of a new high-strength tinplate grade was completed, designed for the manufacture of certain can components.
- The research project continues to create new continuously annealed steel grades with low guaranteed earing values, primary intended for the production of deep twist-off closures.
- In the project of chromium-free passivation for packaging steels - conducted under the umbrella of Steel for Packaging Europe (formerly APEAL), the association representing all European tinplate producers - collaboration with external partners (including coating manufacturers and customers - can manufactures) continued successfully. A key milestone in this project was the successful mastery of long-term production of chromium-free passivated tinplate. With the current legislative changes in the EU and the extension of the use of hexavalent chromium (until July 1, 2030), an increased demand for this material from customers is expected in the near future in the context of external qualification.



- For pre-painted steel sheets, new combinations of colors and coating thicknesses were introduced. The implementation of four-coat systems, along with textured and metallic finishes, resulted in extended durability and enhanced aesthetic performance. Selected coatings were replaced with more environmentally friendly versions to eliminate health and environmental risks.



ELECTROTECHNICAL INDUSTRY

- In the field of electrical steels, the research of new grades with low specific core losses and high magnetic polarization continued, enabling the production of more energy-efficient electric motors.
- A new grade of electrical steel for industrial generators used in the production of electricity from renewable sources has been released for customer testing.
- New steel grades designed for motor applications operating at higher frequencies (400Hz) were developed.
- Successful trials were conducted on a new type of insulation, which offers multiple advantages in the lamination bonding of rotors and stators in electric motor manufacturing, including enhanced mechanical stability and improved magnetic properties.



AUTOMOTIVE INDUSTRY

- In the field of galvanized steel sheets for the automotive sector, efforts continued to research optimal solutions for high-strength grades with enhanced ductility. These advanced grades enable our customers to manufacture lighter vehicle components, reducing overall vehicle weight and lowering emissions while maintaining passenger safety.
- The mechanical properties of selected galvanized steel grades (deep-drawing, microalloyed, etc.) were optimized according to customer specifications to ensure optimal formability during the stamping of specific automotive parts.

- For hot-rolled pickled microalloyed grades, the production program was expanded in accordance with VDA automotive industry standards. This expansion included the development of high-formability grades with reduced variability in strength characteristics and improved plasticity, tailored to meet the specific demands of automotive customers.
- Using sophisticated 3D automated optical measurement systems, the material card database was expanded to include new steel grades, dimensions, and surface coatings. Automotive industry customers utilize these material cards for numerical stamping simulations in AutoForm software during the pre-production stage of product development.
- In the area of hot-dip galvanized high-strength DP steel grades with enhanced ductility, we used pilot laboratory lines and a Hot Dip Process Simulator (HDPS) to simulate chemical composition and rolling, annealing, and galvanizing parameters.



CONSUMER GOODS INDUSTRY

- In the home appliance and consumer electronics segment, production continued for steel sheets with transparent thin organic coatings (TOC) for applications such as washing machines, dryers, range hoods, and HVAC systems. Additionally, color-coated TOC sheets were manufactured for interior television panels, customized according to specific customer requirements.
- Within efforts to improve the environment and occupational health and safety in the metallurgical industry, cooperation was developed with chemical companies in the field of chromium-free passivation, which is suitable for the surface treatment of galvanized sheets.

In 2025, the costs to operate the Research and Development department amounted to EUR 1.79 million (2024: EUR 1.79 million). Certain portion of these costs, if eligible, was included in the total costs of projects, which were identified to comply with R&D tax credit requirements. Total amount of the costs eligible for 2025 R&D tax credit, after adding operating trial costs, is EUR 4.2 million (2024: EUR 3.4 million).



INSPIRE INNOVATION

CAPITAL INVESTMENTS



INFRASTRUCTURE PROJECTS

In 2025, our Blast Furnace Stoves renewal program continued with the completion of the upgrade of Stove 22 at Blast Furnace 2. This is the third of three stoves subject to the upgrade on this furnace, which in addition to extending their useful life, also restores their efficiency. The restored efficiency will minimize CO₂ emissions and increase fuel economy.

In the area of safety, M221 & M251 Conveyor Belt Fire Protection and New Man Down Alarm – Stage 3 projects were completed. Other projects such as Blast Furnace Charging Distribution Model, Manual Oil Layer Meter, Geodetic GPS System, X-Ray Fluorescence Spectrometer, Industrial Water for Slag Heap, and Online Si Measurement for BF Control Model improved the overall technical condition of USSK's facilities.

ENHANCING THE ENERGY EFFICIENCY AND EFFICIENT USE OF RAW MATERIALS AND OTHER RESOURCES

An electric air compressor will reduce coal consumption and CO₂ emissions. Other successful cost reduction projects in 2025 included Upgrade of the Mold Level Control, Oil Sample Analysis Digitalization, Fusion Device, Ladle Bubbling Improvement, Pincher Monitoring Camera for 2-Stand Rolling Mill, Camera Inspection System for Coating Line, Optimization of Strip Drying at Coating Line, and Optimization of Cooling in the Reduction Furnace of Galvanizing Line 2.

ENVIRONMENTAL PROJECT - USSK WASTEWATER QUALITY - SOLUBLE MATTERS REDUCTION

To reduce the risk associated with handling ammonia, the Segmentation of Ammonia Piping and the Modification of Liquid Ammonia Transfer were completed.

SUCCESSFUL IT PROJECTS

IT HW projects - Critical Equipment Upgrade in 2025, USSK Network Access Control, Replacement of Radioactivity Measuring Equipment, Replacement of Servers at Power Engineering, Backup Power Supply for Mechanics Computer Center, Firewall for Internal Web Applications, Replacement of DMZ Server Infrastructure, Cloud Access Proxy Server, Upgrade of T40 and T70 Substation IS, Upgrade of ST2 Broad Gauge System, and Implementation and Upgrade of SAP S4HANA 2025 improved the reliability and security of USSK's IT infrastructure.

ERP

We are proud to highlight the successful implementation of our new Enterprise Resource Planning (ERP) system SAP S4HANA, which has now been in full operation since January 2025. This modern platform enables us to optimize our processes, increase productivity, and provide an elevated level of service to our customers.

The ERP Program began in 2022 and has since delivered transformational results across our organization:

- Our former financial system Financial 2000 (F2000) was replaced by a cloud-based SAP solution, establishing a unified digital core for our key business processes. Also, we implemented new software solution from PSImetals for Sales & Operations Planning.
- Over the past year, the new ERP environment has been supporting our daily operations and enabling data-driven decision-making across the company.
- With this foundation in place, we are continuing to expand SAP capabilities to further streamline operations and strengthen integration across the value chain.
- The ERP Program is a cornerstone of our long-term digital strategy, bringing modern technologies, standardized processes, and high-quality data to support our people, customers, and society. It positions us to innovate, grow, and operate more efficiently in a rapidly changing market environment.



INSPIRE INNOVATION

CONTINUOUS IMPROVEMENT PROGRAMS



Continuous improvement at USSK is aimed at optimizing processes, increasing efficiency, productivity and reducing costs using the principles of LEAN and Six Sigma. Each continuous improvement program is defined by specific rules and represents a systematic and structured approach.

The year 2025 was the second year of a new continuous improvement program called **metriX**, which focuses on critical key indicators such as fuel consumption, production line yields and costs. The most rigorous methodology yet is used to calculate the benefits, with the results achieved being compared against a 2023 baseline and, if certain conditions for Clawback projects are met, the results can also be compared with the 2024 baseline. Also, the sustainability of the projects is up to 3 years.

- ✓ As part of the metriX program, USSK successfully implemented 326 projects in 2025, of which 213 were EBITDA Recurring Improvement and Clawback projects with repeated improvement (with total annual savings of USD 192.7 million).

Over the past year, USSK successfully continued to improve all key processes. Systematic optimization of production processes increased production efficiency and reduced operating costs. An emphasis on lean management and standardization of work resulted in more stable product quality. Employees actively participated in improvement proposals, strengthening the culture of continuous improvement. The implementation of technical innovations contributed to higher equipment reliability and reduced unplanned downtime. As in previous years, emphasis was placed on digital and energy projects. AA predictive models helped optimize and streamline processes on several production units. Several workshops were held, at which employees contributed a number of innovative ideas that were successfully incorporated into individual projects.

The most successful metriX project for 2025 was the **BF fuel rates reduction** project. The project achieved significant improvements by repairing and upgrading the stoves, fine-tuning the heating model, and increasing the hot blast temperature, which contributed to more efficient operation. At the same time, we implemented new pellet sorting equipment, which simplified the process of preparing raw materials charged into blast furnaces. Improved furnace control models contribute to more stable operation. Overall, the project has resulted in greater reliability and efficiency of operation.

The second most important project is **metriX Steel Shop SS - Liquid Steel Yield Increase**. In this project in the area of critical KPI yield for liquid steel, last year we recorded the best annual yield for liquid steel in the history of the Steel Shop, at 91.279 percent, with a target of 90.66 percent.

The approach to the solution was an example of outstanding cooperation between the Steelworks operations and the departments involved, such as BF, the Digital Team, Research, QA, and Procurement. The project had many supporting initiatives that contributed to the record result in 2025:

- Improvement in the quality of hot metal supplied by BF, especially in terms of silicon and sulfur content and variability, and temperature variability.
- At the Steelworks, we optimized the metallurgical processes related to slag skimming during desulfurization, steel refining in BOFs, steel tapping, inter-heat BOF maintenance, and steel casting, which reduced iron losses during desulfurization and tapping, as well as iron losses to BOF and ladle slag.
- In the area of process digitalization, we implemented an optimized predictive Advanced Analytical Model for Basic Oxygen Furnaces - End Point Detection and Advanced Analytical Model for Scrap Procurement and Scrap Charge Preparation.

The third project with the highest savings is **metriX Steelshop 1 BOF Scrap Preheating**. As part of this project, we changed the management of scrap in BOFs and optimized the calculations of the static charge model, thereby increasing the possibility of using larger quantities of scrap for the heat balance of BOFs at the expense of more expensive hot metal. By reducing the hot metal factor, we reduced the carbon footprint of steel production in BOFs.

The results achieved confirm that continuous improvement is an integral part of the Company's long-term strategy.



INSPIRE INNOVATION

TECHNOLOGIES

Digitalization brings significant changes in production management. Artificial intelligence tools and correctly interpreted data allow us to increase the quality and efficiency of production, reduce emissions and improve sustainability.

The digitalization process at Košice iron and steel works began already in the **early 1990s**. Digitalization has brought significant changes to production management. Thanks to data and analytics, we can increase the quality and efficiency of our production, and at the same time reduce emissions and increase sustainability. Digitalization affects most production and support processes. Today, the main challenge is **advanced analytics**, i.e., **data evaluation to optimize production and introducing elements of artificial intelligence into our processes**. The first projects implemented on the basis of data evaluation by advanced analytics were launched in 2017 and are now deployed in production, while saving millions of EUR per year.

Thanks to the company systems, we have historical data on each ton of steel produced, its exact composition, list of additives, detailed production process or parameters of various aspects of manufacturing. This so-called BigData, is key for further extensive analysis. We are currently working on the transformation of our ERP and MES environment to move them to the next level of development and enable the use of the modern technologies such as advanced analytics, machine learning, and augmented reality.

DATA AND ANALYTICS

If we can comprehensively manage processes within the entire metallurgical cycle using the outputs of advanced analytics, we can increase the quality of steel production and reduce costs at the same time. The benefit of innovation, expressed as the value of financial savings, shows that correctly interpreted data are worth millions of EUR.





Based on machine learning, otherwise known as artificial intelligence, we can better evaluate large volumes of data in real time and discover new contexts and improvements. U. S. Steel Košice wants to be the best steel plant in Europe and a leader in the use of smart technology for industry within the **Industry 4.0** concept.

Data Studio department, in cooperation with departments such as Research & Development, Operations, and Power Engineering, has successfully implemented several projects that bring results.

DATA STUDIO

WE TRANSFORM PRODUCTION USING DATA

As part of the digitalization in our Company, we have long been developing our own solutions and implementing various AI technologies directly into our production processes. In this way, advanced analytics and artificial intelligence help us save millions of euros every year and reduce our environmental impact.

 <p>INTELLIGENT PRODUCTION SYSTEM MES ERP Salesforce CRM</p>	 <p>DATA AND ANALYTICS Leveraging data and new analytical methods to support better decisions</p>	 <p>DIGITAL SOLUTIONS ("apps") Digital enablement of non-routine tasks</p>	 <p>AUTOMATIZATION AND ROBOTIZATION Automatization and robotization of routine/repetitive/monotonic tasks</p>
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• We have implemented a number of solutions thus far across our key processes, such as:

- Procurement of raw materials
- Process control and process parameters prediction in various steps of iron and steel making
- Visual quality control
- Automated drone image processing for maintenance inspections
- Warehouse digitalization and digital twins
- Energy usage prediction and optimization
- Optimizing the loading of products into trucks

- We have more than 190 employees in our IT department, up to 12 of whom are data scientists, artificial intelligence and machine learning system developers.
- We actively leverage expertise in the region by working with universities and businesses to solve business problems.

Some project highlights applying AI solutions to our daily practice

- **Value In Use BF** (Blast Furnaces) – large scale optimizer for purchasing of raw materials for BF use.
- **Blast Furnace** – real-time prediction of silicon content and temperature in hot metal, enabling more efficient process control to reduce fuel requirements.
- **Steelshop Desulph** (Steelworks) – novel approach using Physics Informed Neural Networks (PINNs) to solve problem of right dosing of Desulph agent to maximize efficiency and yield.
- **Value In Use Steelshop** (Steelworks) – using several ML models to optimize scrap composition and purchasing to decrease cost and increase yield of scrap in BOF vessel.
- **BOF parameters real-time prediction** (Steelworks) – set of ML (Machine learning) models predicting the chemical composition and temperature in the vessel during SS BOF process.
- **Steelshop Vacuum Degasser** (Steelworks) – using ML and advanced scheduling tools to increase throughput of Vacuum Degasser.
- **Truck loading optimizer** – optimizer using cutting edge algorithms to load the trucks shipping our products to their legal limit reducing truck usage as much as several thousand rides a year.
- **Side trim visual inspections** – using ML model trained on small dataset of camera recordings to automatically detect wrong side trim of rolled material by processing images from a camera.
- **Value In Use energy** (Power Engineering) – Optimizer for key processes and energy media effectively managing usage of energy media within the plant thus reducing energy footprint of operations.
- **Hot Rolling Mill Hot charge** (Hot Rolling Mill) – several optimizers and ML models to reduce gas used for slab reheating, significantly reducing CO₂ byproduct.
- **Charging plan for the batch annealing facility** (Cold Rolling Mill) – advanced AI model for charge optimization in terms of reducing the number of hoods used.
- **Charging plan for the Dynamo Line** (Cold Rolling Mill) – advanced AI model for charge optimization in terms of reducing the number of intermediate strips used.

THANKS TO DIGITAL TECHNOLOGIES AND
ADVANCED ANALYTICS WE ARE ALREADY BRINGING
THE INNOVATIONS OF THE FUTURE TODAY.



Training / Cooperation with Universities:

- Upskilling of internal employees in Digital area through internally provided training and external university courses developed jointly

- **Analytics bootcamp** – internal training program for employees to grasp basics of data analytics and agile project delivery.
- **Analytics academy in collaboration with Pavol Jozef Šafarik University** – university-run curriculum for aspiring novice data analysts.

- Contribution to university students' education through providing lectures, diploma theses and student employment

- We are constantly expanding our platform of educational courses in the IT field for our employees, which not only broadens their horizons in the IT field, but also teaches them how to protect themselves in the digital space, both at work and at home.
- In this area, we also cooperate with universities through which we implement some of these courses.
- We regularly present our activities in the field of digitalization of processes and introduction of AI technologies into our daily practice to students in the form of lectures at their universities.
- We are also deepening cooperation with universities in the sphere of cooperation with students, for example in the form of mentoring in the process of writing their final, bachelor or diploma theses.

For more information on cooperation with universities, see pages 75-76 and 95.

Further initiatives implemented in the IT area leading to more sustainable day-to-day business

MES Orchestration project:

Standardization and consolidation of production and warehouse data. Replacement of manual monthly closings by automatic processing, creation of a single data base for accounting and controlling. The project lays the foundations for further progress, including the implementation of a modern ERP system and the potential use of artificial intelligence models.

The MES Orchestration project faced many challenges, including reliance on multiple information systems and a multitude of Excel spreadsheets, which required standardization and consolidation of data. A new MES Orchestration system was introduced to replace the old methods and ensure accurate and consolidated data collection for accounting and control purposes. The new system tracks the history of semi-finished goods, their costs over time and ensures that no data is lost, greatly increasing the accuracy and reliability of the data.



Shared printers:

- A standard of shared network printers has been introduced; these printers are mostly located in corridors. This allowed the elimination of a significant number of local printers. It allowed to reduce the number of different models of printers, the costs of their operation and it also resulted in a reduction in the number of printed pages.

Remote work:

- All employees in the administration are equipped with laptops, mobile phones and are allowed remote access to USSK via VPN access.
- Our meeting rooms are equipped with technology to make it possible to hold Teams meetings with people working from home as well as from an external environment.
- Shared workplaces have been created.



CYBERSECURITY

Cybersecurity is an integral part of the strategy of U. S. Steel Košice, s.r.o. and its subsidiaries. Its goal is to protect information assets, production technologies, data, and key processes from growing cyber threats, while supporting the stable and secure operation of the Company in a dynamically changing technological and regulatory environment.

In November, the Company's management adopted a new Cybersecurity Strategy that reflects the current needs of the organization and responds to significant changes in European and Slovak legislation in the area of cybersecurity. The document strengthens the Company's strategic direction in implementing security measures and ensures compliance with new regulatory requirements.

The cybersecurity program is based on the implementation and continuous development of the Information Security Management System (ISMS) that is aligned with international standards. This system enables systematic risk management, the introduction of appropriate security measures, and ongoing evaluation of their effectiveness.

Cybersecurity focuses primarily on ensuring the confidentiality, integrity, and availability of information and information systems, including the protection of industrial control systems that are critical to production continuity. Special attention is paid to the protection of personal data, trade secrets, and the Company's intellectual property.

The Company emphasizes a clear division of responsibilities in the area of cybersecurity, the separation of management, executive, and control functions, and regular evaluation of the fulfillment of security objectives. Cybersecurity is perceived as a continuous process that requires the active participation of management and all employees of the Company.

The goal of these activities is not only to meet legislative and regulatory requirements, but also to strengthen the Company's cyber resilience in the long term, protect its reputation, and create a safe environment for employees, business partners, and customers.

VISION

The cybersecurity strategy defines four strategic priorities that are fully aligned with USSK's business context:



LINKEDIN

Digital communication channels such as the web, mail or social networks are a matter of course for everyone today. Regular informing of customers about news and interesting matters from the environment of our Company in a multimedia form is helping us increase the value of the U. S. Steel brand.

We use **LinkedIn** to publish information related to our industry. We also reach out to potential candidates to work with us through this channel.



THE X APP KOŠICE

The X App Košice, a communication application for the Company's employees as well as for the public, was launched at the end of 2021. We are constantly improving the application, adding new features which facilitate communication and significantly simplify registration for company sports and volunteer events. Like in the previous year, the application also enabled employees to register for quick health screenings, which the Company organized with a partner organization. The My Exchange platform, allowing employees to advertise for free, has been available since the end of 2024.



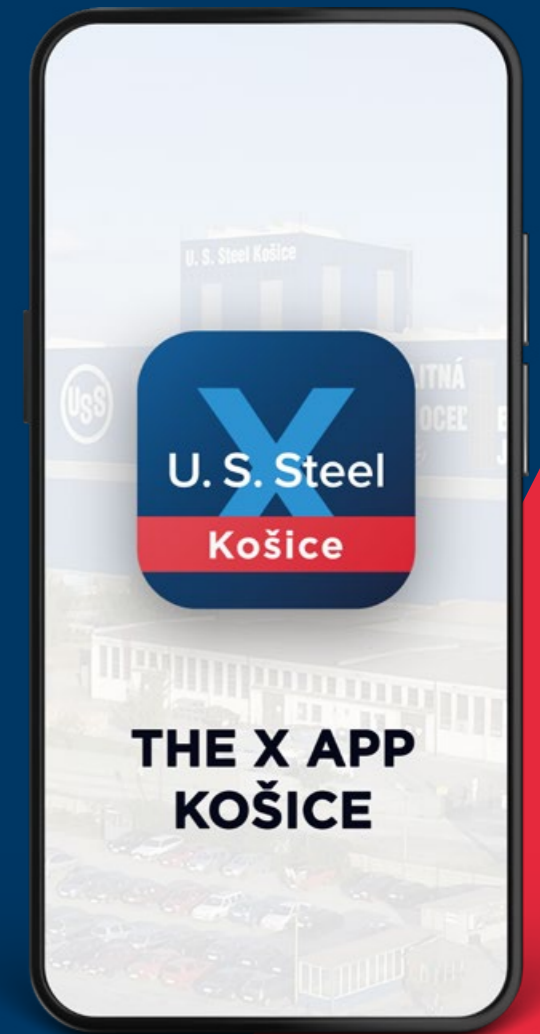
In 2025 over 1,150 articles were published on The X App Košice, for which we recorded 539,000 views. We achieved 5% more views compared to the previous year.

Thousands of colleagues mainly read information about the happenings in the Company. They were interested in news from communication meetings, the development of the acquisition by Nippon Steel, but also in company benefits and the amount of variable wage payments.

In the course of 2025, they participated in dozens of different surveys and competitions, which were prepared mainly in cooperation with partners.

New technologies bring new possibilities. Reliable and accurate information is key to our effective communication with stakeholders.

The application can be downloaded from Google Play or the App Store. However, the full content can be accessed only by employees of USSK and its subsidiaries.





PROTECT OUR PLANET



Environmental stewardship is a core value at U. S. Steel, stemming from the Gary Principles created in the early 1900s and continuing today in our S.T.E.E.L. Principles. U. S. Steel lives its core value of environmental stewardship through three basic principles that all our employees responsible for following. These principles are:

- Compliance with environmental laws and regulations;
- Continuous improvement in environmental and resource management;
- Continued reduction of GHG emissions through innovation.

PROTECT OUR PLANET

ENVIRONMENTAL MANAGEMENT

Environmental protection is one of USSK's main strategic goals and the basic intentions in this area are enshrined in the **Quality, Environmental and Energy Policy**. On October 6-8, 2025, TÜV SÜD Slovakia s.r.o. experts performed a combined audit of the SME, SMS and EnMS systems. Based on the results of the 11th surveillance audit, the certification company confirmed the validity of the EN ISO 14001 certificate for USSK.

It highlighted positive trends in environmental improvement and gave a positive assessment of the systematic approach and activities in the area of biodiversity.

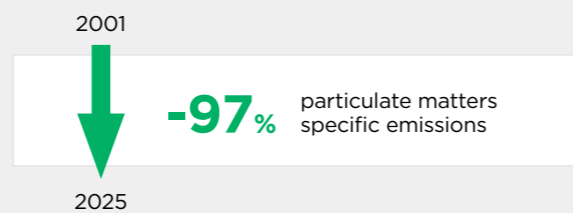
Since 2000, USSK has invested more than USD 714 million in dozens of environmental projects.

The greatest achievement in targeted care for various elements of the environment is the fact that since 2008 there has been no ecological accident. The aim of USSK's activities is to carry out activities in full compliance with applicable environmental legislation.

PROTECT OUR PLANET

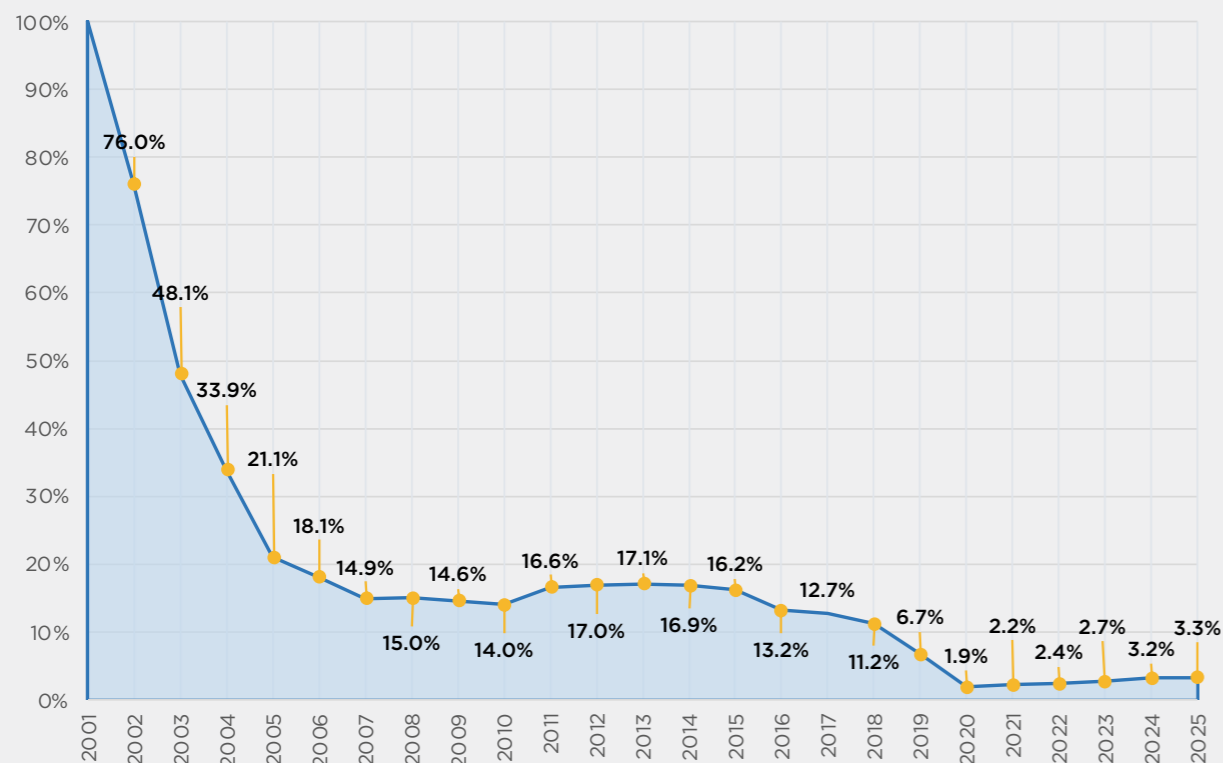
AIR

- ✓ We achieved a 97% reduction in **particulate matters** since 2001.

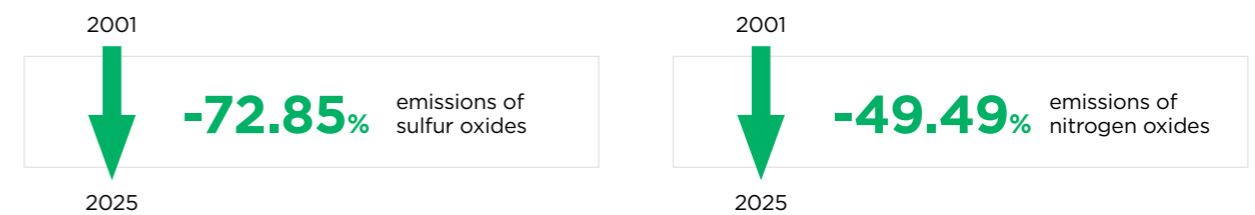


- ✓ Compared to 2001, the **specific amount of particulate matter emissions** decreased in 2025 by 96.7%, in numerical terms to 0.148 ton per 1,000 tons of produced steel. Overall, since 2001 we have reduced yearly pollution of air by particulate matters in the vicinity of USSK by a total of 16,189 tons of dust.

Comparison of Particulate Matters Specific Emissions in kg/t steel production (year 2001 is 100%)

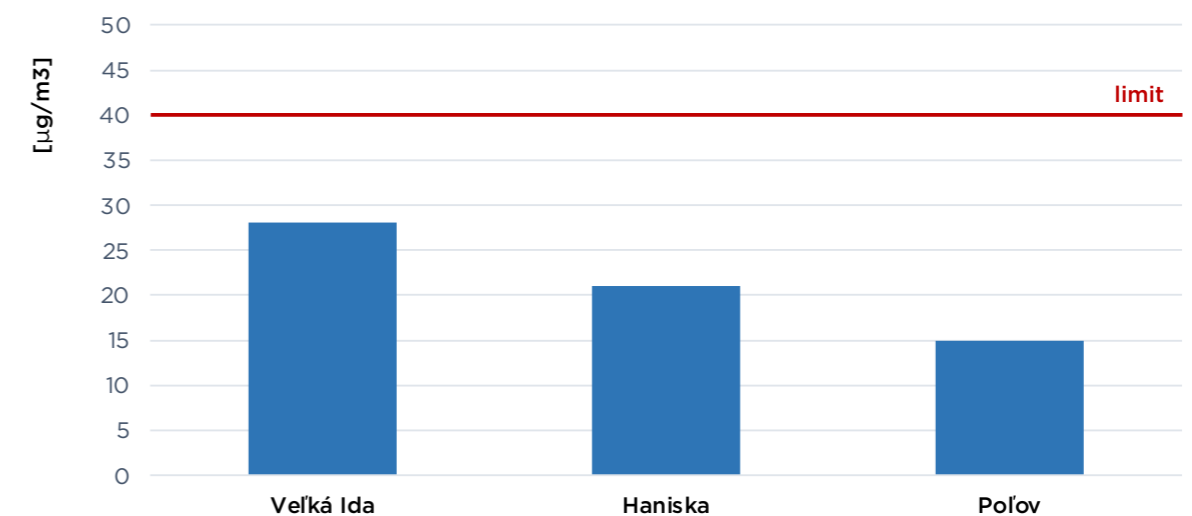


- ✓ In addition to particulate matter emissions, in USSK we also reduced the **specific amount of emissions of sulfur oxides** by 72.85% (from 2.97 tons to 0.81 tons per 1,000 tons of steel produced) and **nitrogen oxides** by 49.49% (from 2.74 tons to 1.38 tons per 1,000 tons of steel produced) in 2025 compared to 2001. In numerical terms, this is a reduction of 8,482 tons of sulfur oxides and 5,705 tons of nitrogen oxides compared to 2001.



- ✓ In addition to emissions monitoring, USSK also **monitors PM10** (particulate matters suspended and transported in the air) in USSK surrounding air quality monitoring stations. Data from three air quality monitoring stations are sent to the Slovak Hydrometeorological Institute. Average annual PM10 values for year 2025 are shown in the graph.

PM10 [µg/m³] monitoring in neighboring municipalities



WASTE MANAGEMENT AND RECYCLING



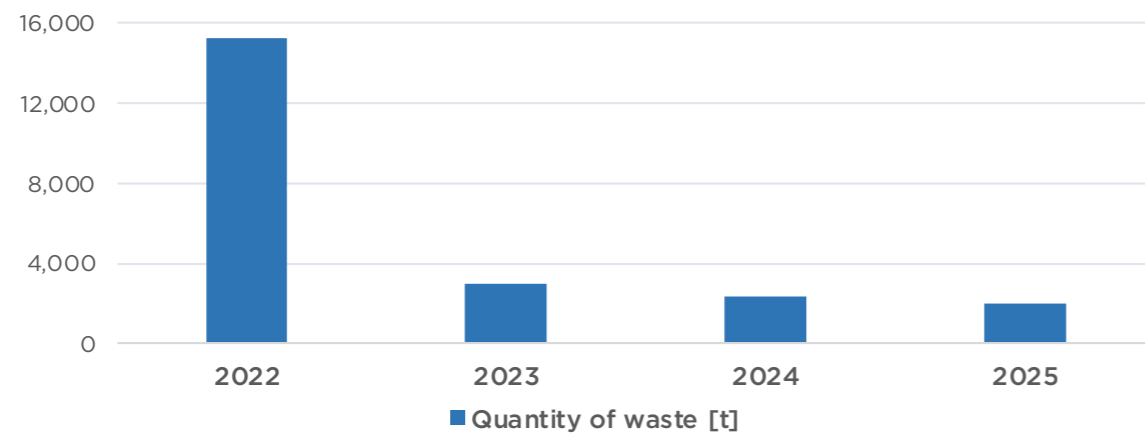
As part of the circular economy, U. S. Steel Košice achieved (according to the ISO 14021 standard) the Recycled content of steel scrap in its product at the level of 19,09% and the Recycled content of materials at the level of 22,29%.

In 2025, the Company operated several waste recovery facilities and two waste landfills for permanent waste disposal.

In the waste recovery facility at Blast Furnaces - the „Production Preparation“ operation, USSK recovered 950.7 tons of (metal-bearing) waste from external sources, at Steelworks, 636,689.659 tons of steel scrap from internal and external sources, and DP Shipment (plastic waste shredder) almost 16 tons of plastic waste from own production.

In the waste disposal facility - „New hazardous waste dump at the premises of U. S. Steel Košice, s.r.o.“ USSK disposed of a total of 1,991.340 tons of hazardous waste from own production and in the waste disposal facility - „Non-hazardous waste dump U.S. Steel Košice, s.r.o.“ the total of 305,527.066 tons of other waste from internal production and from the production of contractual partners.

Positive trend of reducing landfilled hazardous waste

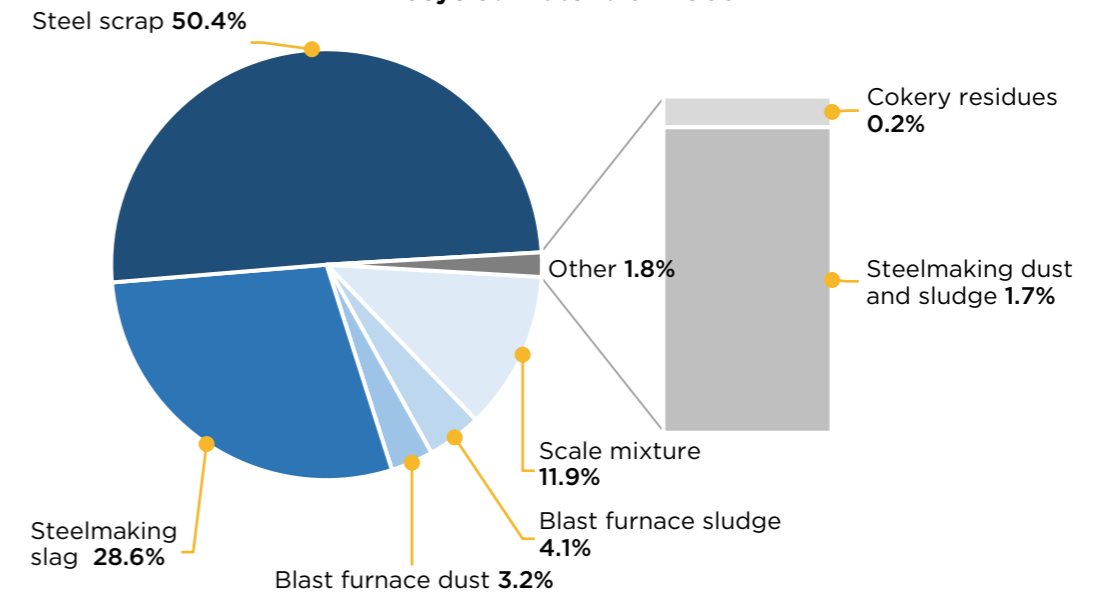


In the course of 2025, USSK in cooperation with ENVIRONCENTRUM, s.r.o. (operator of its own stable stabilization line) ensured the disposal of 55,137.76 tons of mainly non hazardous waste (hazardous waste of which only 359.160 tons) from the production of USSK. At the same time on stable stabilization line, it recovered 14.06 tons of hazardous waste from the production of USSK. After treatment, these wastes were disposed of as other category waste at the USSK non-hazardous waste dump.

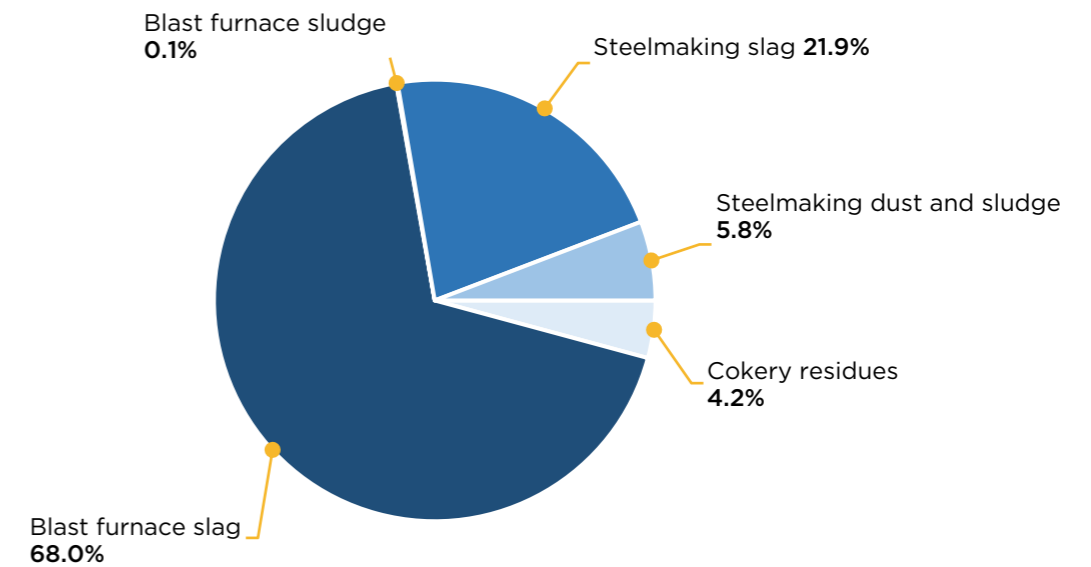
In terms of by-product management, by the end of 2025 the U. S. Steel Košice had 35 approved by-products.

The total amount of liquid Blast furnace slag has been sold to the external company since beginning of 2022 - for this reason it is not included in recycled materials inside of USSK. Due to increased production compared to 2024, internal recycling of materials decreased by approx. 8% and external recycling of materials increased by approx. 0.5%. A total of 2,027,125 tons of residues were recycled within USSK and by an external processor outside USSK, specifically 642,463 tons of residues inside and 1,384,662 tons of residues outside, produced by USSK.

Recycled materials in USSK



Recycled materials outside USSK



In the area of municipal waste management, USSK continued also in 2025 a system for the collection of deposited plastic and metal beverage containers and a system of separate collection of municipal waste components (collection of paper, collection of glass, collection of plastics and metals).

As part of the sorted collection of municipal waste components, USSK through an external company submitted for recovery:

- 12.7 tons of sorted plastic waste from packaging
- 1.34 tons of sorted waste from glass packaging

Heap Management

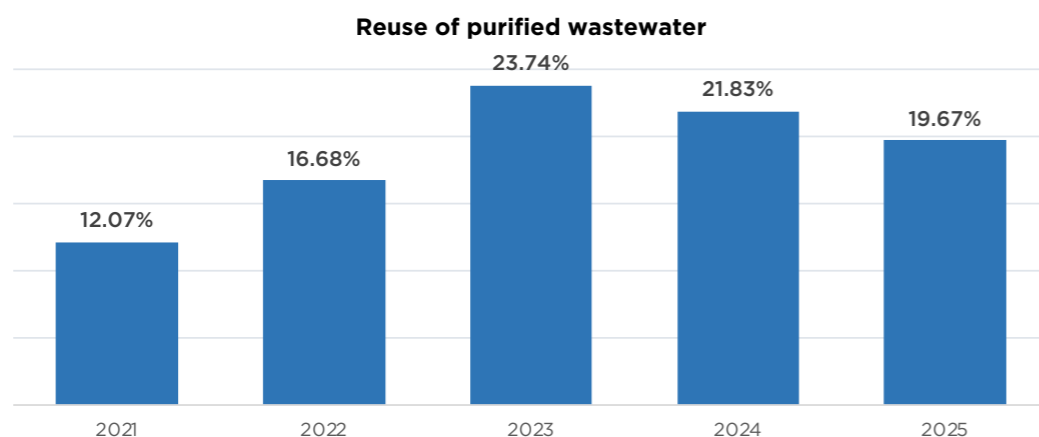
Our activities also continued **in the field of body modification of the Dry Heap.**

- Since the start of the sludge recovery process from the wastewater treatment plant, we have recovered more than 435,850 tons of material suitable for reclamation purposes. The use of this material in the Dry Heap area resulted in a reduction of dust, as well as the greening of the heap surface over an area of approximately 143,300 m² (year-on-year increase of 53%).



Significant results **in the field of water protection** include the reuse of returned water from the Sokolany wastewater treatment plant.

- ✓ The amount of treated wastewater returned to U. S. Steel Košice in 2025 was 19.67% **of the total amount of treated wastewater.** This made it possible to leave more than 5.8 million m³ of water in the natural environment of the Hornád River. By doing so, the Company saved natural resources.



Nature and Landscape Protection

- ✓ In 2025, we oversaw the care of **205,191 m²** of forestry land, **545,593 m²** of other woodland and **28,432 m²** of other land in the vicinity of USSK premises. On Earth Day, employees of the GME Unit planted 50 young small-leaved linden trees, which will grow alongside us and thicken the protective greenery around USSK.

As part of dust control measures at the Steelworks slag heap, 145 trees and 1,058 shrubs were planted to reinforce the slopes, and another 1,920 trees were planted as part of protective greenery towards the municipality of Velká Ida. As part of the reclamation of the USSK heap management, 79 trees were planted near the non-hazardous waste landfill and 150 red oak trees were planted near the reclaimed hazardous waste landfill.



USSK updated the **Biodiversity Plan** with a focus on ensuring awareness of the importance of biodiversity and steps to protect and sustainably use it, care for forests, protect water and water-dependent biotopes, and mitigate the negative impact of invasive plant species. In 2025, the bird monitoring of selected sites was also carried out in the nesting season.

We are reusing wastewater, recycle metallurgical residues, wastes as well as other materials. Additionally, in 2025 we planted 2,344 new trees and saved 4,149 trees thanks to separate collection of paper.



Sustainability

Energy Efficiency

Environmental behavior and operation of facilities

Waste Management

Protection of all components of Environment

In line with legislative requirements, USSK continuously monitors and regularly informs its employees as well as the general and professional public of environmental performance via the company communication application X App Košice and on its website.

As part of the Environmental Excellence campaign, with the aim of increasing the environmental awareness of employees, the Company published a total of 17 environmental articles and 21 environmental videos during the year 2025, which focused on various environmental topics, in the work and private spheres of employees' lives. At the same time, a total of 6 environmental flash directions were issued during the year 2025, which guide employees to comply with environmental obligations when performing work activities.





PROTECT OUR PLANET

GREENHOUSE EMISSIONS



PATH OF THE CORPORATION TO NET-ZERO GREENHOUSE GAS EMISSIONS

- ✓ Although producing steel is carbon-intensive, we, at U. S. Steel, have a [roadmap](#) get to **net-zero** Scope 1 and Scope 2 **emissions by 2050**. This builds on the commitment to achieve a **20% reduction in GHG emissions intensity** (Scope 1 plus Scope 2) **by 2030**, against our 2018 baseline, which was 2.31 metric tons CO₂ e/metric ton raw steel for Scope 1 plus Scope 2.
- ✓ U. S. Steel has always strived to achieve energy-efficient production of steel using blast furnaces. In 2021, U. S. Steel published a [Climate Strategy Report](#) to publicly demonstrate our path toward net-zero.

The roadmap includes technologies that exist and are being implemented today, as well as technologies that require further development. The more future-focused technologies will require collaboration with customers, universities, suppliers, and other organizations, as well as supportive governmental policies, to implement.

In 2021, USS announced the goal to achieve net-zero greenhouse gas emissions by 2050.

Technologies to help achieve “Net Zero”

1. Electric Arc Furnace (EAF)
2. Direct Reduced Iron (DRI)

The more future-focused technologies will require partnerships and supplier development, as well as supportive governmental policies, to implement.

USSK

USSK is an integrated manufacturer of high-quality, value-added steel that serves as a building block for a sustainable future. Through differentiated products and constant progress towards reduction of the environmental impact of production, the Company is making significant progress to contribute to a lower-carbon, and more circular economy.

USSK GHG INTENSITY 2025

Unit	Scope 1 intensity	Scope 2 intensity*	Total intensity
Tons CO ₂ / tons liquid steel	1.9710	0.0805	2.0515

**(Note: Using the CO₂ emission factor of the energy mix of sources from the supplier – 2024: 0.274 t CO₂ / MWh)*

EU EMISSIONS TRADING SYSTEM

Greenhouse gas emissions are regulated by **EU Directive 2003/87/EC establishing the Emissions Trading System (ETS)**, which was transposed into the Slovak legal system via Act 414/2012 Coll.

Since 2019, new implementation rules for the trading period **2021-2030 (fourth trading period)** have been gradually refined. **Decision on free allocation was published in June 2021** in the form of the National Allocation Table. For the period **2021-2025**, the baseline is average production for 2014-2018, and for the years 2026-2030 the baseline will be **average production for 2019-2023**. Another new element used in the fourth trading period is the so-called dynamic allocation that flexibly responds to changes in production compared to the basic equivalent. To determine the free allocation it takes into account the rolling average of the two preceding years and compares this with the baseline production of 2014-2018. In cases where the actual production is 15% higher, the allocation will increase. Equally, actual production that is 15% lower will result in a lower allocation. This process was applied for the first time in 2021.

THE EUROPEAN GREEN DEAL

The European Green Deal sets new ambitious goals. Among other features, it calls for **greater emissions reduction efforts, namely 55-60% by 2030 and a goal of carbon neutrality by 2050**.

The steelmaking sector is among the first industrial sectors in the EU to apply **Carbon-Border Adjustment Mechanism (CBAM)** measures for imported goods from countries with lower environmental and climate standards. On the other hand, implementation will mean gradual phase out of free allocation from 2026 until no free allocation in 2034. CBAM also translates into

higher administrative burden for importers including steel producers. Years 2024 and 2025 are set as transitional with no financial impact. However, reports are set to be submitted on quarterly basis starting in January 2024 for Q4 2023. On June 25, 2025, U. S. Steel Košice was granted the status of an authorized CBAM declarant. From 2026, goods with CBAM nomenclature imported from third countries into the EU may only be placed in customs circulation by authorized declarants.

Another EU legislative initiative is the setting of interim emissions reduction targets for 2040. We are monitoring this process and its potential impact.

We are constantly working to promote new solutions while minimizing the impact of operations on human health and the environment.

CO₂ REDUCTIONS TILL DATE



CO₂

During the period 2021-2025, U. S. Steel Košice (USSK) commissioned nine investment projects with a cumulative reduction of 112,421 tons of CO₂



Energy and coal

A number of projects focused on energy efficiency and coal consumption reduction

**See the section on Energy Efficiency*



PROTECT OUR PLANET

ENERGY EFFICIENCY

7 AFFORDABLE AND CLEAN ENERGY



Energy efficiency 2025:

As part of the effort for continuous improvement, energy consumption at USSK plants is one of the top priorities. We pay particular attention to purchased energy.

USSK is an integrated plant which, in addition to primary fuels, also uses by-products in the form of metallurgical gases as energy sources, and fuel to produce other energy media. It is therefore our endeavor to use these resources efficiently, taking into account the pursuit of sustainability and responsible resource management and the price of primary fuels. This also corresponds to a long-established standard: **ISO 50001 – Energy Management System**.

Throughout the year, regular meetings were held with representatives of the manufacturing plants to discuss energy projects and challenges related to energy consumption. Afterwards, effective measures were taken to reduce the energy intensity of respective production processes – including production adjustments based on customer demand. In 2025, regulated production was applied across multiple months in the entire metallurgical cycle. The final fuel and energy intensity (FEI) for hot-rolled coil production was 16.618 GJ/t, with 3,115,894 tons of hot-rolled coil produced. The difference between the planned FEI and the actual FEI was only 0.008 GJ/t. In the course of 2025, effective measures were taken to reduce the energy intensity of production – adapting production to customer needs. The result was positively impacted by lower fuel consumption in coke and raw iron production. Overall lower production volumes had a negative effect.

In 2025, our Company continued to be significantly affected by fluctuations in the energy markets. High volatility became a defining characteristic, with both short- and long-term price fluctuations complicating the procurement of the required energy volumes. This was particularly evident in the electricity market, where prices were low in the summer months of July and August, while at the end of the year there were situations where prices rose significantly for certain hours. In 2025, there was a transition to 15-minute trading (known as 15' MTU – Market Time Unit), which represents one of the most significant milestones in the modernization of the Slovak and European electricity markets. This change took place in the fall of 2025, with October 1, 2025 being the key date. The transition was coordinated in most EU Member States and Norway, creating a uniform market standard. Like other electricity producers and participants in the electricity market, U. S. Steel Košice, s.r.o. successfully implemented this significant change into its systems.

At USSK, we maintain a long-term focus on improving efficiency across all areas of our operations, with energy efficiency remaining a key priority.



OUR BIGGEST ENERGY SAVINGS IN 2025 WERE ACHIEVED THROUGH THE FOLLOWING NEW PROJECTS IN ADDITION TO THOSE PREVIOUSLY IMPLEMENTED:

1. Projects aimed at coal consumption reduction

Electric Compressors EK3, 4

Another significant project implemented at the Power Plant of the Power Engineering in 2025 was the installation of new electric turbo compressors EK3 and 4, which are of a new design with higher efficiency, meaning that their operation is more economical even at a slightly higher electricity price. The main energy benefit (reduction in energy intensity) lies in the savings in the costs of steam production from coal + CO₂ on the previously operated steam turbo compressor.



Operation of the old turbo compressor

- Higher coal requirements (and CO₂)
- More steam produced 9.4 MPa
- More own electricity produced

Operation of the new electric compressor

- Less coal consumed
- Less steam produced 9.4 MPa
- Less own electricity produced
- Higher electricity purchases

Central Heat Exchange Station (CVS)

The CVS was built (at the Power Plant of the Power Engineering) in 2024 (investment completed at the end of 2024). It replaced the original VVS1 heat exchange station, which did not contain any modern means of increasing energy efficiency. All pumps are controlled by frequency converters. In addition to regulated consumption from turbo generators, backup reduction stations can also be used as a heat source. The CVS has equithermal heating control, which regulates the water temperature in the heating system based on the outside temperature and the heating diagram. The CVS can supply heat according to the specified curves in both summer and winter modes (the previous VVS1 technology did not have a summer mode). The installation of the CVS has significantly modernized the Company's heating system, as evidenced by the savings achieved.



Former VVS1

- Pumps without speed control
- Old tube heat exchangers
- Problems with physical wear and tear
- Inability to operate in summer



New CVS

- Pumps with frequency converters
- Plate heat exchangers
- A total of 39 control circuits
- Operation also in summer (hot water supply)

Intensification of Metallurgical Gas Consumption

- Synchronization of Blast Furnaces, Steelworks, Hot Strip Mill repairs and natural gas consumption limits.
- More intensive capture of high-quality BOF gas and reduction of BOF gas blow-offs through an electronic system (we achieved a significant reduction in blow-offs, from 17% to less than 7%).
- In 2025, intensive work was also carried out on the preparation of a significant project: **Digitization of Blast Furnace Gas Tank**, which will bring more efficient management and redistribution of this metallurgical gas.
- Preparation of new regulations in the mixing station upstream the HSM pusher-type furnaces, which should have a positive impact on reducing natural gas consumption and increasing the use of blast furnace and coke oven gas.

Reduction of Steam Consumption at USSK – Phase 2

- Steam distribution within the plant presents a significant potential for reducing losses, as transporting steam over long distances is inherently inefficient.
- We achieved overall loss reductions by decommissioning specific steam pipelines, replacing steam heating with hot water systems, repairing condensate traps, and improving insulation. For example, in 2025, we decommissioned a 580 m long section of steam pipeline with the following parameters: 1.76 MPa/320°C, DN100.
- ✓ Heat savings: 69,900 GJ annually.

Reduction of Fuel Consumption at Blast Furnaces

- The blast furnace process requires a specific amount of fuel, such as coke, coal, or gas, to sustain the reduction reaction. On average, fuel consumption is approximately 500 kg per ton of produced raw iron.
- Fuel efficiency improvements were achieved through optimization of the burden composition, adjustments in the chemical composition of additives, and refined process control.
- ✓ Specific fuel savings: 13.66 kg per ton of raw iron.

2. Projects aimed at electricity consumption reduction

- Regulation of the exhaust fan from full-area scarifying – Phase 2
 - ✓ Savings: 57.04 kWh/t (Steelworks)
- Change in the concept of lubrication of HO at the Finishing Mill of HSM
 - ✓ Savings: 1.815 MWh (Hot Rolling Mill)
- Recovery of electrical energy from the drives of the entry section of Pickling Line 3
 - ✓ Electricity savings: 507 MWh (Cold Rolling Mill)
- Savings in electricity costs for rolling mills – HSM, 4 and 5-stand tandem mills



EnMS – Energy Management System

The evaluation of the suitability, adequacy and effectiveness of the Energy Management System is also part of the reports from external audits carried out annually by TÜV SÜD Slovakia, s.r.o. Audit results:

- **The surveillance audit of the USSK Energy Management System** according to the amended ISO 50001:2018 Standard was conducted by the audit company TÜV SÜD Slovakia, s.r.o. between October 6, 2025 and October 8, 2025 as the 10th surveillance audit. The auditors did not find any shortcomings. On the basis of this audit the validity of the international certificate was acknowledged for U. S. Steel Košice, s.r.o. until November 29, 2026.
- **Among the strengths, the auditors ranked:**

- ✓ Strategy adopted for the next 3 years.
- ✓ Measures implemented to achieve higher utilization of metallurgical gases and further improve current results (reduction of gas blow-off).
- ✓ Energy efficiency results achieved for the entire company, even with a reduction in production.
- ✓ Improved data quality, including data sharing for monitoring significant energy consumption at production plants (Dashboard) following the implementation of tools for monitoring production processes that affect consumption.
- ✓ Improved decision-making authority – after organizational change in the management of improvement projects in operations.
- ✓ Improved decision-making authority (after organizational change) in securing energy based on the “Make or Buy” tool.

The year 2025 presented numerous challenges and obstacles, yet we remained steadfast in our commitment to building an energy-responsible company.

U. S. Steel is dedicated to reducing emissions across its operations and implementing innovative best practices to enhance environmental performance and reduce energy consumption.

We remain committed to advancing toward a cleaner and healthier future. By collaborating with governments, academia, and industry partners, we aim to further minimize our environmental footprint.



SUPPORTING PEOPLE



Head count

7,573

Proportion of women in the Company

14.3%

Proportion of women among the Company's statutory representatives

30%

Average age

48.95 years

Validity of the Collective Labor Agreement

SEPTEMBER 1, 2020 - DECEMBER 31, 2025

Number of completed trainings

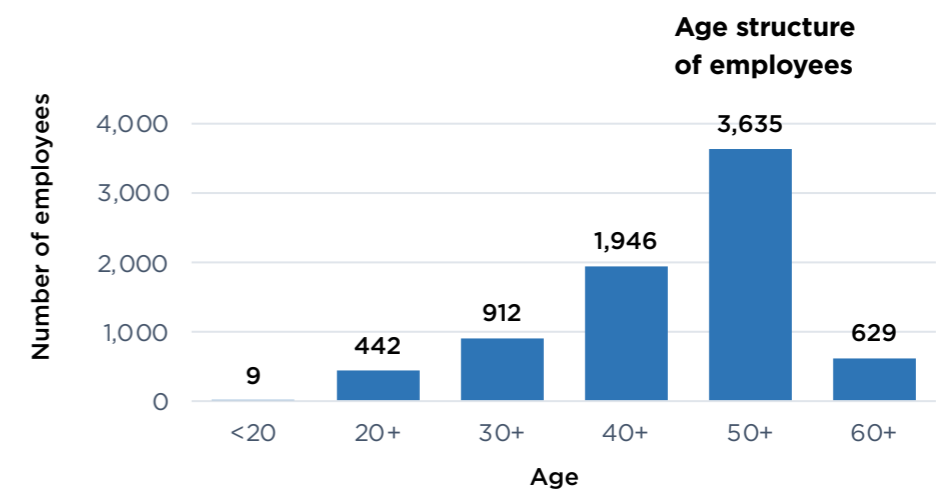
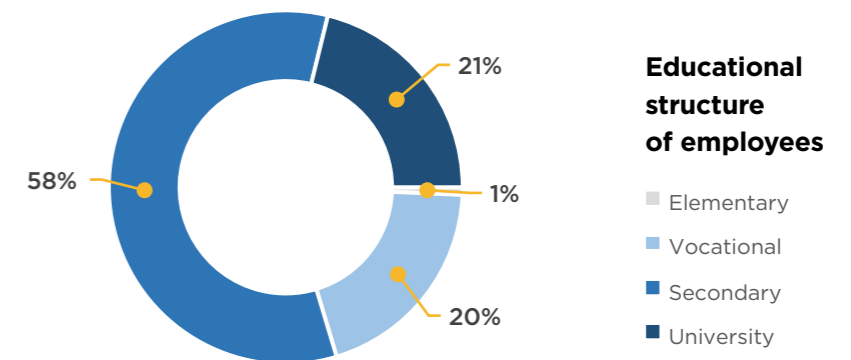
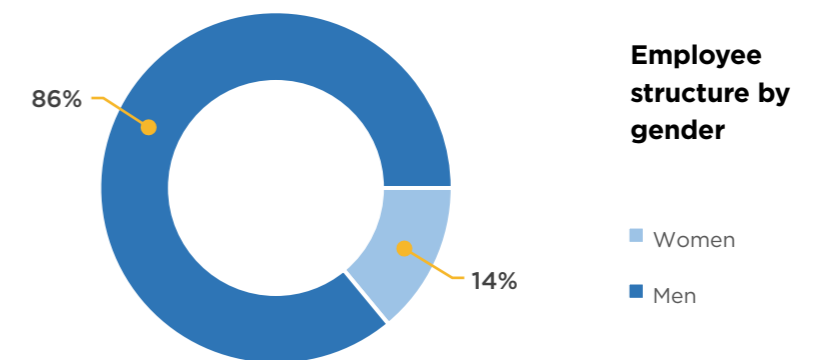
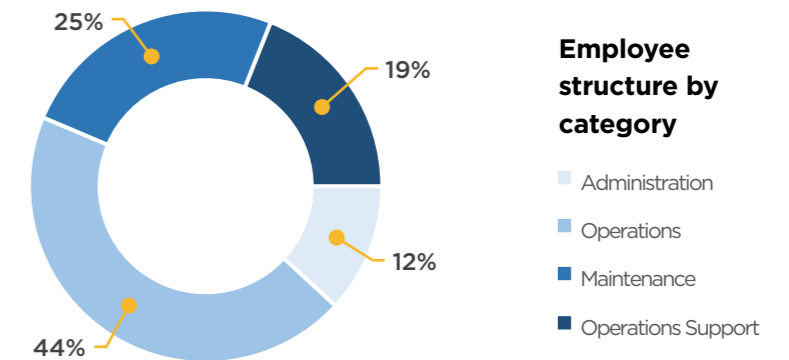
56,159

Number of hours of completed trainings

176,078

U. S. Steel Košice s.r.o. as of December 31, 2025

HEADCOUNT DISTRIBUTION BY CATEGORY



SUPPORTING PEOPLE

DEVELOPMENT OF TALENT AND SKILLS



The Company supports the **training and development of its employees** within the framework of internal and external programs focused on various areas: managerial, professional, IT, language, security, professional and management systems.

Educational activities in numbers

	All USSK employees	“R category” (blue collar) employees	“T category” (white collar) employees
Number of training hours	176,078	133,592	42,487
Number of hours per employee	23.2	24.2	20.5
Number of completed trainings	56,159	40,493	15,666
Number of trainings per employee	7.4	7.3	7.6

DEVELOPMENT PROGRAMS / ACTIVITIES:



Mentoring for newly appointed managers and newly hired employees

The aim of mentoring is to help newly appointed managers or newly hired employees develop their professional skills and better use their own potential by learning thanks to sharing the unique experiences of their mentors.



Enhancement of leadership skills of line managers (management employees)

Newly appointed senior foremen are gradually retrained to develop their skills in effective communication, understanding best work practices, giving constructive feedback, building favorable working relationships and developing their subordinates. For this program we also used various e-learning modules and “on the job” development.



Internal coaching

Employees have the opportunity to participate in individual or team coaching sessions with one of our internal coaches. In this way, we provide space for finding solutions to problems and ways to grasp and implement ideas. Team coaching allows for the creation of a space to address a specific situation and leads to a common solution, as well as personal motivation for each team member.



Production flow academy

It is designed to ensure up-to-date professional knowledge of the metallurgical process for our employees as well as students in the framework of a summer internship or year-round practice. It is led by our internal R&D experts. Currently an e-learning version is also available.



Support of employees in improving their qualifications by studying at a university or high school

In the case of selected fields of study that are directly in line with the job, we support them to study alongside their employment (study leave or compensation for costs related to improving their qualifications). In 2025, 37 employees were enhancing their qualifications by studying at a university.



Development of digital literacy

We support activities for the SteelAI Fusion community and, in cooperation with PMO and Data Studio Europe, we ensure the development of computer and data literacy. Selected employees from various departments of the Company participated in the 4-week interactive AI Academy on the Seduo platform.



Talent management

The long-term used process of regular evaluation of the performance and potential of the Company's employees, which begins with setting performance goals at the beginning of the year, continues with quarterly performance reviews, potential evaluation, identification of high potential employees, preparation of succession plans and establishment of development plans, is completed with a year-round evaluation of performance and competencies.

Succession plans define successors for managerial and key positions with graduations of readiness of individual successors – Ready immediately; Ready in 1-3 years; Ready in 3-5 years.

Employees have developed development plans with specific development goals for the current or future position, according to the current need and opportunities for personal development. Development activities can be implemented in various forms – classic educational activities (provided internally or externally; online or face-to-face), self-study individually directed by the employee, participation in projects, shadowing the employee in the future target position, mentoring from an experienced colleague, on the job activities – so that they develop the knowledge and/or skills of employees, their productivity at work and contribute to the development of the entire Company.

Internal or external **online learning** has become a routine part of our working lives. We focused on updating and expanding the offer of **internal e-learning courses**. We also made the **SEDUO** online education platform available to selected employees with a wide range of interesting and up-to-date e-learning courses and training programs. As part of the corporation's contract, we were also able to provide selected employees with access to the **worldwide Udemy Business Platform**, which offers thousands of valuable courses on various topics.

COOPERATING WITH SCHOOLS



- ✓ **The employee recruiting system** is based on long-established cooperation with selected partnership high vocational schools and universities.

Systematic cooperation with high schools and universities ensures an influx of young talented people into our teams.

Cooperating with high schools

- ✓ **Projects aimed at popularizing technical fields**

Technology Experience Day – High Vocational School of Industrial Technologies, Učňovská 5, Košice.

- ✓ **Active recruitment promotion**

Promotion of fields of study of metallurgy, mechanical engineering, and electrical engineering for elementary school students in the Košice and Prešov regions.

In total, in 2025, **105 students** entered the first years of our contractual high schools.

- ✓ **Dual system of education**

The cooperation with the High Vocational School of Industrial Technologies in Košice – Šaca and the High Vocational School of Railways is primarily aimed at providing professional experience to students in selected production facilities of our Company, support in the creation of school educational programs and support in the recruitment of elementary school students.

In the 2024/2025 school year, **459 students studied** at contractual high vocational schools **within the dual education system as well as the state system.**

Cooperating with universities

We are intensively developing cooperation mainly with the Technical University of Košice (TUKE) and the University of Pavol Jozef Šafárik (UPJŠ) in Košice. The cooperation focuses mainly on providing professional practice for students, expanding practical and professional knowledge on operational exercises, excursions, as well as in the modification and development of study programs.

- ✓ **Expert guidance if bachelor, diploma, specialization and dissertation theses**

Professional support of university students under the consulting guidance of the Company's employees, experienced consultants, to solve USSK problems and projects, which are published and updated on the Company's website. In the academic year 2024/2025, 4 bachelor theses and 3 diploma theses were completed.



✓ **USSTÁŽ - internship for university students**

Program for students from the third year of full-time university studies with a focus on metallurgy, mechanical engineering, electrical engineering, power engineering, environment, economics, information technology, cybernetics, construction, chemistry, and other technical fields.

There was a total of 44 students in the program who are involved in work on projects and activities of individual production facilities and departments in the administration.

✓ **AI4STEEL lab**

Program in cooperation with the Technical University of Košice, Faculty of Materials, Metallurgy and Recycling.

The goal of the joint experimental workplace is research and development activities focused on the use of artificial intelligence tools in solving current industrial challenges to increase quality and environmental protection while maintaining economic efficiency and competitiveness of production.

Number of students who completed Dual Education and USSTÁŽ in 2025:

High schools (Grades 1-4)

459 students

Universities (Grades 3-5)

44 students

The active approach of working with students has worked well for us. High school and university students have the opportunity to engage in practical activities of USSK, gain experience and skills that will provide them a competitive advantage in the labor market. This approach also allows us to search for and develop talents from among high school students and university students to ensure our future needs.



SUPPORTING PEOPLE

SOCIAL PROGRAM FOR EMPLOYEES AND UNION RELATIONS

FINANCIAL AND NON-FINANCIAL EMPLOYEE BENEFITS

Financial benefits

- Variable salary payment on a monthly basis according to the Company's economic result
- Merit-based employee assessment
- 13th and 14th salary in May and November
- Annual bonus for a selected group of employees based on the fulfillment of the Company's economic indicators and evaluation of the fulfillment of the set goals of the employees
- Reward for work and life anniversaries
- Contribution to supplementary pension savings (3rd pension pillar)

Education support

- Opportunity for continuous education and professional skills development
- Career growth opportunity within the entire Company

Job opportunities

- Flexible working hours
- Home Office
- Work-leave with wage compensation for single parents taking care of children up to 15 years of age
- Leave of absence in excess of the Labor Code for the birth of a child, wedding, etc.

Social policy and benefits

- Organizing summer and winter sports events for employees (including the President's Cup football and hockey tournament)
- Social assistance in difficult life situations, long-term sick leave
- Social assistance for family members in the event of the death of an employee
- Support of free blood donation with Up benefia contributions for the regeneration and relaxation of employees for blood donation and for the Janský and Kňazovický Plaque award
- Employee competitions
- Employee discounts provided by different partners
- Recreation stays (specific form of medical rehabilitation)

Additional benefits

- Allowance for recreational stays
- Up benefia contribution to Up payment cards for regeneration and relaxation of employees
- Reconditioning stays and discounted accommodation prices for family members
- Up benefia contribution for regeneration and relaxation at work anniversaries
- Reward to OSH employee representatives for their activities within their competence and for the most active ones, an award in the form of an Up benefia contribution for the regeneration and relaxation of employees
- Employee meal allowance (also during vacation and sick leave)



COOPERATING WITH TRADE UNION ORGANIZATIONS

Cooperation with trade unions is an integral part of the USSK social program for employees. In compliance with the **Labor Agreement for the years 2020-2025**, relating to U. S. Steel Košice, s.r.o. and U. S. Steel Košice – SBS, s.r.o., the annual collective bargaining continued in the area of working hours and salary development.



- ✓ In February 2025, Amendment No. 9 to the Collective Agreement was signed, in which the parties agreed to increase the monthly tariff wage with effect from March 1, 2025 and to pay a one-off remuneration for work if the agreed economic indicator is met.

USSK fully respects the role of a social partner in every area of its operation in accordance with legislative requirements and considers social harmony to be a necessary condition for effective business. Cooperation is implemented at all levels of management in the fulfillment of obligations arising from the collective agreement and the resolution of labor law matters in accordance with legal provisions. The Company, with the participation of the social partner, resolves matters concerning employees in the field of work safety, remuneration, social policy, catering, and transport through parity commissions. Representatives of trade unions meet regularly with management and are informed about the production and economic situation.

AWARDS IN BANSKÁ ŠTIAVNICA

At the September celebration of the Day of Miners, Metallurgists, Geologists and Oil Workers in Banská Štiavnica, nine steelmakers from U. S. Steel Košice received the highest departmental awards for work loyalty in 2025. The celebration is associated with the historic Salamander procession through the town center, which was preceded by a traditional procession in which town officials, leaders of Slovak mining, metallurgy, and geology, mining associations from Slovakia and abroad, and students of technical universities were represented. Awarded employees from U. S. Steel Košice were also present, accompanied by vice presidents, general managers, and plant directors from the facilities where they work.





SUPPORTING PEOPLE

EQUAL OPPORTUNITIES



EQUAL EMPLOYMENT OPPORTUNITIES

USSK's focus on fostering a culture of belonging has a positive impact on both the Company and our employees. It is essential for large companies like ours to foster innovation, stay competitive, attract and retain talent and promote positive workplace dynamics.

USSK **guarantees every employee the rights arising from employment relationships and prevents direct or indirect discrimination in accordance with legal standards**, including in the area of personal data protection. All employees are treated **equally and without discrimination, including age and gender**.

- ✓ Even though the **proportion of women** in the total number of the Company's employees is only 14.3%, women form a very important part of USSK's management and **hold positions at the highest management levels**.
- ✓ In 2025, the **proportion of women among the Company's statutory representatives was 30%**, with responsibility for the management of commercial & customer technical service legal and financial affairs.

Our Employee Resource Groups strengthen employee engagement and connection. Since 2010, the **Women Inclusion Network (WIN)** has been supporting by helping employees develop an environment that fosters networking, education, and community activities. **NextGen** has also been active within USSK since 2021.

What could be our vision of belonging?

To raise the level of belonging and psychological safety to the level of physical safety as our greatest value.

SUPPORT OF COLLEAGUES WITH DISABILITIES

In the protected operation, we create job opportunities for employees who have worked at various USSK plants but, due to a change in their health condition, could no longer perform their original work. In the protected operation, they are assigned work that they can do with their restrictions, such as sorting and recovering waste, collecting PET bottles, paper and toners on the USSK premises, checking safety harnesses, ropes, dry collective mains and ladders, sewing filter bags for the blast furnaces, or issuing protective equipment for visitors. By continuing their employment at U. S. Steel Košice, we avoid the problems they might have when looking for a suitable job on the labor market. This requires flexibility and tailoring the work to each individual employee according to their skills and abilities.

- ✓ In 2025, we had **24 employees with an altered working capacity** that made it impossible for them to perform their previous tasks (so-called protected operation).
- ✓ In total, **we employ at least 288 employees with disabilities** (partial or full disability or handicap). These employees work in a variety of administrative and production units where they can perform work in accordance with their medical limitations.

SUPPORTING THE MARGINALIZED ROMANY COMMUNITY

Opportunity to work and learn

The social enterprise GOMBIDA was established by the municipality of Velká Ida in 2021 and is a continuation of our project Equal Opportunities in the field of employment of Romany people living in the municipality of Velká Ida. At the very beginning, in 2002, in response to a request from the mayor of Velká Ida for financial support, U. S. Steel Košice offered opportunities to the Romany inhabitants to apply for positions to work at the Company. There was 100 percent unemployment in the settlement at that time. The aim of the cooperation is to give a chance to unemployed Romany people who are interested in work and education.

Selecting employees

The selection of GOMBIDA social enterprise staff for the joint project is based on personal knowledge of the applicants by the mayor, community, and social workers. Employees of the social enterprise perform work appropriate to the level of their education, mainly auxiliary and cleaning jobs in the area of U. S. Steel Košice and its surroundings.

- The project addresses a real local problem of high unemployment in the region. It improves the economic situation and standard of living of people living in generational poverty and, in addition, enables the integration of Romany people into society.
- Long-term unemployed people become regular employees of the social enterprise with a regular income, which enables them to provide better housing and living conditions for their families.
- A number of activities of the social enterprise support the education and acquisition of new skills by employees.
- Encouraging and motivating them to gain education and qualifications will give them a better chance of finding a subsequent job in the labor market.

EMPLOYEE RESOURCE GROUPS (ERGs)

WIN		NextGen
2008	Establishment	2021
<p>The Women's Inclusion Network at U. S. Steel Košice is a platform for people who believe in cooperation, inclusivity, and an open corporate culture. We focus on topics that are not only for women, but for all employees - regardless of gender, position, or age. Inclusion only works when we create it together.</p> <p>The Women Inclusion Network at U. S. Steel supports professional growth, mentoring, networking, and visibility so that employees can fully develop their potential.</p> <p>It creates a space for sharing experience, developing skills, mentoring, and mutual support. It connects people, ideas, and generations so that everyone can feel heard, respected, and motivated to grow.</p>	Goal and area of interest	Supporting a stronger future for USSK by strengthening the position of the next generation of the Company, through team building activities and initiatives of various nature, including involvement in community programs, supporting their onboarding process, and providing opportunities for further self-development.
<ul style="list-style-type: none"> • Continue to hold events with current topics related to USSK • Include more health and healthy lifestyle events • Actively engage and support employees in their professional growth by educating and developing their communication and management skills • Close cooperation with NextGen 	Plans and ambitions	<ul style="list-style-type: none"> • Continue successful, well-established initiatives • Organizing online events with external speakers, who share their inspirational and educational thoughts • Support for learning and development of hard and soft skills • Support for other projects within the Hackathon initiative focused on ESG/sustainability • Close cooperation with WIN
usskwin@sk.uss.com	Contact	ussknextgen@sk.uss.com

WIN (Women Inclusion Network)

The activities of the Women Inclusion Network in 2025 actively contributed to strengthening corporate culture, promoting leadership, financial literacy, health, and the development of corporate social responsibility.

- ✓ WIN actively participated in charity events, e.g., inviting families from the “*Families in Need*” project to hockey games. The aim was to support and encourage families who found themselves in difficult life situations.
- ✓ In April, an educational seminar focused on financial planning and retirement security was held. The event, attended by 413 participants, was one of the most well-attended last year and highlighted employees’ strong interest in financial education and future planning.
- ✓ In May, 12 employees attended a networking lunch with Deputy President M. Piekut. This meeting provided an opportunity for open dialogue and discussion on various topics.
- ✓ As every year, WIN participated in the *USSK Volunteer Days - Steelmakers for Košice* in 2025, where it actively organized activities at the dog shelter at Haniska (*Union of Mutual Aid between People and Dogs*). The Volunteer Day was also supported by the HC Košice Hockey Club, where the management and players actively participated in work related to beautifying the shelter. Volunteers also actively participated in loading gravel, mowing grass, building and painting dog shelters, sawing and stacking wood for fuel during the winter, repairing a bridge, installing fences, and more.
- ✓ In May, WIN organized an event with P. Čekan, a Slovak scientist working in the field of molecular biology, biochemistry, and molecular oncology, who has made a significant contribution to the promotion of science and social events in Slovakia. P. Čekan introduced us to innovative research into a highly accurate diagnostic test for breast cancer to determine personalized treatment and predict response to treatment and prognosis.
- ✓ At the end of September, WIN secured participation in the charity event “*Karpatská vandrovná*”. Thanks to the financial and organizational support of USSK, USSK employees participated in a charity walk offering 25 km and 50 km routes along forest trails on the ridge of the Volovské vrchy mountains. The walk has been organized by the Carpathian Foundation since 2010 and is a unique activity aimed at supporting projects for the development of eastern Slovakia.
- ✓ WIN organized an event called *Japanese Culture and Customs*. It was an educational event focused on intercultural understanding and diversity with 452 participants.
- ✓ In October, colleagues from WIN participated in the networking and inspirational event *Women in Business*, which focused on leadership and career development.
- ✓ At an event entitled “*Customs and Traditions in Advent and Christmas*”, K. Nádaská, a renowned Slovak ethnologist, presented an interesting and captivating overview of the richness of Slovak Christmas traditions. The presentation, attended

by 300 people, contributed to a deeper understanding of cultural heritage and created a pleasant festive atmosphere.

WIN in USSK closely cooperates with NextGen. All events enjoy great interest, as evidenced by high participation and many positive responses.

NextGen

The community of young employees USSK NextGen was created as part of the corporate NextGen platform in 2021. In 2025, a young generation of steelmakers started a movement, connected the community, and brought inspiration across USSK.

- ✓ NextGen members actively participated in the activities of the Steelmakers for Košice initiative.
- ✓ They led a meeting of the AI community, where they presented practical examples of how artificial intelligence complements the creative process, speeds up work, and brings new opportunities.
- ✓ In cooperation with the WIN network, they organized a unique historical and educational excursion through the city of Košice.
- ✓ NextGen leaders invited NextGen members to an HC Košice hockey game.
- ✓ They organized an event focused on health, which was positively received across all age groups.
- ✓ They organized meetings with Vice President Silvia Gaálová, Tomáš Kuriatnik, and Eduard Grečner, which provided an opportunity for informal discussion.
- ✓ During the NextGen summer sports games, the community organized beach volleyball, which became one of the most popular events.

The year 2025 has shown that NextGen is no longer just an initiative – it is a community that shapes corporate culture, connects people, and brings energy, ideas, and curiosity to the Company.



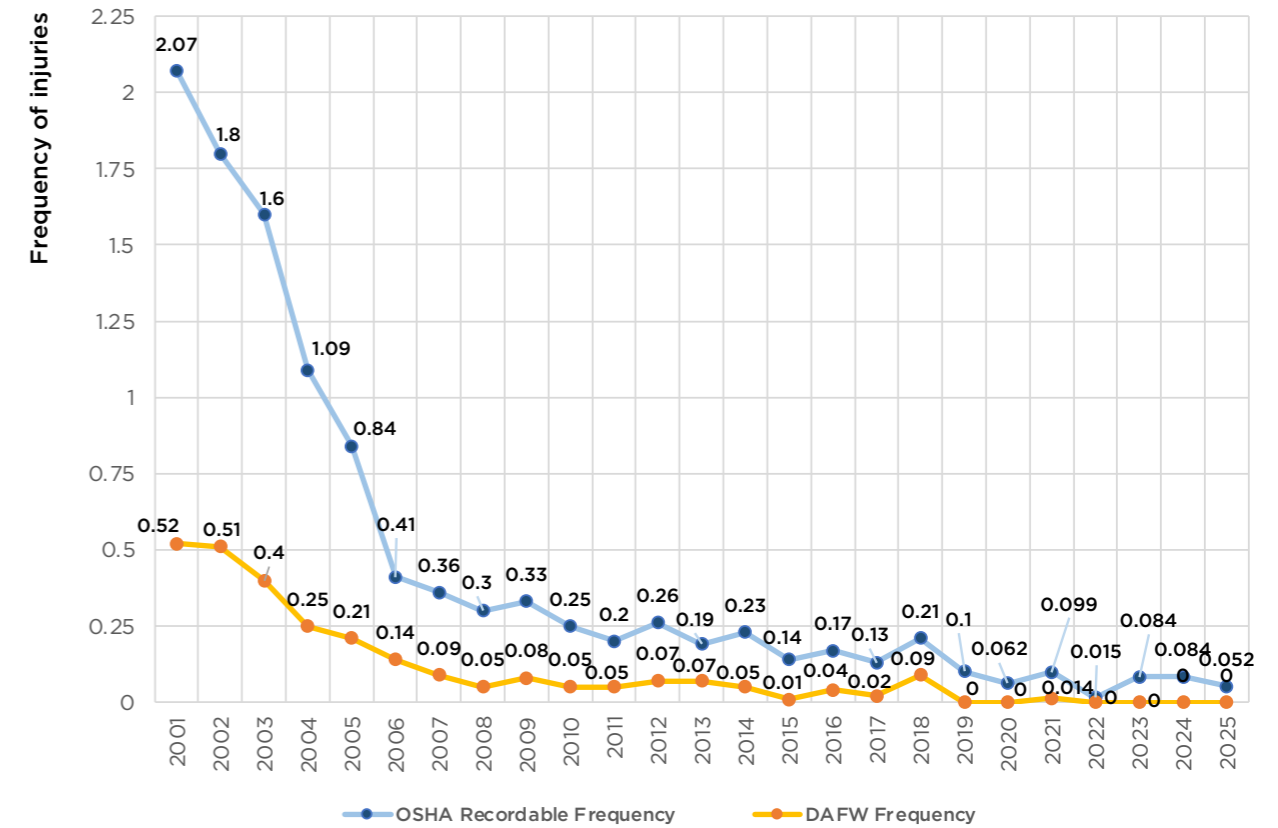
SUPPORTING PEOPLE

OCCUPATIONAL HEALTH AND SAFETY



INJURY FREQUENCY

In 2025, the Company achieved (pursuant to the methodology of the US Occupational Safety and Health Administration (OSHA)) a Frequency of all OSHA injuries of **0.052** – and a Frequency of registered injuries of **0.017**.



- ✓ From the perspective of **achieving the accident frequency targets for 2025**, it can be concluded that the set targets have been met.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (SMS)

Our **activities in improving the efficiency of occupational health and safety processes** also continued. In cooperation with experts from various fields, we continued to improve our **occupational health and safety management system (SMS)**.

- ✓ In the course of 2025, internal SMS audits were carried out as planned at selected organizational units.
- ✓ In October 2025 **we confirmed the certificate according to STN EN ISO 45001**, which confirmed the functionality and effectiveness of the security management system set up at USSK.

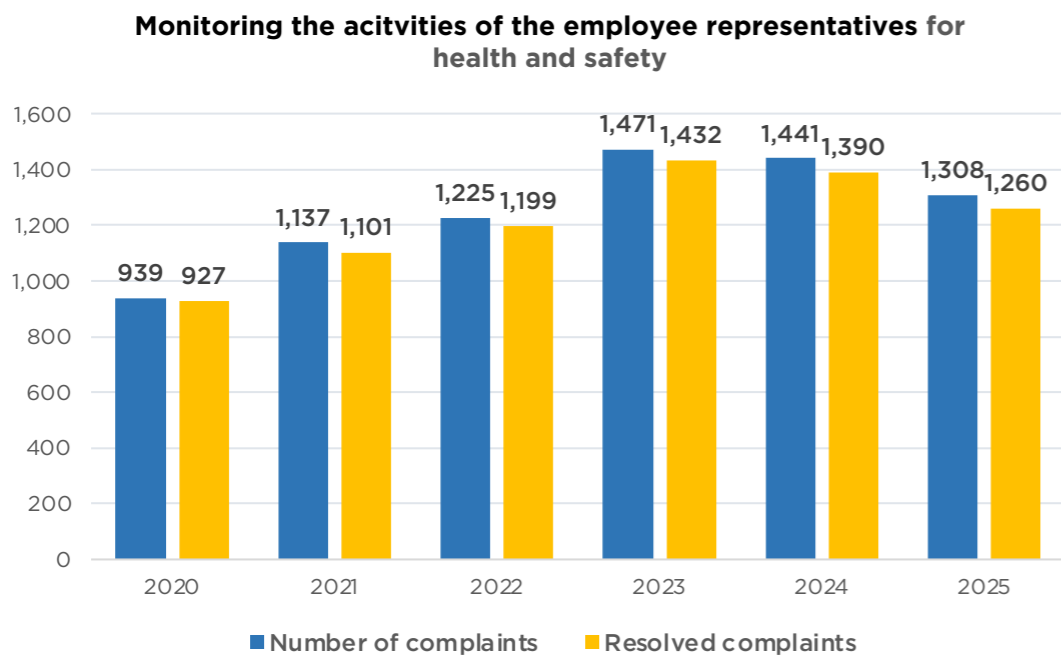


The slogan **SAFETY FIRST** remains at U. S. Steel Košice our primary and most important value in protecting the life and health at work of our employees and contractors who work daily on the Company's premises.

EMPLOYEE REPRESENTATIVES FOR HEALTH AND SAFETY

In the results that we managed to achieve, the employee representatives for health and safety also played a key role, who with their work contributed to the search for risks, reveal dangers and propose their elimination.

- ✓ Of the total number of **1,308 suggestions for improvement** presented by the employee representatives for health and safety, we solved 1,260 by the end of the year, which represents **96%**.
- ✓ **The commitment of employee representatives to health and safety remains at a comparable level:**



CONTRACTOR SAFETY

Also in 2025, the Company paid special attention to the issue of **contractor safety**.

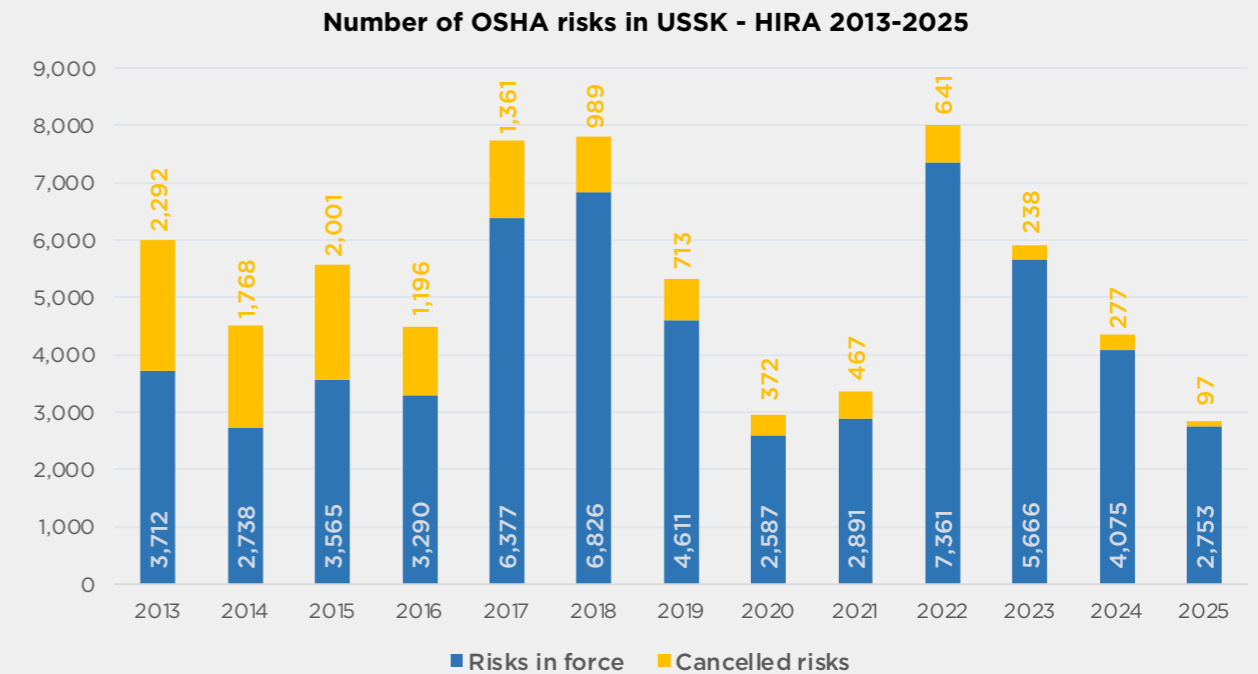
Cooperation continued on the digital platform dealing with the safety of contractors. In order to positively motivate contractors to prevent accidents, our Company continued with the assessment of contractor employees in the area of compliance with the basic rules of safety and health protection at work.

OCCUPATIONAL SAFETY CULTURE

In order to further develop the **Occupational Safety Culture**, we implemented **safety campaigns** in all operations. Targeted activities were aimed at reminding the main rules, principles, or procedures in the field of prevention of serious

accidents, fire safety, raising the awareness of employees, as well as the culture of care and treating others. Our Safety 360° approach is focused not only on physical safety at work, but also on the psychological well-being of our employees. This means ensuring that everyone feels part of our society, with the right to express an opinion, even when something is not right. We emphasized the right to stop work by using the **“Stop and Act”** rule, thus preventing incidents and injuries in case of danger.

As part of the HIRA (Hazard Identification and Risk Assessment) project, we identified and resolved the following risks between 2012 and 2025:



HOURS WORKED WITHOUT AN OCCUPATIONAL INJURY

- ✓ Even in 2025, our plants managed to achieve significant milestones of hours worked without an injury.

Individual milestones	2020	2021	2022	2023	2024	2025
Manhours w/o OSHA injuries	907,883	4,243,463	12,807,883	1,652,036	4,911,141	5,278,901
Manhours w/o OSHA registered injuries	32,134,167	12,021,004	25,038,436	36,831,147	48,361,510	57,039,264

- ✓ On September 23, 2025, USSK employees reached 57,000,000 **hours worked without a single registered (OSHA) injury**.



SUPPORTING PEOPLE

CHEMICAL SUBSTANCES

3 GOOD HEALTH AND WELL-BEING



USSK deals with the application of the European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); on classification, labelling and packaging of substances and mixtures (CLP); on making available and using biocidal products on the market (BPR).

- ✓ As a manufacturer and importer of chemical substances, in previous periods we registered **16 substances** with the European Chemicals Agency according to the REACH regulation, **for two substances we are the lead registrant**.

- As part of associations and consortia of manufacturers and importers of substances of which we are a member, we maintain the validity of our registrations and prepare their updates. We communicate with the European Chemical Agency, government authorities, as well as with non-government organizations and private companies aimed at fulfilling the requirements of REACH and related chemical legislation.

- ✓ As a product manufacturer, we provide information enabling the safe **use of products** and check that our products do not contain substances of extremely high concern from the List of Candidate Substances. For our customers we prepare **declarations about the content of substances of extremely high concern**.
- ✓ We regularly **review our chemical portfolio** and **look for safer alternatives**. For substances subject to authorization, the presence of which is essential in our production cycle, we participated in the preparation of authorization applications and subsequently monitor compliance with the conditions resulting from the authorization decision that was granted to us in December 2023 for the use of chromium oxide and sodium dichromate in our tinplate production process. Suppliers of substances containing hexavalent chromium in the EU have applied for their continued use until a suitable alternative is found. **We are continuing our efforts to identify, test, and verify the suitability of substitutes for substances subject to authorization**.
- ✓ As a downstream user of chemical substances and mixtures, we identify and apply the appropriate risk management measures listed in the **Material Safety Data Sheets** and actively communicate with our suppliers. We ensure that Material Safety Data Sheets from our suppliers are easily accessible to all employees in our Company who follow them during the performance of their work activities. We update the Material Safety Data Sheets for the products we manufacture. We communicate information about chemical substances with our customers, answer their questions and fill in their questionnaires focused on classified chemical substances.
- ✓ We apply the provisions of the REACH regulation on restrictions in the **production, marketing and use of chemical substances** posing a risk to human health and the environment.

Our goal is to ensure an important level of protection of human health and the environment when using chemical substances and mixtures.



SUPPORTING PEOPLE

CRISIS MANAGEMENT

3 GOOD HEALTH AND WELL-BEING



The basic task of the Crisis Management department is to ensure USSK's compliance with applicable laws in the field of **prevention of serious industrial accidents, civil protection, economic mobilization, and protection of critical infrastructure**. Last year, crisis management fulfilled all obligations arising from the current legislation of the Slovak Republic in the aforementioned legislative areas.

- ✓ In the course of 2025, two projects were implemented at the Batch Annealing Lines – HNX Atmosphere Production of the Cold Rolling Mill as part of measures to reduce the socially unacceptable risk of serious industrial accidents from the USSK Safety Report.
- ✓ In August, a new segmented connecting pipeline between the ammonia storage tanks and the HNX Atmosphere Production, equipped with two remotely closable valves, was put into operation. In November, a new safety transfer device was put into use at the Ammonia Management System of the Cold Rolling Mill. On April 4, 2025, the District Office – Environmental Protection Department approved the USSK Safety Report, prepared in accordance with Act No. 128/2015 Coll. on the prevention of serious industrial accidents for the next 5 years, until March 31, 2030.
- ✓ In the months of June to October, a **coordinated audit was carried out at USSK under the leadership of the Slovak Environmental Inspectorate**, which was aimed at fulfilling the

tasks arising from Act No. 128/2015 Coll. on the prevention of serious industrial accidents, amending certain acts, with a focus on equipment and activities with the presence of a hazardous substance at the operation of the Technical Gases – the Blast Furnace Gas Tank of the Power Engineering Division Plant.

Last year, as a result of the energy crisis and tense international relations, **civil protection, critical infrastructure protection, and economic mobilization** gained importance and came to the forefront of public interest. The result of this was a more intensive communication and exchange of information between USSK as an element of critical infrastructure and the subject of economic mobilization with the Ministry of Economy of the Slovak Republic, which is responsible for our company in the above-mentioned areas. The new Act No. 367/2024 Coll. of the Ministry of Economy of the Slovak Republic on critical infrastructure, amending certain acts, has imposed new obligations and changes on the subjects of critical infrastructure, which are gradually being implemented at USSK. As part of the legal requirements, communication took place with the District Office Košice – Crisis Management Department for the field of civil protection. The Crisis Management Department ensured this communication and provided all state authorities with full cooperation in accordance with the applicable legislation.



SUPPORTING PEOPLE

COMMUNITY ENGAGEMENT



SUPPORTING THE COMMUNITY AND THE REGION

As far as to the community, we act in accordance with our principles of fostering a culture of belonging where all employees feel they can contribute their best work.

- U. S. Steel Košice has been interested in the needs of the region for a long time and is involved in solving them in accordance with its core values and business principles either directly or through its U. S. Steel Košice Foundation.
- Priority in the area of donation and sponsorship is given to public benefit projects for children, support of healthcare, science and education, culture and sports.
- The Company partners with many non-profit organizations that are active in solving problems and coming up with innovative ideas for community development, social assistance solutions for disabled citizens and seniors.

Contribution

U. S. Steel Košice
1,529,726.08 EUR

+

U. S. Steel Košice Foundation
71,280.00 EUR

=

Total for the year 2025
1,601,006.08 EUR

SUPPORTING EDUCATION

U. S. Steel Košice actively cooperates with selected technical high schools and universities, especially as far as the targeted recruitment of employees. For students, cooperation with our Company is an opportunity to get acquainted with the “real world” of the functioning of an industrial enterprise. Those high school students who achieve good academic grades have the opportunity to get a job offer even before graduation. Financial support for university students is aimed at profiling future computer scientists, electrical engineers, environmentalists, engineers, and technologists.

Cooperation with academics was most evident in the field of machine learning to improve processes, streamline steel production with the aim of reducing the environmental burden as much as possible and reducing production costs. We have been developing and implementing solutions using machine learning and other forms of artificial intelligence in the Company for several years. Such solutions help us improve our processes and reduce our carbon footprint. We achieve excellent results by combining experts from production practice, academics and students from the field of metallurgy. Our Data Studio Europe Department is dedicated to artificial intelligence and machine learning, where a data-driven insight into steelmaking is key. Machine learning has its limitations (data quality, data size and variability), which can subsequently supplement the expert knowledge of metallurgical experts.

Experts from our Company are also actively involved in the educational process at universities. Through specialist lectures, they provide students with the latest practical knowledge and introduce them to our technologies and innovative solutions in real-life projects.

Institute of Experimental Physics, Slovak Academy of Sciences, Košice

In 2025, we supported the Institute of Experimental Physics of the Slovak Academy of Sciences with funds for the purchase of helium, liquid nitrogen, and improvements to the scientific and cryogenic infrastructure at the Center for Low Temperature Physics.

Steelpark – Science Park

The Steelpark creative factory exhibition promotes the world of technology and engineering among schoolchildren and students in the city and throughout the region in a playful way. Every year, it attracts more than 15,000 children, offering them the opportunity to explore various scientific disciplines. U. S. Steel Košice was involved in the creation of Steelpark as part of the Košice – European Capital of Culture 2013 project. It also supported the renovation of its exhibition in 2025. Thanks to the support of the U. S. Steel Košice Foundation, new exhibits focusing on the importance of innovative energy production and a sustainable future that is friendly to nature were placed in the creative factory demonstrating the story of steel.



Scholarship program

U. S. Steel Košice supports talented students in their studies at domestic and foreign universities and colleges as part of its Scholarship Program. Among them are not only young, gifted people from socially disadvantaged backgrounds, but also children of Košice steel plant employees.

Students holding a scholarship participate in the Company's volunteer events, including the events "Steelmakers for Košice" and the Christmas charity stand.

27 scholarships were awarded in the academic year 2024/2025 and other 20 scholarships in 2025/2026.

So far, 527 students have been awarded with a scholarship.

Technical University of Košice, Faculty of Materials, Metallurgy and Recycling (FMMR)

The cooperation between the Faculty and U. S. Steel Košice connects science, practice, and innovation in joint projects. Throughout the year, mixed teams from USSK and FMMR worked on projects such as the Smart Steel Shop project, which aims to build an integrated AI-driven computational model that optimizes the entire steel production chain. In 2025, we supported the Faculty with funds for the development of education, research, marketing, and promotion of studies.

High Vocational School of Industrial Technologies, Košice-Šaca

We have been delivering sponsorship donations in the form of sheet metal for practical vocational training to our partner school every year since 2007. In 2025, we donated 4.9 tons of sheet metal to the school. Students will use it in welding and manual metalworking classes.

Dual education

USSK, in cooperation with the High Vocational School of Industrial Technologies in Košice-Šaca and the High Vocational School of Railways in Košice, supports dual education, which is based on the acquisition of practice and professional practical skills, targeted preparation for the future profession and the opportunity to integrate into work processes, while students are motivated by a reward for productive work.

459 students in 2024/2025

HEALTH CARE

Children's University Hospital Košice

The Children's University Hospital in Košice (CUH) is a specialized and terminal hospital in eastern Slovakia and one of three children's university hospitals in Slovakia. U. S. Steel Košice has supported the CUH since the beginning of its operations in Košice, either directly or through the U. S. Steel Košice Foundation.

Thanks to this support, in 2025 the CUH expanded its operating room equipment with a state-of-the-art CUSA® Clarity ultrasound surgical aspirator, which is particularly helpful in neurosurgery operations on pediatric patients. At the same time, thanks to financial support from U. S. Steel Košice, the hospital completed the reconstruction of a premium hospital room where parents can spend time with their child during hospitalization in an environment that respects their needs.



SOCIAL CARE

The aid is mainly aimed at centers for children and families in eastern Slovakia, where we make life easier and more enjoyable for the younger generation. We focus on supporting two foster homes. We also help our retired former employees who are active in the Autumn of Life civic association. We provide funding for the public benefit activities of various charitable organizations focused on helping people in social need and those with disabilities. In addition to USSK and the U. S. Steel Košice Foundation, our employees also help vulnerable groups, thereby multiplying the positive results.

Supported institutions

Foster homes

Center for Children and Families Košice – Uralská Street, Foster Home of St. Clement Hofbauer in Podolíneč

In 2025, we supported two foster homes not only financially, but also by organizing events for children. The funds were used for sports events, recreation, and cultural activities for children, as well as for the purchase of sports and interior equipment. Children from both facilities took part in a sports and entertainment day that we organized for them to say goodbye to the summer holidays, as well as the Košice Venice event, which is part of the Košice City Day celebrations. They placed second and third in the unusual boat competition.



Civic Association

Autumn of Life

Thanks to the support of U. S. Steel Košice, our retired former employees have a place for meetings and various activities. As volunteers, they are regularly involved in fundraising, which we organize as part of Volunteer Days in cooperation with the Košice Archdiocese Charity, or in the Wishing Tree project. They have long been ranked among the top players in senior table tennis and petanque competitions. In 2025, they achieved excellent results in the badminton league and at the Summer Olympics for Seniors in Košice.

Support for children from Ukraine

Thanks to the support of U. S. Steel Košice, the Košice – Západ municipal district organized a camp for nineteen children from the Ukrainian city of Kryvyi Rih, who come from families tragically affected by the war, where the children could relax for at least a few days from the difficult times at home.

Charity events

Archdiocese Charity in Košice

With the long-term support of the Archdiocese Charity in Košice, we try to make life easier for people in difficult social situations. The Charity operates several facilities for seniors, social service homes, crisis centers, and shelters. The Archdiocesan Charity in Košice helps us provide targeted support in cases where individuals turn to us for help. Its staff personally verify the social situation of applicants and ensure that funds go where they are most needed – whether to families in need, seniors, or homeless people.

Supported Projects

We are with you at the right time

Among other things, U. S. Steel Košice Foundation focuses on helping the families of steelmakers who find themselves in a difficult life situation. In 2025, 12 families were supported thanks to the We are with you at the right time program. In addition to a one-time financial contribution of EUR 2,000, we created opportunities for families to meet throughout the year, where they could relax, get to know each other, and in many cases even help each other. Since 2013, this long-term project has helped 152 families.

12 families of steelworkers were supported in 2025, 152 families were supported since 2013



Christmas Charity Stand

The charity stand is aimed to support non-profit organizations, which during the Košice Christmas markets have the opportunity to present their activities and also collect funds for their operation. In 2025, among others, the Archdiocese Charity of Košice, the Union of Mutual Aid of People and Dogs, the civic associations “OD SRDCA” and “USMEJ SA NA MŇA” were represented at the stand, who were also assisted by U. S. Steel Košice scholarship holders. The stand also serves as a new way for non-profit organizations to communicate with the public.

Wishing Tree

USSK employees ARE also regularly volunteer in helping. This year, they gave gifts to 150 children from two foster homes (Foster Home of St. Clement Hofbauer in Podolíneč and Center for Children and Families Košice – Uralská Street) and twelve families of Košice steelmakers.

150 children from two foster homes and twelve families of steelmakers



Donate Lunch

Even in 2025, before Easter and before the Christmas holidays, the Company’s employees could participate in the Donate Lunch project.

Almost 300 employees donated more than 1,600 lunches for mothers with children in crisis centers and homeless people.

“Lunches are a big help to mothers with children. Every single hot lunch is a help for them. The mothers cook for themselves; they have a kitchen at their disposal. Sometimes they have a difficult month and do not have enough money, and then we can only help them with non-perishable food,” said Katarína Fečová, Head of the Crisis Center for Mothers with Children in Košice-Nová Ves.

Since 2021, we have launched the Donate Lunch project ten times. A total of 2,833 steelmakers donated 23,551 lunches.

SUPPORTING THE MARGINALIZED ROMA COMMUNITY

The Company has long been involved in supporting marginalized Roma communities. Its activities focus mainly on helping foster homes, where most of the children are from Roma families, and on cooperating with a social enterprise, which results in job opportunities for Roma in areas with high unemployment. *This cooperation is described in more detail on page 82.*

In addition, since 2013, the Company has been donating waste fuel wood to marginalized communities in surrounding municipalities every year, which helps them especially during the winter months. In 2025, the donated wood helped the municipalities of Velká Ida and Sokolany, the Košice district of Luník IX, and the non-profit organization *Oáza – nádej pre nový život* (Oasis – Hope for a New Life), which provides shelter for 250-350 people in extreme life situations, especially during the winter months. **During the year, more than 460 tons of wood were distributed to these locations.**

SUPPORTING SPORTS

Our support of sports could be divided into two parts, namely the support of sports events with a long-standing tradition in the Košice region and the support of the development of young athletic talents of Košice steelmakers and young talents from socially disadvantaged backgrounds.

International Peace Marathon in Košice and mini-marathon U. S. Steel Family Run

For many years, U.S. Steel Košice has been the main partner of the International Peace Marathon in Košice, which is the oldest marathon in Europe and is very popular among our employees and business partners. One of the accompanying disciplines is the mini-marathon U. S. Steel Family Run, which is a one tenth of the marathon distance. Volunteers from among our employees also participated in the organization of the Marathon, who took care of the largest refreshment station at this event.



HC Košice Hockey Club

USSK is a long-term partner of the HC Košice Hockey Club, which holds the record for the number of championship titles in the Slovak extra league. It has been Slovak champion ten times, most recently last season. USSK also supports young hockey talents with a financial donation for the organization of the Summer Hockey Camp continuously since 2010. Hundreds of children have already participated.

Your chance to play program

The U. S. Steel Košice Foundation strives to create equal opportunities to play ice hockey, tennis, or soccer for athletically gifted children of steelmakers and children from socially disadvantaged families.

Since 2006, the program has contributed EUR 227,877 to membership club fees and part of the equipment for 596 young athletes.

Summer Sports Games

During September 2025, USSK organized the 35th Summer Sports Games for its current and former employees. More than 400 steelmakers and their family members gathered at the athletic grounds to take part in competitions in badminton, bowling, tennis, soccer, table tennis, beach volleyball, chess, and darts. The popular running and cycling races were also included.



Winter Sports Games

In 2025, the 28th year of the Winter Sports Games took place, in which employees and seniors – former Košice steelmakers compete each year in various disciplines such as cross-country skiing, ice hockey, giant slalom, and snowboarding. For employees' children, there were competitions on skis, sleds, bobsleigh, and a snow carnival.



SUPPORTING CULTURE

The Company has been supporting important cultural institutions and events for a long time. It is a traditional partner of the Košice State Philharmonic and the Košice National Theatre. It also supports the Visegrad Days international theatre festival and the Art Film Fest international film festival. U. S. Steel has been supporting the Košice Christmas and the City Day events for a long time.

VOLUNTEER AND COMMUNITY PROGRAMS

Volunteer days – Steelmakers for Košice

Volunteer programs are integral part of our community support. The largest corporate volunteer event is the **Volunteer days – Steelmakers for Košice**, which took place for the 19th time on May 23-24, 2025. The employees of U. S. Steel Košice helped eight organizations with public benefit activities. For two days, they participated in Steelmakers' Drop of Blood and collection of clothes and other useful things for the Košice Archdiocese Charity, which manages 34 charitable and community facilities in 16 towns of the region. They also worked on the Košice ZOO, the on Hurbanová Street, and the Forrest Gump Club – a day center for disadvantaged people. A total of 346 volunteers took part in this corporate event.

19th year of the event

346 volunteers who worked a total of 1,380 hours

Helping the botanical garden and the ZOO

The beautification of the botanical garden and the ZOO is one of the so-called constants of volunteer activities of our steelmakers. In 2025, they mainly worked in the interior. In the Košice ZOO, they sanded and painted metal stands and wooden slats, which serve as mobile barriers when it is necessary to divide the space to direct visitors. In the UPJŠ Botanical Garden, they renovated the park walkway, treated the mobile park benches, and brought in a huge amount of substrate for the raised flower beds.

Robert Gregorek, deputy director of the UPJŠ Botanical Garden, praised what had been achieved: *"The steelmakers did not disappoint and showed that they are used to overcoming obstacles. Minor complications caused by the weather spurred them on to even more amazing performance, and they really did a lot of very useful work."*



Steelmakers' Drop of Blood

Košice steelmakers regularly donate the most precious liquid needed to save human life, blood. **In 2025, 70 donors took part in the event. Together, they donated 30 liters of blood.** Of course, many employees donate blood individually several times a year, even outside of volunteer days. In 2025, the number of blood donations rose to 4,932, representing approximately 2,200 liters of blood.



Steelmakers in the Forrest Gump Club

Steelmakers helped with renovation work for the non-profit organization Forrest Gump Club, which operates a day care center for people with disabilities.

"The employees of U. S. Steel Košice did a great job here. I believe that, in addition to the feeling of a job well done, everyone is also filled with a sense of usefulness, meaningfulness, and a pleasant day spent," said Lucia Tažiková, director of the non-profit organization.

Uplift of the Center for Children and Families on Hurbanová Street

For the eleventh time, volunteers from USSK came to lend a helping hand in improving the interior and exterior of the Center for Children and Families on Hurbanová Street. Center director, Silvia Komorová, praised the team of colleagues from USSK who return here every year:

"In a short period of time, they always get a lot of work done here, which benefits all the children, these premises, and nature. When I see familiar faces arriving here in the morning, it warms my heart to know that something keeps them coming back."



Help on the Children's Historical Railway

The children's railway has become a traditional and popular place to help by our steelmakers. As usual, they helped with locomotive maintenance, excavation work, and the installation of an electrical connection that lights the sidewalk from the Alpinka station to the children's area.

"Without your willingness, dedication, and tremendous energy, we would not have been able to accomplish so much and leave behind such visible results. You have shown us that helping others still has its place and that behind a strong company stand strong and charismatic people with good hearts," said Lubomír Lehotský, director of the railway, thanking everyone at the end of the successful event.



Helping the animal shelter

Steelmakers were also present at the dog shelter at Haniska pri Košiciach. They built a new shelter, sawed wood, and constructed a tool shed.

"I would like to thank the steelmakers very much for all the work they did today. The weather forecast was not favorable, but after the rain cleared up, a lot of work was done. Many thanks for your long-standing support of the shelter," said Romana Šerfelová, director of the civic association Union of Mutual Aid for People and Dogs, which manages the local shelter.



Collection of clothes and useful things for the Košice Archdiocese Charity

One of the sustainable activities by which we help people and the planet is recycling clothes and other useful things for which we can find a second home with people who need them. Over two days, 85 bags of clothing, shoes, and other necessary things were collected to help individuals and families in need, including homeless people, seniors, and single mothers.

"We are grateful that even today, solidarity and concern for others still have a place among people. This collection has shown that volunteering and donating have a lively tradition and power at U. S. Steel Košice," said Silvia Hrabčáková, expressing her gratitude on behalf of the Košice charity



Volunteer of the Year

The USS Volunteer of the Year award is an initiative of U. S. Steel aimed at recognizing the volunteer work that United States Steel Corporation employees do in their free time for their communities, encouraging them and providing their charitable organization with financial support for their continued selfless assistance. In addition to the Volunteer of the Year award, Volunteer Champions are also recognized at each of the U.S. Steel plants. In 2025, two U. S. Steel Košice employees were among the fourteen Volunteer Champions recognized. For their public service in the volunteer fire department and their work in the field of emergency radio communication systems, they received a cash donation of EUR 5,000 for the non-profit organizations they helped, thereby multiplying the impact of their charity work.

Together for the Region 2025 program

For many years, U. S. Steel Košice has been implementing the **Together for the Region** grant program, which focuses on community projects supporting meaningful leisure activities for children and teenagers, environmental protection, and safety in everyday life. A specific feature of the program is the active involvement of USSK employees in these community activities.

- ✓ Since its inception in 2008, the Together for the Region program has already supported 161 projects in the total amount of more than EUR 410,000.

Thanks to support from the program, relaxation zones were created in the municipalities of Družstevná pri Hornáde and Kamenica nad Cirochou, the municipality of Cestice revitalized its municipal park, the Jozef Urban Elementary School in Košice renovated its athletic track, soccer

pitch and long jump landing area, and the kindergarten in Kavečany transformed its outdoor area and surroundings beyond recognition. Other projects were focused on meaningful ways of leisure time activities for children and their positive relationship to nature.

10 grants in 2025

Leisure Center, Orgovánová 5, Košice

Let's support children and young people in floorball - Modernization of the gym for quality sports experiences

Municipality of Lúčka

Healthy body, healthy mind - let's breathe clean air!

HK Sršne Košice, o.z

Hard at practice, easy on the field!

Municipality of Cestice

The heart of the municipality of Cestice

Municipality of Kysak

Let's save Kysak Castle

Elementary School Školská 94, Trstené pri Hornáde

In the shade of trees

"Naším deťom" civic association

at Elementary School Jenisejská Košice

Sports bring the school community together

Parents' Association

at the Happy Bears Kindergarten

Bears protect and enhance their environment

Municipality of Kamenica nad Cirochou

A relaxation zone for everyone

Enduro Klub Tepličany, o.z.

An oasis of relaxation and sports

Although support for community projects in 2025 was primarily managed by the Director Public Affairs Unit, they could not have had such a huge scope and effect without the involvement of the Women Inclusion Network (WIN), NextGen, human resources, trade unions, security, IT, and other departments from administration and operations. We also involve our scholarship holders, retired colleagues, and partners from multiple sectors in our efforts. We systematically strive to multiply our community support through synergies.



**HELPING IS
IN OUR DNA**



GOVERNING PRINCIPLES



GOVERNING PRINCIPLES

ETHICS AND GOVERNING PRINCIPLES



Transparency and sound corporate governance are foundational to everything we do.

Since its founding, U. S. Steel has demonstrated an unwavering commitment to do business ethically, with integrity, and in compliance with applicable laws and regulations. At the beginning of the 20th century, co-founder and first chairman Judge Elbert Gary developed what is widely considered to be the first ever corporate code of ethics, known as the Gary Principles. The values set forth in those nine simple statements emphasizing integrity, fairness, and accountability underlie the S.T.E.E.L. Principles that we use today to state our long-held core values in a meaningful and memorable way.



Integrity and ethical conduct are fundamental to our core values and vital to our continued success as we maintain an intense focus on the key business drivers that make us a better, more competitive company.

THE CODE OF ETHICAL CONDUCT

U. S. Steel Košice Code of Ethical Business Conduct, as a fundamental internal regulation, constitutes a cornerstone of confidence necessary for the long-term success of our Company. The S.T.E.E.L. Principles are the foundation of our Code of Ethical Business Conduct and ethics and compliance program, and our business must always be conducted within the framework of these long-held core values: Safety First, Trust & Respect, Environmental Stewardship, Excellence and Accountability, and Lawful & Ethical Conduct.

It is also specially aimed at respecting the human rights of employees by prohibiting slavery, child labor and placing emphasis on the battle against corruption and bribery. The commitment to act in an ethical manner has helped to ensure that USSK confirms its reputation as a company respecting its employees, business partners and the communities which it operates in.

Principles

- [Supplier Code of Conduct](#)
- [USSK Code of Ethical Conduct](#)
- [Anti-corruption Policy](#)
- [Conflict of Interest](#)
- [Sexual and Discriminatory Harassment](#)
- [Gifts and Entertainment](#)
- [Anti-corruption Guidelines for Third Parties](#)
- [Safety & Industrial Hygiene Policy](#)
- [Human Rights Policy](#)
- [Sustainable Procurement Policy](#)

EMPLOYEE TRAININGS AND COMMUNICATION

U. S. Steel Košice, s.r.o. is **one of the leading companies enforcing business ethics and anti-corruption practices in Slovakia.**

- ✓ Employees are regularly informed about news in the ethics & compliance area and other ethics related issues through USSK's intranet site (Ethics & Compliance section), regular online newsletter named "Ethically Speaking", and short compliance videos.
- ✓ In 2025, employees could also expand their knowledge through Economic Sanctions, Ethical Leadership, and Code of Ethical Business Conduct **online trainings**. Also, more than 790 employees participated on in-person trainings focused on the Conflict of Interest, Gifts and Entertainment, and Protection of Confidential Information policies.
- ✓ As every year, also in 2025 our Company together with other plants within the United States Steel Corporation joined the 15th year of the **Ethics and Compliance Week**. Every day during the week of November 3-7, employees received communications focused on one of the S.T.E.E.L. Principles. Communication included also short pulse survey, a short compliance video focused on Anti-trust rules and Code of Ethical Business Online Training.

- ✓ Also, during the Ethics and Compliance Week, our **Annual Policy Certification** process was kicked off for all employees to review and certify their ongoing compliance with the Code of Ethical Business Conduct and key compliance policies.

ETHICS LINE

Any form of prohibited or unethical behavior can be reported to a supervisor directly or using the U. S. Steel Ethics and Safety Line ("Ethics Line"), either by telephone, mail or internet. In addition to USSK employees, external persons may also use the Ethics Line to report unethical or unauthorized practices performed within the Company.

In order to promote transparency and the efficacy of the Ethics Line, the number and types of Corporate reports alleging misconduct received, the types of actions taken in response to substantiated allegations, and anonymized summaries of select cases are provided to employees regularly. The U. S. Steel Audit Committee receives additional data about new reports and closed cases quarterly, as well as summaries of significant allegations and investigations, to help facilitate its oversight of the ethics and compliance program.

1. Report intake

The reporter contacts the Ethics Line (by phone/online) or raises the concern to an internal resource that enters the report into the case management system

Immediate safety issues and threats are escalated to Safety & Security

U. S. Steel Internal Audit has access to all reports

2. Review and assignment

The administrator reviews the report, acknowledges receipt, and assigns it to an appropriate investigator

Significant issues are escalated to U. S. Steel Audit Committee; regular updates are provided, as necessary

Investigators include trained personnel in Human Resources and Safety & Security, Internal Audit and Law departments

3. Investigation

The investigator conducts appropriate investigation and prepares a written report documenting the findings and any remedial measures

The investigation may include document review, interviews, and other relevant steps

Confidentiality is maintained to the extent possible

4. Case closure

The cross-functional U. S. Steel Case Closure Committee reviews the investigation process, findings, and conclusions

The Committee consists of Corporate and USSK representatives from Legal, Human Resources, Safety & Security, Internal Controls, and Internal Audit

Investigation is closed only if there is consensus by U. S. Steel Case Closure Committee

The reporter is advised that investigation is complete and that appropriate action has been taken, if applicable

5. Reporting out

Employees receive overview of Ethics Line activity and sample cases

U. S. Steel Audit Committee receives quarterly reports:

- Updates regarding investigations
- Data and trends re: new reports (by location, issue, anonymity of the reporter)
- Data and trends re: closed cases (remedial actions, substantiation rates)



2025 | WORLD'S MOST
ETHICAL
COMPANIES™
ETHISPHERE
4-TIME HONOREE

FOR THE FOURTH YEAR IN A ROW: U. S. STEEL AMONG THE LEADERS IN ETHICAL BUSINESS.

United States Steel Corporation has once again been named one of the “World’s Most Ethical Companies®” in 2025 by Ethisphere, a global leader in defining ethical business standards.* This is the fourth consecutive year that U. S. Steel has received this prestigious award, reflecting the excellence of our ethics and compliance programs as well as our continued commitment to our Best for All® strategy.

The World’s Most Ethical Companies process, which is based on the Ethisphere Institute’s proprietary Ethics Quotient®, includes a comprehensive benchmarking and assessment of the ethics and compliance program, governance, a company’s culture of ethics, environmental and social impact, and initiatives that support a strong value chain. The process serves as an operational framework to capture and codify best practices of organizations across industries and around the world.

**“World’s Most Ethical Companies” and “Ethisphere” names and marks are registered trademarks of Ethisphere LLC.*

GOVERNING PRINCIPLES

OUR SUPPLY CHAIN

A resilient and reliable supply chain is essential to our customer-centric approach to delivering steel products that are innovative and energy and cost efficient.

We focus on resilience and continuous supply chain management, the use of modern technologies to ensure the long-term success of our business while minimizing risks and uncovering opportunities.

We look for the most efficient purchasing methods so that we can respond effectively to changes and unexpected events while also helping to achieve economic benefits and increase our Company’s competitiveness. Increasingly, sustainability issues are at the heart of our communications with suppliers. In addition to the usual supply chain management issues such as quality, cost, availability and delivery times, discussions are increasingly focused on climate protection, energy, resource efficiency and respect for human rights.

We promote a sustainable and responsible approach to purchasing various commodities. Collaboration with all organizational units such as Production, Environment, Research, as well as with suppliers enables us to bring new trends and innovations that often require systemic and long-term solutions.

Past experience - beginning with the pandemic and its impact on the supply chain, inflationary pressures, and geopolitical conflicts, shows that integrating supply chain resilience and sustainability is essential for long-term stability.



A SUSTAINABLE SUPPLY CHAIN

We expect not only our employees but also our business partners to share our values and act **in accordance with the S.T.E.E.L. Principles. Our Standard Terms and Conditions, Code of Ethical Business Conduct and Anti-corruption Guidelines for Third Parties** detail our expectations. In 2023, we implemented a **Supplier Code of Conduct, which we update regularly**. It is published on our website, specifies supplier standards and sets out our minimum requirements for ethical and legal business practices, human rights and working conditions, and last but not least, environmental stewardship throughout the supply chain. Priorities also include fighting corruption, eliminating conflicts of interest, protecting competition and fair trade.

CONFLICT MINERALS

USSK, as a subsidiary of United States Steel Corporation, is **committed to legal and ethical standards in all of its business activities** and also complies with the provisions of applicable U.S. (Dodd-Frank Financial Markets Reform and Consumer Protection Act, HR 4173, Section 1502) and EU (EU Conflict Minerals Regulation No. 2017/821) conflict minerals legislation. The only products manufactured by USSK that contain conflict minerals and are subject to the Dodd-Frank Act and the EU Conflict Minerals Regulation are its packaging products, which have a tin coating.

Based on reasonable due diligence and to the best of its knowledge, during 2025, USSK

did not manufacture any products using conflict minerals sourced from the Democratic Republic of Congo (DRC), or its neighboring countries, that financed or favored armed groups in that region or other conflict-affected and high-risk areas.

In accordance with legislation and implementing regulations, USSK will continue to monitor its supply chain to determine the origin of conflict minerals used by USSK in the manufacture of its products and provide all required information and updates. USSK will **continue to work proactively with its suppliers and customers to verify the source of conflict minerals in its supply chain.**

SUSTAINABLE SUPPLY CHAIN PLATFORMS

By the end of 2025, as part of our ongoing commitment to responsible sourcing, we implemented a new platform and continue to collect sustainability-related information. Through collaboration enabled by this new platform, we will be able to track progress more effectively, share best practices, and collectively demonstrate our commitment to building a sustainable supply chain.

USSK has been paying attention to the protection and respect for compliance with safety requirements and criteria not only for our employees but also for contractors and their employees who work for companies in our supply chain. In addition to our **internal safety regulations and activities**, which we check on an ongoing basis, **we externally require our suppliers to meet the requirements and provide data within the digital platform**, which ensures contractor and supplier risk is assessed and monitored.



2026 OUTLOOK

The outlook for the EU steel market in 2026 remains cautious, but there are signs of gradual improvement. Despite persistent global challenges such as geopolitical tensions and the ongoing war in Ukraine, the Eurozone economy has stabilized and is experiencing moderate expansion, mainly driven by services, public spending, and a solid labor market. Industrial activity, including steel, has moved out of contraction in 2025 but growth is still limited due to weak external demand and subdued confidence. Investment in infrastructure and energy sector is expected to provide a channel for industrial activity, including steel, to strengthen over time. Construction activity, especially civil engineering, is expected to be supported by public infrastructure programs and is anticipated to underpin demand for steel in 2026. However, residential and building construction recovery remains slow, with timing uncertain despite favorable factors such as lower interest rates and improved household finances.


In 2026, apparent steel consumption is projected to finally recover (+3% year-over-year), conditional on a positive evolution of the industrial outlook and an easing of global tensions, both of which remain unpredictable at this stage. The overall evolution of steel demand remains subject to high uncertainty.



SELECTED FINANCIAL INDICATORS

STATEMENT OF FINANCIAL POSITION

Selected items from the Statements of Financial Position for the last two years are:

 U. S. Steel Košice	Statement of Financial Position in EUR (millions)	
	Dec 31, 2025	Dec 31, 2024
Property, plant and equipment, incl. investment property	785	866
Intangible assets	671	644
Long-term receivables	10	9
Inventories	551	566
Short-term receivables	336	308
Short-term loans to related parties	43	0
Cash and cash equivalents	129	162
Other current assets	16	34
Total Assets	2,541	2,589
Equity	1,426	1,436
Long-term trade and other payables	10	4
Other long-term liabilities	88	102
Short-term trade and other payables	454	536
Other short-term liabilities	563	511
Total Equity and Liabilities	2,541	2,589

Compared to the previous accounting period, the carrying amount of Company's property, plant and equipment, including investment property, decreased by EUR 81 million primarily driven by the write-off of discontinued investment projects in the construction in process phase together with depreciation exceeding fixed asset additions. In 2025, the Company's capital expenditure amounted to EUR 53 million compared to EUR 79 million in 2024.

The carrying amount of Company's intangible assets, mainly represented by CO₂ emission allowances, increased in 2025 by EUR 27 million compared to 2024 mainly due to price fluctuations of the emission allowances on the market.

In 2025 Company did not purchase emission allowances via spot purchases, unlike in 2024, when the Company had purchased EUA emission allowances totaling EUR 108.6 million.

Emission allowances allocated by the Slovak Government in 2025 were measured when received at EUR 469 million compared to EUR 355 million in 2024. Detailed information on emission allowances is disclosed in Note 8 to the Financial Statements.

Inventory value decreased in 2025 primarily due to lower cost of raw materials.

The overall decrease in short-term trade and other payables was mainly due to the decrease in the liability for unpaid dividends. No new dividends were declared in 2025. In 2024 USSK declared dividends to U. S. Steel Global Holdings VI B.V. totaling EUR 160 million. Dividends unpaid as of December 31, 2024, totaling EUR 50 million were in full paid during 2025.

Higher provision for CO₂ emissions was primary reason behind an increase in other short-term liabilities.

On December 27, 2024, the Company ("Borrower") entered into a USD 200 million Revolving Credit Agreement with United States Steel Corporation ("Lender"). Funds are available in either USD or EUR. This agreement will mature on December 26, 2027. As of December 31, 2025, the USD 200 million Revolving Credit Agreement was undrawn and fully available.

There were no borrowings drawn against the available EUR 150 million Credit Agreement concluded with multiple banks in 2025 and 2024.

On May 17, 2023, the Company ("Lender") entered into a EUR 200 million Revolving Credit Agreement with United States Steel Corporation ("Borrower"). Funds are available in either USD or EUR. The validity of this Credit Agreement was extended by an Amendment on April 23, 2025, until April 22, 2028. As of December 31, 2025, the outstanding balance of the loan was in amount of EUR 43 million. There were no borrowings under this Credit Agreement in 2024.

Detailed information on long-term loans and borrowings of the Company is disclosed in Note 15 to the Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Selected items from the Statements of Profit or Loss and Other Comprehensive Income for the last two years are:

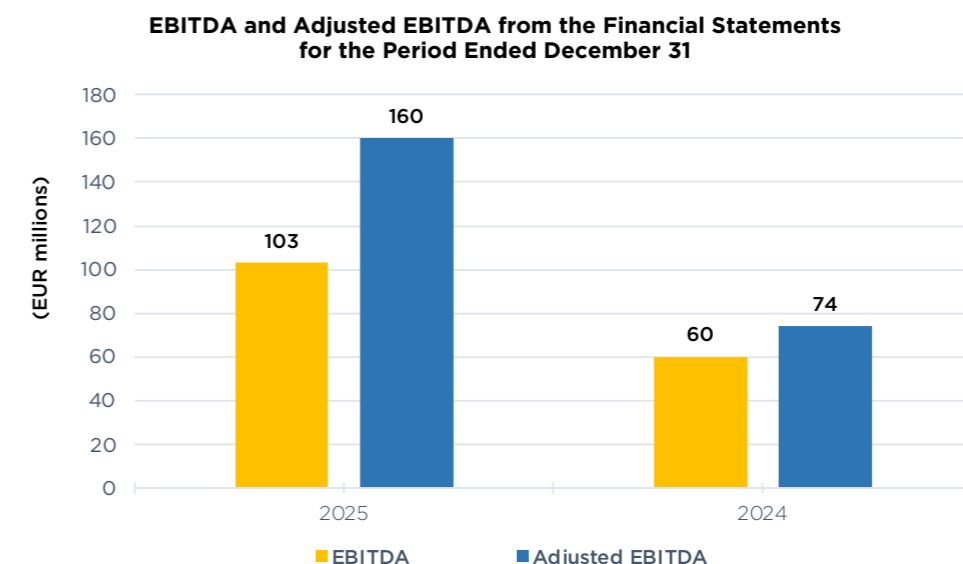
U.S. Steel Košice	Statement of Profit or Loss and Other Comprehensive Income in ERU (millions)	
	2025	2024
Revenues and other income	2,903	3,071
Operating (Loss) / Profit	-74	-130
Net (Loss) / Profit for the Year	-56	-100
Total Comprehensive (Loss) / Income	-13	-17

The Company incurred a **net loss of EUR 56 million** in 2025 compared to a net loss of EUR 100 million in 2024. The 2025 loss resulted mainly from unfavorable business conditions, lower average realized prices, lower demand (decreased shipments), lower non-steel sales, higher operating costs and higher energy costs. These negative impacts were partially offset by the lower raw material costs, strengthening of the euro versus the U.S. dollar and lower other costs.

STATEMENT OF FINANCIAL PERFORMANCE

Key financial performance indicators for the last two years are:

U.S. Steel Košice	Key financial performance indicators in EUR (millions)	
	2025	2024
EBITDA - earnings / (loss)	103	60
Adjusted EBITDA - earnings / (loss)	160	74



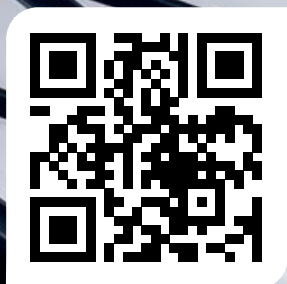
The Company's EBITDA increased in 2025 compared to 2024 mainly due to the lower raw material costs, strengthening of the euro versus the U.S. dollar and lower other costs partially offset by lower average realized prices, decreased shipments, lower non-steel sales, higher operating costs and higher energy costs.

Detailed information on key indicators of financial performance of the Company is disclosed in Note 29 to the Financial Statements.

PROPOSAL FOR 2025 LOSS SETTLEMENT

U.S. Steel Košice	in EUR (millions)
Loss for the Year 2025	-56
Usage of / (Contribution to) Legal Reserve Fund	-
Transfer to Retained Losses	-56
Retained Earnings - Undistributed Profit Total	433
Settlement of 2025 Retained Loss with Retained Earnings	-56
Other 2025 Changes Directly Accounted for in Retained Earnings - Settlement with Retained Earnings	57
Retained Earnings as of December 31, 2025 Total	434

Significant events after the reporting period are disclosed in Note 30 to the Financial Statements.



ANNUAL REPORT

2025



**SUSTAINABLE SOLUTIONS FOR
PEOPLE AND THE PLANET**

U. S. STEEL KOŠICE, S.R.O., VSTUPNÝ AREÁL U. S. STEEL, 044 54 KOŠICE, SLOVAKIA
WWW.USSKE.SK/EN

U. S. Steel Košice, s.r.o.

**Financial statements
for the year ended December 31, 2025**

**prepared in accordance with
IFRS[®] Accounting Standards as adopted by the
European Union**

This version of the accompanying financial statements is a translation of the original prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, the original language of the financial statements shall take precedence over this translation in all matters of interpretation of information, views or opinions.



Independent Auditor's Report

To the Shareholder and Executives of U. S. Steel Košice, s.r.o.:

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of U. S. Steel Košice, s.r.o. (the "Company") as at 31 December 2025, and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Slovensko, s.r.o.
Karadžičova 2, 815 32 Bratislava - mestská časť Staré Mesto
Tel.: +421 (0) 2 59 350 111

Spoločnosť je zapísaná v Obchodnom registri Mestského súdu Bratislava III., oddiel: Sro, vložka číslo: 16611/B
The firm is registered in the Commercial Register of the Bratislava III City Court, Section: Sro, Ref. No.: 16611/B
IČO/The firm's ID No.: 35 739 347
IČ DPH/VAT Reg. No.: SK2020 270 021
IBAN: SK71 1100 0000 0026 2374 0004



Independence

We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended (hereafter the "Act on Statutory Audit") that are relevant to audits of financial statements in the Slovak Republic and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted by the Slovak Chamber of Auditors (Code of Ethics for Auditors). We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Act on Statutory Audit and the Code of Ethics for Auditors.

Reporting on other information including the Annual Report

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Annual Report, we considered whether the Annual Report includes the disclosures required by the Act on Accounting No. 431/2002, as amended (hereafter the "Accounting Act").

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report has been prepared in accordance with the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Annual Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

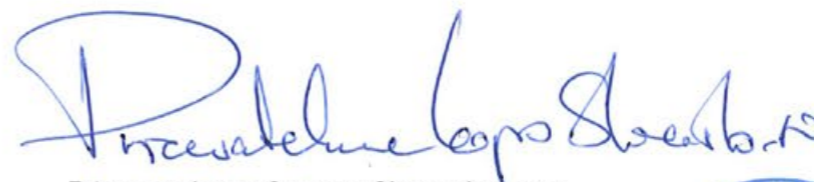
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

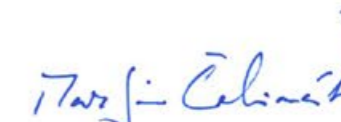


PricewaterhouseCoopers Slovensko, s.r.o.

SKAU licence No. 161

26 March 2026

Bratislava, Slovak Republic



Ing. Martin Čelínák, FCCA

UDVA licence No. 1250

U. S. Steel Košice, s.r.o.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

The financial statements for the year ended December 31, 2025, were prepared in accordance with IFRS Accounting Standards as adopted by the European Union on March 25, 2026, and will be submitted to the General Meeting of U. S. Steel Košice, s.r.o. ("the Company" or "USSK") for approval. Neither the Company's shareholder nor the executives have the power to amend the financial statements after issue.

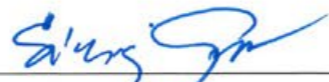
Košice, March 25, 2026



Michael Lawrence Piekut
Deputy President
(statutory representative)



Ing. Adam Dudič, FCCA
General Manager General Accounting and Taxes
(responsible for accounting)



Ing. Silvia Gaálová, FCCA
Vice President and Chief Financial Officer
(statutory representative)



Ing. Matúš Harakal, PhD.
Director Accounting Services and Financial Reporting
(responsible for financial statements preparation)

U. S. Steel Košice, s.r.o.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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U. S. Steel Košice, s.r.o.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(all amounts are in thousands of EUR if not stated otherwise)

STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	782,290	860,041
Investment property	6	3,096	5,868
Intangible assets	7	671,166	643,765
Unquoted financial instruments	26	111	111
Long-term derivative financial instruments	12	857	729
Long-term receivables	11	9,760	8,679
Other long-term asset		607	462
Total non-current assets		1,467,887	1,519,655
Current Assets			
Inventories	10	551,260	565,948
Trade and other receivables	11	335,915	308,202
Short-term derivative financial instruments	12	9,588	23,282
Short-term loans to related parties	28	43,122	-
Prepaid expense		4,167	2,770
Cash and cash equivalents	13	129,282	169,618
Total current assets		1,073,334	1,069,820
TOTAL ASSETS		2,541,221	2,589,475
EQUITY AND LIABILITIES			
Equity			
Share capital	14	839,357	839,357
Legal reserves	14	84,910	84,910
Other reserves	14	67,588	78,614
Retained earnings		434,032	433,491
Total Equity		1,425,887	1,436,372
Liabilities			
Non-Current Liabilities			
Long-term provisions for liabilities and charges	16	11,921	11,428
Long-term deferred income	5	41,437	50,008
Long-term employee benefits payables	17	20,110	21,662
Long-term derivative financial instruments	12	-	657
Deferred income tax liability	9	14,474	18,650
Long-term trade and other payables	18	9,768	3,952
Total non-current liabilities		97,710	106,357
Current Liabilities			
Trade and other payables	18	454,435	485,758
Dividends payable	18	-	50,000
Short-term derivative financial instruments	12	6,895	960
Short-term provision for CO ₂ emissions	8, 16	554,557	508,476
Short-term provisions for liabilities	16	275	159
Short-term employee benefits payables	17	1,462	1,393
Total current liabilities		1,017,624	1,046,746
TOTAL EQUITY AND LIABILITIES		2,541,221	2,589,475

The accompanying notes on pages F-12 to F-64 are an integral part of these financial statements.

U. S. Steel Košice, s.r.o.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(all amounts are in thousands of EUR if not stated otherwise)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2025	2024
Revenue from contracts with customers	19	2,396,751	2,684,573
Other income	19	506,507	386,884
Materials and energy consumed	20	(1,574,639)	(1,929,032)
Salaries and other employees benefits	21	(351,515)	(317,085)
Depreciation and amortization	5, 6, 7	(118,278)	(120,764)
Repairs and maintenance		(117,003)	(116,096)
Transportation services		(71,693)	(71,020)
Advisory services		(6,222)	(6,240)
Foreign exchange gains		9,941	995
Charge for provision for CO ₂ emissions	8, 16	(554,544)	(508,476)
Other operating expenses	22	(193,499)	(133,982)
Loss from operations		(74,194)	(130,243)
Dividend income		100	115
Interest income		2,289	7,317
Interest expense		(2,313)	(2,786)
Loss before tax		(74,118)	(125,597)
Income tax benefits	23	17,754	25,989
Loss after tax		(56,364)	(99,608)
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	23	971	(129)
Revaluation of intangible assets	14, 23	53,295	63,432
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of derivative hedging instruments	23	(10,595)	19,007
Other Comprehensive Income, net of tax		43,671	82,310
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(12,693)	(17,298)

The accompanying notes on pages F-12 to F-64 are an integral part of these financial statements.

U. S. Steel Košice, s.r.o.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(all amounts are in thousands of EUR if not stated otherwise)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserves	Other reserves	Retained earnings / (accumulated losses)	Total
Balance as of January 1, 2024	839,357	84,910	(3,825)	693,228	1,613,670
Loss for 2024	-	-	-	(99,608)	(99,608)
Other comprehensive income / (loss)	-	-	82,439	(129)	82,310
Total comprehensive (loss) / income for the year	-	-	82,439	(99,737)	(17,298)
Transactions with owners:					
Dividends	-	-	-	(160,000)	(160,000)
Total transactions with owners	-	-	-	(160,000)	(160,000)
Balance as of December 31, 2024	839,357	84,910	78,614	433,491	1,436,372
	Share capital	Legal reserves	Other reserves	Retained earnings / (accumulated losses)	Total
Balance as of January 1, 2025	839,357	84,910	78,614	433,491	1,436,372
Loss for 2025	-	-	-	(56,364)	(56,364)
Other comprehensive income	-	-	42,700	971	43,671
Total comprehensive (loss) / income for the year	-	-	42,700	(55,393)	(12,693)
Adjustments:					
Release of revaluation reserve - CO ₂ emission allowances	-	-	(53,726)	53,726	-
Other adjustments	-	-	-	2,208	2,208
Total adjustments	-	-	(53,726)	55,934	2,208
Balance as of December 31, 2025	839,357	84,910	67,588	434,032	1,425,887

The accompanying notes on pages F-12 to F-64 are an integral part of these financial statements.

U. S. Steel Košice, s.r.o.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(all amounts are in thousands of EUR if not stated otherwise)

STATEMENT OF CASH FLOWS

	Note	Total	
		2025	2024
Loss before tax		(74,118)	(125,597)
Non-cash adjustments for			
Depreciation of property, plant and equipment and investment property	5, 6	100,077	109,830
Depreciation of right-of-use assets	5	8,661	8,437
Construction in progress write-off	5, 7	42,971	-
Amortization of intangible assets	7	9,540	2,507
Amortization of deferred income - CO ₂ emission allowances	8, 19, 29	(469,453)	(354,732)
Amortization of deferred income	5, 19	(8,571)	(11,106)
Change in provision for CO ₂ emissions	8, 16	554,544	508,476
Change in provision of other non-current assets		(144)	99
Gains on disposal of property, plant and equipment, intangible assets and investment property	19	(848)	(5)
Gains from changes in fair value of derivative financial instruments	12	(4,776)	(9,477)
Dividend income and distribution of profit		(100)	(115)
Interest income		(2,289)	(7,317)
Interest expense		2,313	2,786
Change in landfill receivable	11	(1,081)	(2,284)
Changes in working capital			
Decrease in inventories	10	16,895	92,398
(Increase) / decrease in trade and other receivables and other current assets	11	(29,384)	130,682
Decrease in trade and other payables and other current liabilities	18	(14,305)	(69,279)
Cash generated from operating activities		129,932	275,303
Interest paid		(344)	(731)
Income taxes paid		(396)	(1,147)
Income taxes received		-	4,500
Lease payments not included in the measurement of the lease liabilities	5, 22	(812)	(1,240)
Net receipts from derivative financial instruments	12	4,776	9,477
Net cash generated from operating activities		133,156	286,162
Cash flows (used in) / generated from investing activities			
Short-term loans provided to related parties	28	(43,000)	-
Short-term loans provided to related parties - cashpooling	28	-	(877)
Short-term loans repaid by related parties - cashpooling	28	-	877
Purchases of property, plant and equipment	5	(60,928)	(73,839)
Proceeds from sale of property, plant and equipment		1,197	18
Purchases of intangible assets	7	(13,524)	(124,630)
Change in restricted cash, net		-	4,461
Interest received		2,167	7,317
Net cash used in investing activities		(114,088)	(186,673)
Cash flows (used in) / generated from financing activities			
Proceeds from borrowings	15, 25, 28	-	2,092
Repayment of borrowings	15, 25, 28	-	(2,156)
Payments for the principal portion of the lease liabilities	15	(9,404)	(9,089)
Dividends paid	14, 28	(50,000)	(200,000)
Net cash used in financing activities		(59,404)	(209,153)
Net decrease in cash and cash equivalents		(40,336)	(109,664)
Cash and cash equivalents at beginning of year	13, 26	169,618	279,282
Cash and cash equivalents at end of year	13, 26	129,282	169,618

The accompanying notes on pages F-12 to F-64 are an integral part of these financial statements.

U. S. Steel Košice, s.r.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are in thousands of EUR if not stated otherwise)

Note 1 General Information

The Company U. S. Steel Košice, s.r.o. was established as a limited liability company on June 7, 2000 and entered in the Commercial Register of the Municipal Court Košice, Section Sro, Insert no. 11711/V on June 20, 2000.

The Company's registered office is:

Vstupný areál U. S. Steel
Košice
044 54
Slovak Republic
Identification No.: 36 199 222

Business activities of the Company

The principal activity of the Company is production and sale of steel products (Note 19).

Liability in other business entities

The Company does not have unlimited liability in other business entities.

Average number of staff

The average number of the Company's employees is presented in Note 21.

The Company's management

Statutory representatives as of December 31, 2025 were as follows:

James Edward Bruno	President
Michael Lawrence Piekut	Deputy President
Ing. Silvia Gaálová, FCCA	Vice President and Chief Financial Officer
Ing. Marcel Novosad	Vice President Operations
JUDr. Elena Petrášková, LL.M	Vice President General Counsel
RNDr. Miroslav Kiraľvarga, MBA	Vice President External Affairs, Administration and Business Development
David Earle Hathaway	Vice President Engineering and Innovation
Karl George Kocsis	Vice President Human Resources and Transformation
Mgr. Martina Kováčová	Vice President Commercial & Customer Technical Service
Isao Takenami	Vice President and Chief Strategy Officer

Emoluments of statutory representatives are disclosed in Note 28.

Supervisory Board

On July 23, 2025, Duane Douglas Holloway resigned as a member and chairman of the Supervisory Board of the Company and Scotland Michael Duncan was appointed as a member and chairman of the Supervisory Board of the Company. At the same time, on that date, Manpreet Singh Grewal resigned as a member of the Supervisory Board of the Company and Kevin Michael Lewis was appointed as a member of the Supervisory Board of the Company.

Members of the Supervisory Board, which also acts as an audit committee in compliance with Act No. 423/2015 Coll. on the statutory audit, as amended, were as of December 31, 2025:

Scotland Michael Duncan	Chairman
Kevin Michael Lewis	Member
Mgr. Eva Durziová	Member

Shareholder of the Company

As of December 31, 2025 and 2024, the only shareholder of the Company was U. S. Steel Global Holdings VI B.V., Basisweg 10, 1043 AP, Amsterdam, Netherlands. The shareholder owns a 100 percent share of the share capital, representing 100 percent of the voting rights.

On April 7, 2025, the General Meeting approved the Company's financial statements prepared in accordance with the IFRS Accounting Standards ("IFRS") as adopted by the European Union ("EU") for the previous accounting period.

U. S. Steel Košice, s.r.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are in thousands of EUR if not stated otherwise)

Merger agreement with Nippon Steel Corporation

On December 18, 2023, United States Steel Corporation ("U. S. Steel") entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among U. S. Steel, Nippon Steel North America, Inc. ("Parent" or "Purchaser"), a New York corporation, 2023 Merger Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Purchaser ("Merger Sub"), and Nippon Steel Corporation, a Japanese corporation ("NSC").

On June 18, 2025, U. S. Steel completed the transaction contemplated by the terms of the Merger Agreement and became a wholly owned subsidiary of NSC. Pursuant to the Merger Agreement, Merger Sub merged with and into U. S. Steel, with U. S. Steel surviving the merger as the surviving corporation and a subsidiary of Parent.

Consolidated Group

According to the Law No. 431/2002 Coll. on Accounting the parent company is not obliged to prepare consolidated financial statements if the preparation solely of separate financial statements of the parent accounting entity has no substantial impact on the view of the financial situation, costs, revenues and profit/loss for the consolidated group. Management considers that the conditions of the exemption under Law No. 431/2002 Coll. on Accounting are met and therefore the subsidiaries have not been consolidated but are carried at cost less impairment in these financial statements of U. S. Steel Košice, s.r.o. for the year ended December 31, 2025.

The Company publishes and deposits financial statements, annual reports and reports of the auditor in accordance with Law No. 431/2002 Coll. on Accounting, as amended. The Company also publishes financial statements on its internet web page www.usske.sk.

The Company is included in the consolidated financial statements of its middle parent – United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania, USA, which is prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP").

Since June 18, 2025, the Company is included in the consolidated financial statements of its ultimate controlling parent – Nippon Steel Corporation with its registered office at 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8071, Japan. The consolidated financial statements of NSC are prepared in accordance with IFRS and are publicly available at the internet web page www.nipponsteel.com.

Note 2 Material Accounting Policy Information

This note provides a list of material accounting policies applied in the preparation of these financial statements (hereinafter "the financial statements") to the extent they have not already been disclosed in the other notes.

2.1 Statement of Compliance

These financial statements have been prepared in compliance with IFRS Accounting Standards as adopted by the EU, issued as of December 31, 2025 and effective for annual periods then ended.

2.2 Basis of Preparation

The Slovak Accounting Law requires the Company to prepare financial statements for the year ended December 31, 2025 in compliance with IFRS Accounting Standards as adopted by the EU.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of intangible assets representing the carbon dioxide emission allowances and by the revaluation of financial assets and financial liabilities at fair value through profit or loss or designated as hedging instruments.

These financial statements have been prepared on the going concern basis.

The preparation of financial statements in compliance with IFRS Accounting Standards as adopted by the EU requires management to make judgments, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of reporting period and the reported amounts of revenues and expenses during the year. The actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

U. S. Steel Košice, s.r.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are in thousands of EUR if not stated otherwise)

2.3 Changes in Accounting Policies

Effective January 1, 2025, USSK changed inventory costing formula from first-in, first-out ("FIFO") to the weighted average cost formula.

USSK believes that this change will increase internal consistency of USSK financial reporting and improve comparability to international companies within steel industry reporting under the same accounting standard (IFRS); enhance cost accuracy and transparency in a volatile market; improve matching of costs of sales with revenues; improve inventory management and streamline accounting.

The Company has applied the new accounting policy from January 1, 2025. The Company assessed the impact of the change in accounting policy for the prior period at EUR 2,208 thousand.

The cumulative effect of the change between original FIFO method and recalculated weighted average cost formula was recorded in 2025 through Retained Earnings as increase of the current period Inventory value.

Prior year figures have not been restated as the Company assessed the impact the change in accounting policy to its financial statements as immaterial.

The other accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.4 Foreign Currency Translations

Functional and presentation currency

Items included in these financial statements are measured in euro ("EUR") which was determined to be the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in EUR, rounded to thousands, if not stated otherwise.

Transactions and balances

The accounting books and records are kept in the functional currency EUR. Transactions in currencies other than the EUR are translated into the EUR using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions in currencies other than the EUR, and from the translation of monetary assets and liabilities denominated in currencies other than the EUR at year-end exchange rates are recognized in profit or loss for the current period.

2.5 Property, Plant and Equipment

According to the *IAS 16 Property, Plant and Equipment*, the Company has chosen to apply cost model for measurement of all its property, plant and equipment.

The conditions for a tangible asset item (other than major parts and land) to be recognized in property, plant and equipment category are minimum value of EUR 1,700 per individual item and utilization more than one year.

Major spare parts qualify as property, plant and equipment when the Company expects to use them during more than one year or if the spare parts can be used only in connection with a specific item of property, plant and equipment. The value limit for capitalization of major spare parts is EUR 40,000.

Land and construction in progress are not depreciated. Other property, plant and equipment items are depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings	35 years
Machinery, equipment and motor vehicles	6 – 15 years

The depreciation period and method are reviewed at the end of each reporting period. The weighted average of useful lives including technical evaluation of the Company's machinery, equipment and motor vehicles is 8 years. Useful lives of landfills are determined based on their capacity.

2.6 Investment Properties

According to the *IAS 40 Investment property*, the Company has chosen to apply cost model for measurement of all its investment properties.

Investment properties (excluding land) are depreciated on a straight-line basis over their estimated useful lives (35 years). The depreciation period and method are reviewed at the end of each reporting period.

U. S. Steel Košice, s.r.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are in thousands of EUR if not stated otherwise)

Where the Company uses only an insignificant part of a property it owns, the whole property is classified as investment property.

Fair values are obtained from discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of existing lease contracts and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The valuation falls within Level 3 of the fair value hierarchy (Note 6, 2.23).

2.7 Intangible Assets

According to the *IAS 38 Intangible assets*, the Company has chosen to apply cost model for measurement of all its intangible assets except for emission allowances.

Intangible assets are amortized on a straight-line basis over their estimated useful lives (2 - 15 years). The amortization period and method are reviewed at the end of each reporting period. The conditions for an intangible asset item (other than emission allowances and intangible assets not yet available for use) to be recognized in intangible asset category are minimum value of EUR 2,400 per individual item and utilization more than one year.

Software

Software is amortized on a straight-line basis over its estimated useful life (2 - 5 years). Expenditures to enhance or extend the software performance beyond its original specification are capitalized and added to the original cost of the software if they exceed the value of EUR 1,700 per asset item in total for the accounting period.

Costs associated with maintaining computer software are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, which will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortized using the straight-line method over their estimated useful lives (2 - 5 years).

The average useful life of the Company's software is 5 years.

Emission allowances

Purchases and sales of emission allowances are recognized on the trade-date. Purchased emission allowances are recognized as intangible assets at cost at initial recognition. When emission allowances are sold, the intangible asset is derecognized, and the gain or loss is recognized in profit or loss for the current period.

Carbon dioxide emission allowances which are allocated to emitting facilities annually by the Slovak Government, are recognized as an intangible asset as of the date the emission allowances are credited to the National Registry of Emission Rights (hereinafter "NRER"). The emission allowances are initially measured at fair value. The fair value of emission allowances issued represents their market price on European Climate Exchange as of the date they are credited to the NRER. Emission allowances that are not yet received from the government, but for which there is reasonable assurance that the emission allowances will be received, and that the Company will comply with the conditions attaching to the allowances, are recognized as emission allowances receivable at fair value when the above-mentioned conditions are met. The entire fair value is recognized in compliance with *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance* as deferred income on the acquisition date and subsequently recognized as income in the period for which the emission allowances have been allocated. If the total amount of allocated and purchased allowances exceeds the amount of allowances to be delivered to the Slovak Government, the allocated allowances are considered to be delivered first, and accordingly the related deferred income is recognized in the profit or loss for the current accounting period in full.

As emissions are produced, a provision is recognized in the profit or loss for the current accounting period for the obligation to deliver the emission allowances equal to emissions that have been produced. The provision is disclosed under short-term provisions for liabilities. The provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, which represents the market price of the number of emission allowances required to cover emissions produced by the end of the reporting period. When the emission allowances are delivered to the Slovak Government in settlement of the liability for emissions, both the provision and the intangible asset are reduced in equal amounts. Purchased and allocated emission allowances are treated as a single asset in settlement of the emission liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(All amounts are in thousands of EUR if not stated otherwise)

At the end of reporting period the intangible asset representing the emission allowances either granted or purchased is carried at fair value with any revaluation surplus recorded in other comprehensive income. Revaluation decreases are recorded as an impairment loss in the profit or loss to the extent they exceed the revaluation surplus previously recorded in other comprehensive income and accumulated in equity. Revaluations are based on market prices published by European Climate Exchange. The above-mentioned fair value valuation falls within Level 1 of the fair value hierarchy (Notes 2.23 and 7). This revaluation reserve is transferred to retained earnings as the surplus is realized. Realization of the entire surplus may occur when the emission allowances are returned or sold.

Following the local tax regulation, the tax treatment of granted and purchased emission allowances differ. Revaluation surplus/deficit of purchased allowances represents the taxable income/expense of respective period, whereas no revaluation is recognized for local tax purposes in relation to granted allowances, therefore the recognized revaluation surplus related to granted allowances is a part of deferred tax calculation through equity and revaluation deficit related to granted allowances is a part of deferred tax calculation through profit or loss. When emission allowances are delivered, the reversing of the temporary differences leads to a reduction in tax expense.

2.8 Impairment of Non-Financial Assets

The assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or there are indicators which will enable to reverse recognized impairment loss. Intangible assets not yet available for use are not subject to amortization but are tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Accounting for Leases

Initial recognition and measurement

In applying *IFRS 16 Leases*, the Company has used the following practical expedients permitted by the standard:

- the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component,
- the Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. EUR 10,000 was set as low-value threshold by the Company. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term in profit or loss,
- the Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying IAS 17 and interpretation *IFRIC 4 Determining whether an Arrangement contains a Lease*.

According to the *IFRS 16* the Company recognizes a right-of-use asset and a lease liability at the lease commencement date for all new lease contracts with exception of short-term and low-value leases.

Each lease payment is allocated between the lease liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability of the Company is discounted using the incremental borrowing rate. The incremental borrowing rate of the Company is calculated for groups of lease agreements depending on their maturity. Incremental borrowing rate calculation is based on the evaluation of the risk of bank loans provided to the Company by bank partners and outlook of EURIBOR trend for respective maturity.

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Some vehicle leases contain variable payment terms that are linked to mileage. Variable lease payments are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Lease terms, extension and termination options

Lease terms in the contracts are negotiated on an individual basis and may contain different terms and conditions. When determining the lease term, the Company (lessee) considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The option is reassessed if a significant event or a significant change in circumstances occurs that are within the control of the lessee.

As the exercise of an extension option in the existing contracts depend on the mutual lessee and lessor approval, the Company did not include extension option in the lease term calculation. Also, the extension option was not included in the lease term calculation based on the fact that neither of the parties have legally enforceable right to prolong the contracts and the Company does not have economic incentive, which would lead to application of extension option.

Lease contracts in the Company are typically made for periods of 1 to 5 years. The Company has set the internal rule for contracts with undefined lease term. Based on the Strategic plan periodicity the Company decided to use 5 years as the lease term for these contracts.

Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has chosen to present the right-of-use assets as part of property, plant and equipment and the lease liabilities as other liabilities in the statement of financial position. The related detailed information is provided in the Note 5.

2.10 Financial Assets

Recognition and initial measurement

Financial assets are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Classification and subsequent measurement

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets measured at amortized cost include trade and other receivables, loans provided to related parties, cash, cash equivalents.

Trade receivables that are subject of factoring arrangements without recourse are measured at fair value through other comprehensive income as they are held within a business model with the objective to both sell financial assets or collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In a non-recourse factoring arrangement, the transferor does not provide any guarantee about the receivables' performance. In other words, the transferor assumes no obligations whatsoever to repay any sums received from the factor regardless of the timing or the level of collections from the underlying debts. In that situation, the Company has transferred substantially all the risks and rewards of ownership of the receivables and de-recognizes the receivables in their entirety.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Any change in fair value and dividends are recognized in other income/expenses in the statement of profit or loss as applicable.

For accounting policy related to derivative financial instruments refer to Note 2.22.

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Impairment

The Company estimates expected credit losses for financial assets measured at amortized cost. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default is represented by the assets' gross carrying amount at the reporting date.

For trade receivables, an individual loss allowance is established when debtor entered bankruptcy or financial restructuring or in case of significant financial difficulties of the debtor. Financial situation of debtor with payments outstanding for more than 180 days after agreed due date is examined and when internal and external information indicates that the Company is unlikely to collect all amounts due according to the originally agreed terms, an individual loss allowance is also recognized.

For the rest of trade receivables, the Company applies a simplified approach based on lifetime expected credit loss at each reporting date. The expected credit loss is estimated using a receivables risk ratio matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, the Company recognizes lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit loss. To assess whether there was a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition considering available reasonable and supportive forward-looking information, that is available without undue cost or effort. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. The carrying amount of the asset is reduced using a loss allowance account, and the amount of the individual impairment loss and expected credit loss is recognized in profit or loss. When the loans or receivables are uncollectible, they are written off against the related loss allowance account.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2.11 Inventories

The cost of raw material inventories is determined by using the weighted average cost formula. Work in progress, semi-finished production and finished products are valued at standard cost and revalued to actual costs throughout the accounting period.

2.12 Cash and Cash Equivalents

Cash and cash equivalents are financial assets that include cash on hand, money deposited with financial institutions that can be repayable on demand and other short-term highly liquid investments that are not subject to significant risk of changes in value and have maturity less than three months from the date of acquisition. Cash and cash equivalents are measured at amortized cost.

2.13 Equity and Reserves

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement at initial recognition.

Interests, dividends, gains and losses related to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. When the rights and obligations regarding the manner of settlement of financial instruments depend on the occurrence or non-occurrence of uncertain future events, or on the outcome of uncertain circumstances that are beyond the control of both the issuer and the holder, financial instruments are classified as a liability unless the possibility of the issuer being required to settle in cash or another financial asset is not genuine at the time of issuance or settlement is required only in case of the issuer's liquidation, in which case the instrument is classified as equity.

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Reserve funds

a) Legal Reserve Fund

The legal reserve fund is formed in accordance with the Act No. 513/1991 Coll., the Commercial Code, as amended. Contributions to the legal reserve fund of the Company are made in a minimum amount of 5 percent from profit after tax, for a total reserve fund balance of up to 10 percent of the share capital. A legal reserve fund may be used only to cover losses of the Company, should the special law not stipulate otherwise.

b) Other Reserve Funds

Other reserve funds include the cumulative net change in fair value of derivative instruments, which meet criteria for application of hedge accounting and the cumulative net change in fair value of intangible assets carried at revalued amounts. Upon disposal of the financial derivative instruments (Note 2.22), the cumulative revaluation reserves are released through profit or loss of the current period. Upon disposal of the intangible assets, the cumulative revaluation reserves are transferred to retained earnings. The transfer is not made through profit or loss of the current period.

2.14 Financial Liabilities

Recognition and initial measurement

Financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Classification and subsequent measurement

Loans and borrowings, trade and other payables and accruals are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognized in profit or loss.

For accounting policy related to derivative financial instruments refer to Note 2.22.

Derecognition of financial liabilities

Financial liabilities are derecognized when relating contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

2.15 Dividends and Profit Distribution

Dividends and profit distribution are recognized in the Company's accounts in the period in which they are approved by general meeting. Dividend or profit distribution liability is initially measured at fair value and subsequently at amortized cost.

2.16 Government Grants

In general, to the extent that the Company received government grants or assistance, such grants or assistance are recognized only if there is a reasonable assurance that they will be received, and the Company will comply with the attached conditions. Non-monetary assistance is recognized at the fair value of the asset received. A deferred income is recognized for government grants or assistance received and released on a systematic basis into income over the period necessary to match them with the related costs that they are intended to compensate. If government grant or assistance is received to compensate costs of acquisition of fixed assets which were impaired, relating deferred income is released into income to match corresponding amount of impairment. If impairment is reversed subsequently, the grant or assistance is again recognized in deferred income to match the reversed amount. Income related to government grants or assistance is recognized in Other income of Statement of profit or loss.

2.17 Provisions for liabilities

The Company recognizes provisions for liabilities according to the *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in the provision related to the passage of time is recognized in interest expense.

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When some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The expense related to any provision is presented in profit or loss net of any reimbursement.

2.18 Current and Deferred Income Tax

Income tax expense comprises current and deferred tax expense. Current and deferred tax expenses are recognized in profit or loss, except when related to items recognized in other comprehensive income, or directly in equity, in which case the tax is also recognized in other comprehensive income, or directly in equity.

The current income tax charge is calculated based on taxable income for the year. Taxable income differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in different years, and items that are never taxable or deductible. The current income tax liability is calculated using tax rates (and tax laws) that have been enacted, or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable with respect to previous years. The management of the Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Where appropriate, management establishes provisions based on the amounts expected to be paid to the tax authorities.

In the statement of financial position, deferred income tax is calculated by using the liability method based on temporary differences between the tax basis of assets and liabilities and their carrying amounts in these financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantively enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and other temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except for the cases where timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee Benefits

Defined contribution pension plan

The Company makes contributions to the mandatory government and private defined contribution plans at the statutory rates in force during the year based on gross salary payments. The cost of these payments is charged to profit or loss in the same period as the related salary cost.

For employees of the Company who have signed participation supplementary pension savings agreement, the Company makes monthly contributions to the supplementary pension savings scheme in amounts determined in the Collective Labor Agreement.

Employee retirement obligation

According to the Slovak legislation and the Collective Labor Agreement the Company is committed to make payments to the employees upon retirement, upon the termination of labor contract and subsequent granting of an old-age retirement, disability retirement, if the employee's long-term health condition results in a reduced ability to perform earning activity by more than 40 percent compared to healthy individuals, or an early old-age pension in accordance with the specified conditions.

In addition, according to the Collective Labor Agreement, the Company also pays retirement benefit, one-time wage and termination benefit upon fulfillment of agreed conditions.

Payment at first voluntary termination of labor contract before and in the month of entitlement to an old age pension

Upon the first voluntary termination of labor contract by mutual agreement at latest in the month of entitlement to an old age pension, the Company will pay the severance payment in the amount of average monthly wage and retirement benefit, in the maximum amount of five times of average monthly wage,

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which depends on the number of months till reaching the month of entitlement to an old age pension, whereby the maximum number of months till reaching the month of entitlement to an old age pension is 36.

Payment at first voluntary termination of labor contract after reaching the entitlement to disability retirement

Upon the first termination of labor contract by mutual agreement after reaching the entitlement to disability retirement, if the employee's long-term health condition results in a reduced ability to perform earning activity by more than 40 percent compared to healthy individuals, the Company will pay the severance payment in the amount of average monthly wage and the retirement benefit, in the maximum amount of five times of average monthly wage, which depends on the number of months till reaching the month of entitlement to an old age pension, whereby the maximum number of month till reaching the old age pension is not stated.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds in the European market which have terms to maturity approximating the terms of the related liability and subsequently attributing such present value to employees' years of service.

Work and life jubilee benefits

The Company also pays certain work and life jubilee benefits. Employees of the Company are entitled to work and life jubilee benefits upon reaching a specific age and/or reaching a specific period of employment in accordance with the Collective Labor Agreement.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds in the European market which have terms to maturity approximating the terms of the related liability and subsequently attributing such present value to employees' years of service.

Termination benefits

Termination benefits are payable upon termination of employment by the Company or by agreement as a result of specific organizational reasons or employee health reasons, in accordance with legislation and the Collective Labor Agreement.

One-time wage for long-term work performance

One-time wage for long-term work performance is paid whenever an employee accepts voluntary redundancy under the conditions under which this benefit is provided. The Company recognizes these benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing benefit in connection with the employee's voluntary decision to terminate the employment relationship. The measurement of this benefit is determined based on the number of employees who are expected to accept these conditions. Benefits due more than 12 months after the end of the reporting period are discounted to present value.

Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognized in line item Liability to employees and social security. Liabilities for profit sharing and bonus plans are measured at the amounts expected to be paid when they are settled.

2.20 Revenue Recognition

Revenue is income arising in the course of the Company's ordinary activities and is recognized at transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognized net of discounts, rebates, returns and value added taxes.

The Company evaluates its revenue arrangements whether it acts as a principal or an agent. If the Company is a principal, it recognizes revenue at transaction price for the goods or services net of taxes, discounts, rebates and returns and records corresponding direct costs of satisfying the contract. If the Company is an agent, relating revenue is recognized in the amount of the net consideration that the Company retains after paying a principal of the given service. Revenue from services performed as an agent is recognized in the period in which such services are rendered.

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Revenue from the sales of own production and goods is recognized at the point in time when the Company transfers control of the own production and goods to a buyer and retains no managerial involvement nor effective control over the own production and goods sold. The Company recognizes revenue from rendering of its service over time, in the period in which the services are rendered. Revenue is measured based on the following or combination of the following: units delivered, labor hours spent, actual costs incurred, machine hours used, time elapsed, or quantities of materials used.

Performance obligations identified in a contract with a customer may not be limited to the goods or services that are explicitly stated in the contract. The Company considers whether there are other promises in the contracts with customers that meets criteria for separate performance obligation and shall be accounted for separately (Notes 3 and 19). Total transaction price is allocated to performance obligation on a relative standalone selling price basis.

The key element of variable consideration is represented by retrospective volume rebates provided to certain customers according to rebate agreements. The rebates are provided once all conditions stated in rebate agreements are met (the quantity of products purchased during a certain period exceeds specified thresholds, all invoices are paid, etc.). The Company adjusts its revenue for volume rebates based on the most likely amount of the volume rebates to be given to its customers. The estimate is based on the amount of tonnage shipped and is calculated on a customer by customer basis, or an order by order basis. As the rebate agreements are the short-term agreements (annual or shorter), there are no uncertainties at the year-end around the amount of annual revenue to be recognized. There are also some instances where the Company provides for certain seasonal discounts within its customer contracts. The Company does not grant any discounts for prompt payments. Contract liability arising from the discounts and rebates is classified within trade and other payables (Note 18).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (advance payments received) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfills its contract obligations.

Interest income

Interest income is recognized using the effective interest method. Interest income is included in interest income in Statement of profit or loss for the current period.

2.21 Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in these financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements unless they are virtually certain. They are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

2.22 Accounting for Derivative Financial Instruments

Derivative financial instruments are initially recognized in the statement of financial position at fair value (excluding transaction costs) and subsequently are re-measured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives held for trading are included in profit or loss for the current period.

Foreign exchange forward contracts embedded in the host raw material purchase contracts denominated in U.S. dollars are considered to be closely related to the host contracts because raw material prices are routinely denominated in U.S. dollars in commercial transactions in the economic environment in which the Company operates, and therefore are not separately accounted for.

Hedge accounting

The Company utilizes derivative financial instruments to hedge its foreign currency and commodity price risk exposures.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or

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cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the hedge effectiveness requirements.

Hedging derivatives are recognized initially at fair value, the attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, hedging derivatives are measured at fair value, and changes in fair value are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in other comprehensive income and accumulated in equity in a separate cash flow hedge reserve to the extent that the hedge is effective, following the conditions set in IFRS 9.

As of December 31, 2025 and December 31, 2024, the Company classified all its hedging relationships as cash flow hedges.

The main causes of hedge ineffectiveness include the basis difference (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change), timing difference (i.e. the hedged item and the hedging instrument occur or are settled at different dates), quantity or notional amount differences, credit or other risks that have an impact on the fair value of a hedged item or a hedging instrument.

Discontinuing of the hedge accounting

The Company discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated, or exercised. The cumulative gains or losses previously recognized in equity are reclassified to profit and loss in the same period(s) when the hedged item affects the profit or loss. A hedging relationship that still meets the risk management objective and continues to meet all other qualifying criteria, after taking into account any rebalancing, cannot be discontinued.

Current versus non-current classification

Derivative instruments are classified as current or non-current or separated into a current and non-current portion as follows:

- When the Company holds a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.
- Derivative financial instruments which are held primarily for the purpose of trading are classified as current.

2.23 Fair Value Estimation

The classification of financial and non-financial instruments into the three fair value categories within the fair value hierarchy is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period in which they occur.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate being used by the Company for similar financial instruments.

The Company measures or discloses following items at fair value:

- emission allowances (Notes 2.7, 7 and 8),
- derivative financial instruments (Notes 2.22, 12 and 26),

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- receivables subject to factoring arrangements (Notes 2.10, 11 and 26),
- fair value disclosures for investment properties measured using the cost model (Notes 2.6 and 6),
- fair value disclosures for financial instruments measured at amortized cost (Note 26),
- impairment of property, plant and equipment, intangible assets and investment properties (Notes 2.5, 2.6, 2.7, 2.8, 5, 6 and 7).

More detailed information in relation to the fair value measurement is disclosed in the applicable notes.

2.24 Events After the Reporting Period

Events after the reporting period that provide evidence of the condition that existed at the end of the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

Note 3 Significant Accounting Estimates and Judgments

The preparation of the financial statements includes an assessment of certain accounting matters which require the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the year. Assumptions made by the Company are regularly evaluated using all available information including consideration of forecasted financial information in context with other information reasonably available under the circumstances. They are based on historical experience and assessment of other relevant factors. The resulting accounting estimates will, by definition, rarely equal the related actual results. All such adjustments are of a normal recurring nature unless disclosed otherwise.

The significant estimates and assumptions as well as certain significant judgments made by the Company in applying its accounting policies are outlined below.

Estimated useful life of property, plant and equipment

The Company's strategic outlook includes activities aimed to decarbonize its operations. For this reason, it conducted a review of the useful lives of selected property, plant, and equipment in 2024 and 2025. As a result, the useful lives of these assets were revised and the change in estimate has been accounted for prospectively from January 1, 2025 and January 1, 2024. As a result of this change the depreciation expenses in the current year decreased by EUR 9.4 million (2024: increase by EUR 32.3 million) compared to the previous year. The weighted average useful life of depreciated property, plant and equipment whose useful lives were revised is approximately 5 years as of December 31, 2025 (as of December 31, 2024: 4 years).

The weighted average useful life of all depreciable property, plant and equipment as of December 31, 2025, is approximately 9 years (as of December 31, 2024: 12 years). If estimated average useful life of these assets would increase by 1 year, the annual depreciation charge would have been lower by EUR 7.7 million (2024: EUR 14.1 million). If estimated average useful life of these assets would decrease by 1 year, the annual depreciation charge would have been higher by EUR 9.6 million (2024: EUR 16.7 million).

Impairment of property, plant and equipment, intangible assets and investment properties

As noted in Note 2.8, the Company evaluates impairment of its property, plant and equipment, intangible assets, and investment properties whenever circumstances indicate that the carrying value may not be recoverable at the cash-generating unit level. The Company has evaluated various Company-specific factors and macro-economic factors, giving consideration to both positive and adverse factors and weighting them relative to importance. The most significant matters considered by the Company in its assessment of impairment indicators included the cyclical nature of the steel industry, recent financial results, expected raw materials, energy, and CO₂ prices, capital expenditures required to contribute to the U. S. Steel Corporation net-zero emissions goal by 2050 as well as EU carbon border adjustment regulations. Management also considered whether implementing the new production technology would indicate the obsolescence of the existing blast furnaces and related assets. After carefully considering all relevant factors, management concluded that there were no triggering events that required an impairment evaluation of the Company's long-lived asset groups at the end of the reporting period.

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Income taxes

Certain areas of the Slovak tax law have not been sufficiently tested in practice. As a result, there is some uncertainty as to how the tax authorities would apply them. The extent of this uncertainty cannot be quantified. The uncertainty will be reduced only if legal precedents or official interpretations become available. The Company's management is not aware of any circumstances that may give rise to a future material expense in this respect.

Employee benefits

The present value of employee benefit obligations depends on several factors that are determined on an actuarial basis using some assumptions. The assumptions used for employee benefits include the discount rate, annual wage and salary increases and staff turnover. The appropriate assumptions are determined by U. S. Steel at the end of each year. Any changes in these assumptions will impact the carrying amount of employee benefits obligations (Notes 2.19 and 17).

As of December 31, 2025, if the discount rate developed on high quality European corporate bonds had been 1 percent higher / lower with all other variables held constant, it would have resulted to EUR 1,167 thousand lower / EUR 1,337 thousand higher net present value of estimated future employee benefits obligations. As of December 31, 2024, if the stated discount rate had been 1 percent higher / lower with all other variables held constant, it would have resulted to EUR 1,324 thousand lower / EUR 1,523 thousand higher net present value of estimated future employee benefits obligations.

Landfill provision

A provision for landfill restoration is measured at the net present value of the estimated future expenditure required to settle the Company's restoration and aftercare obligations. Restoration and aftercare expenditures are determined by an external professional company (Note 16) and updated by the Company if necessary.

As of December 31, 2025, if the average interest rate on borrowings drawn against revolving credit facilities had been 1 percent higher / lower, with all other variables held constant, it would have resulted to EUR 576 thousand lower / EUR 621 thousand higher net present value of the estimated future landfill restoration expenditures. As of December 31, 2024, if the average interest rate on borrowings drawn against revolving credit facilities had been 1 percent higher / lower, with all other variables held constant, it would have resulted to EUR 503 thousand lower / EUR 577 thousand higher net present value of the estimated future landfill restoration expenditures.

Leases

At inception of a contract, the Company applied judgement when assessing whether a contract is or conveys a lease (Note 5).

Lease terms in the contracts are negotiated on an individual basis and may contain different terms and conditions. Management of the Company uses its own judgment when determining the lease term. The lease term is reassessed if a significant event or a significant change in circumstances occurs that are within the control of the Company (lessee).

Revenue from contracts with customers

The Company evaluates when the customer obtains control of the goods. It determined that the point in time to transfer the control to the customer depends primarily on delivery terms stated in the customer contracts, including consignment agreements, or in the individual purchase orders, as follows:

- "C" delivery terms – upon shipment,
- "D" delivery terms – upon delivery to a destination stated in a purchase order,
- EXW delivery term – upon taking over in the warehouse,
- Third party consignment warehouse – upon consignment warehouse or by expiration of the agreed free storage time, whichever occurs earlier,
- Customer consignment warehouse – upon delivery to the consignment warehouse.

The Company applied judgement when assessing the indicators to determine it is a principal or an agent. It determined that it is a principal in majority of its revenue arrangements covering sales of own production and rendering of service, because it controls goods or services before transferring them to a customer. The judgment was also applied for arranging of transportation service as a separate performance obligation related to sales of own production. The Company concluded that it acts as a principal, except for the sales with the "C" delivery terms, where it acts as an agent because the Company negotiates the transportation arrangements on behalf of a customer, has no discretion of establishing transportation prices for the transportation service and all risks related to the transportation service (quality, delivery, damages, lost)

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are borne by the transportation provider. Therefore, the Company merely arranges the transportation service on behalf of its customers and does not control the transportation service.

Allowance for expected credit losses of trade receivables

The Company's procedure for the calculation of expected credit loss for trade receivables (Note 11) is based on receivables risk classification according to internal risk rating (Note 25). The resultant matrix reflects assessment of the security status of receivables and trend in receivables aging taking into consideration its historical values. It represents the correlation between risk level, predicted financial ratios and expected credit losses. The amount of expected credit losses is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Note 4 New Accounting Pronouncements

4.1 Standards, amendments and interpretations to published standards effective for the first time for periods on or after January 1, 2025

Lack of Exchangeability - Amendments to IAS 21 (issued on August 15, 2023 and effective for annual reporting periods beginning on or after January 1, 2025). Amendments to IAS 21 were issued to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. The Company assessed the impact of the amendments to its financial statements as immaterial.

4.2 Standards, amendments and interpretations of standards issued but not effective until the financial year beginning January 1, 2026 or later and not early adopted by the Company

Amendments to IFRS 19 - Subsidiaries without public accountability: Disclosures (Issued on August 21, 2025 and effective from January 1, 2027, not yet endorsed by the EU). Amendments help eligible subsidiaries by reducing disclosure requirements for standards and amendments issued between February 2021 and May 2024. The Company is currently assessing the impact of the amendments on its financial statements.

Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (Issued on December 18, 2024 and effective from January 1, 2026). These amendments were issued to help companies to improve reporting of the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs) and to allow companies to better reflect these contracts in the financial statements. The Company is currently assessing the impact of the amendments on its financial statements.

Annual Improvements Volume 11' (issued on July 18, 2024 and effective for annual reporting periods beginning on or after January 1, 2026). Volume 11 contains amendments to five standards as result of the IASB's annual improvements project:

- IFRS 1 - Hedge accounting by a first-time adopter,
- IFRS 7 - Gain or loss on derecognition,
- IFRS 7 - Disclosure of deferred difference between fair value and transaction price,
- IFRS 7 - Introduction and credit risk disclosures,
- IFRS 9 - Lessee derecognition of lease liabilities,
- IFRS 9 - Transaction price,
- IFRS 10 - Determination of a 'de facto agent',
- IAS 7 - Cost method.

The Company is currently assessing the impact of the above amendments on its financial statements.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on May 30, 2024 and effective for annual reporting periods beginning on or after January 1, 2026). These amendments amend requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The amendments also modify disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and supplement disclosure requirements for financial instruments

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with contingent features that do not relate directly to basic lending risks and costs. The Company is currently assessing the impact of the amendments on its financial statements.

Standard IFRS 19 - Subsidiaries without Public Accountability: Disclosures (issued on May 9, 2024 and effective for annual reporting periods beginning on or after January 1, 2027, not yet endorsed by the EU). This standard specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 specifies conditions when an entity may elect to apply this Standard in its consolidated or individual financial statements. The Company is currently assessing the impact of the standard on its financial statements.

Standard IFRS 18 - Presentation and Disclosure in Financial Statements (issued on April 9, 2024 and effective for annual reporting periods beginning on or after January 1, 2027). Standard IFRS 18 that will replace standard IAS 1 sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The Company is currently assessing the impact of the standard on its financial statements.

Unless otherwise described above, the new standards, amendments and interpretations are not expected to have a material impact on the Company's financial statements.

Note 5 Property, Plant and Equipment

Movements in property, plant and equipment during 2025 are as follows:

	Land and buildings	Machinery, equipment and motor vehicles	Other tangible assets	Construction in progress	Right-of-use assets	Total
Cost						
January 1, 2025	543,575	1,643,203	24,077	81,278	27,647	2,319,780
Additions	-	-	217	52,767	14,051	67,035
Disposals	(823)	(10,780)	(9)	(38,468)	(11,566)	(61,646)
Transfer (to) / from investment property	4,356	-	-	-	-	4,356
Transfers to base	5,750	56,256	-	(62,006)	-	-
December 31, 2025	552,858	1,688,679	24,285	33,571	30,132	2,329,525
Accumulated Depreciation						
January 1, 2025	(270,211)	(1,151,758)	(19,894)	-	(17,876)	(1,459,739)
Depreciation for the year	(23,337)	(75,803)	(853)	-	(8,661)	(108,654)
Disposals	477	10,776	9	-	11,564	22,826
Transfer to / (from) investment property	(1,668)	-	-	-	-	(1,668)
December 31, 2025	(294,739)	(1,216,785)	(20,738)	-	(14,973)	(1,547,235)
Carrying amount	258,119	471,894	3,547	33,571	15,159	782,290

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Movements in property, plant and equipment during 2024 are as follows:

	Land and buildings	Machinery, equipment and motor vehicles	Other tangible assets	Construction in progress	Right-of-use assets	Total
Cost						
January 1, 2024	546,375	1,572,052	24,741	84,335	32,842	2,260,345
Additions	-	-	-	78,725	3,058	81,783
Disposals	(159)	(8,383)	(664)	(118)	(8,253)	(17,577)
Transfer (to) / from investment property	(4,771)	-	-	-	-	(4,771)
Transfers to base	2,130	79,534	-	(81,664)	-	-
December 31, 2024	543,575	1,643,203	24,077	81,278	27,647	2,319,780
Accumulated Depreciation						
January 1, 2024	(245,390)	(1,078,072)	(19,269)	-	(17,542)	(1,360,273)
Depreciation for the year	(26,344)	(82,069)	(1,053)	-	(8,437)	(117,903)
Disposals	157	8,383	428	-	8,103	17,071
Transfer to / (from) investment property	1,366	-	-	-	-	1,366
December 31, 2024	(270,211)	(1,151,758)	(19,894)	-	(17,876)	(1,459,739)
Carrying amount	273,364	491,445	4,183	81,278	9,771	860,041

Movements in right-of-use assets during 2025 are as follows:

	Land and buildings	Machinery, equipment and motor vehicles	Other right-of-use assets	Total
Cost				
January 1, 2025	405	23,304	3,938	27,647
Additions	88	12,172	1,791	14,051
Disposals	(114)	(9,482)	(1,970)	(11,566)
December 31, 2025	379	25,994	3,759	30,132
Accumulated Depreciation				
January 1, 2025	(246)	(15,319)	(2,311)	(17,876)
Depreciation for the year	(106)	(7,444)	(1,111)	(8,661)
Disposals	114	9,480	1,970	11,564
December 31, 2025	(238)	(13,283)	(1,452)	(14,973)
Carrying amount	141	12,711	2,307	15,159

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Movements in right-of-use assets during 2024 are as follows:

	Land and buildings	Machinery, equipment and motor vehicles	Other right-of-use assets	Total
Cost				
January 1, 2024	414	28,343	4,085	32,842
Additions	205	1,781	1,072	3,058
Disposals	(214)	(6,820)	(1,219)	(8,253)
December 31, 2024	405	23,304	3,938	27,647
Accumulated Depreciation				
January 1, 2024	(273)	(14,436)	(2,833)	(17,542)
Depreciation for the year	(94)	(7,646)	(697)	(8,437)
Disposals	121	6,763	1,219	8,103
December 31, 2024	(246)	(15,319)	(2,311)	(17,876)
Carrying amount	159	7,985	1,627	9,771

In 2025 and 2024 no borrowing costs were capitalized.

No property, plant and equipment of the Company were pledged in favor of a creditor or restricted in its use as of December 31, 2025 or December 31, 2024.

Purchases of property, plant and equipment in the Statement of Cash Flows excludes an acquisition of assets directly related to leasing totaling EUR 14.1 million (2024: EUR 3 million) and unpaid capital expenditures in the amount of EUR 17.4 million for the year 2025 (2024: EUR 25.6 million).

Impairment of property, plant and equipment

The Company evaluates impairment of non-financial assets for IFRS purposes whenever changes in circumstances indicate that the carrying amounts of the assets exceed their recoverable amount. Further details are disclosed in Note 3.

Construction in progress write-off

In 2025, the certain construction in process and pre-approved engineering projects that are no longer planned to be pursued as part of the Company's operating plans were written off and their full carrying amount was derecognized. The write-off of EUR 38.5 million was the result of assessment that affected specific, identifiable assets and was not significantly adverse to the Company's property plant and equipment asset group. This amount has been Included in the line item Other operating expenses, refer to "construction in progress write-off" in Note 22.

Insurance

Property, plant and equipment are insured by KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group. The insurance covers damage caused by theft, disaster and other causes of machinery and equipment failure while maximum insurance compensation for one insurance claim is USD 150 million, i.e. EUR 128 million (2024: USD 150 million, i.e. EUR 144 million) using the exchange rate at the end of the reporting period. Compensation sublimits for individual risks are specified in the insurance contract. Self-insurance is USD 75 million, i.e. EUR 64 million (2024: USD 75 million, i.e. EUR 72 million) using the exchange rate at the end of the reporting period, per claim. All Risk Property Damage Insurance and Business Interruption Insurance including Machinery Breakdown excess of USD 150 million, i.e. EUR 128 million (2024: USD 150 million, i.e. EUR 144 million) is covered by the insurance policy of Grant Assurance Corporation held by United States Steel Corporation, where the limit of coverage is USD 300 million, i.e. EUR 255 million (2024: USD 300 million, i.e. EUR 289 million), i.e. the maximum Policy limit of liability is USD 450 million, i.e. EUR 383 million (2024: USD 450 million, i.e. EUR 433 million).

Environmental Projects

In 2016 through 2017, the Ministry of Environment of the Slovak Republic approved the Company's applications to participate in Operational Program Environment Quality for fifteen projects, which included Dedusting of Ladle Metallurgy of Steel Shop No. 1 and Steel Shop No. 2, Emission Control for Ore Bridges of Blast Furnaces No. 1, 2 and 3, Sinter Strand No. 1, 2, 3 and 4 Exit Emission Control, Dedusting of Sinter Strand No. 1 – 2 and 3 – 4, Steel Shop No. 2 Dedusting – Hot Metal Desulphurization, Coal Preparation Emission Control and Coke Handling Dedusting at Coke Batteries No. 1 and 3. Capital expenditures will remain mitigated if the Company complies with certain financial covenants, which are assessed annually

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(Note 11). USSK complied with these covenants as of December 31, 2025, and December 31, 2024 and no additional collateral will be required by the end of June 2026. By this next assessment date, the Company expects that thirteen projects of the total fifteen will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral if the covenants are not met. The last assessment of financial covenants will be performed as of June 30, 2026.

All Environmental projects were completed. The average period over which the assets from these projects are depreciated is 7 years.

The deferred income amortized to Other income relating to Environmental projects in 2025 totaled EUR 8,758 thousand (2024: EUR 11,106 thousand). The value of amortization to Other income in 2025 and 2024 is affected by the change in the estimate of useful lives of assets from environmental projects (Note 3). The Company believes that it complied with all relevant conditions.

Movements in deferred income relating to Environmental projects during 2025 and 2024 are as follows:

	2025	2024
Opening balance as of January 1	50,008	61,114
Amortization to Other income	(8,758)	(11,106)
Closing balance as of December 31	41,250	50,008

Lease

The statement of financial position shows the following amounts relating to leases:

	December 31, 2025	December 31, 2024
Right-of-use assets *		
Land and buildings	141	159
Machinery, equipment and motor vehicles	12,711	7,985
Other right-of-use assets	2,307	1,627
Total right-of-use assets	15,159	9,771
Lease liabilities **		
Current	7,994	8,615
Non-current	9,768	3,717
Total lease liabilities	17,762	12,332

* Included in the line item "Property, plant and equipment" in the statement of financial position.

** Included in the line item "Trade and other payables" in the statement of financial position.

The Company leases various warehouses, motor vehicles, railroad cars and equipment. Information about lease measurement is disclosed in Note 2.9.

None of the existing Company's lease contract comprises variable lease payments that are based on an index or a rate.

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The Statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2025	2024
Depreciation charge of right-of-use assets ***		
Land and buildings	106	94
Machinery, equipment and motor vehicles	7,444	7,646
Other right-of-use assets	1,111	697
Total depreciation charge of right-of-use assets	8,661	8,437
Interest expense ****	(787)	(807)
Expense relating to short-term leases (included in other operating expenses in Note 22)	(82)	(386)
Expense relating to leases of low-value assets that are not short-term leases (included in other operating expenses in Note 22)	(8)	(8)
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses in Note 22)	(722)	(846)

*** Included in the line item "Depreciation and amortization" in the statement of profit or loss and other comprehensive income.

**** Included in the line item "Interest expense" in the statement of profit or loss and other comprehensive income.

The total cash outflow for leases in 2025 was EUR 10,214 thousand (2024: EUR 10,329 thousand).

Lease liability maturities are as follows:

	December 31, 2025	December 31, 2024
Not later than 1 year	7,994	8,615
Later than 1 year and not later than 5 years	9,758	3,710
Later than 5 years	10	7
Present value of lease liability **	17,762	12,332

** Included in the line item "Trade and other payables" in the statement of financial position.

Note 6 Investment Properties

Movements in investment properties during 2025 and 2024 are as follows:

	2025	2024
Cost		
Opening balance as of January 1	9,488	4,717
Transfers to property, plant and equipment	(4,450)	(34)
Transfers from property, plant and equipment	94	4,805
Closing balance as of December 31	5,132	9,488
Accumulated Depreciation and Impairment Losses		
Opening balance as of January 1	(3,620)	(1,890)
Depreciation for the year	(84)	(364)
Transfers to property, plant and equipment	1,677	7
Transfers from property, plant and equipment	(9)	(1,373)
Closing balance as of December 31	(2,036)	(3,620)
Carrying amount	3,096	5,868

Direct operating expenses (including repair and maintenance) arising from investment properties that generated rental income and direct operating expenses (including repair and maintenance) arising from investment properties that did not generate rental income were immaterial.

Investment properties of the Company are carried at historical cost less accumulated depreciation and accumulated impairment losses.

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The fair value of the investment properties totaled EUR 8,183 thousand as of December 31, 2025 (December 31, 2024: EUR 8,405 thousand).

The fair value of the properties has not been determined on transactions observable in the market because of the nature of the property and lack of comparable data nor has been evaluated by an accredited external independent valuer. Instead, the fair values are determined by the Company's management using discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of existing lease contracts and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The valuation falls within Level 3 of the fair value hierarchy.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note 7 Intangible Assets

Movements in intangible assets during 2025 are as follows:

	Software	CO ₂ emission allowances (Note 8)	Other intangible assets	Intangible assets not yet available for use	Total
Cost					
January 1, 2025	50,908	594,707	291	39,386	685,292
Additions	-	469,453	-	10,147	479,600
Disposals	(26)	(508,463)	-	(4,503)	(512,992)
Change in fair value of CO ₂ emission allowances	-	70,307	-	-	70,307
Transfers to base	38,434	-	4	(38,438)	-
December 31, 2025	89,316	626,004	295	6,592	722,207
Accumulated Amortization					
January 1, 2025	(41,297)	-	(230)	-	(41,527)
Amortization for the year	(9,527)	-	(13)	-	(9,540)
Disposals	26	-	-	-	26
December 31, 2025	(50,798)	-	(243)	-	(51,041)
Carrying amount	38,518	626,004	52	6,592	671,166

Movements in intangible assets during 2024 are as follows:

	Software	CO ₂ emission allowances (Note 8)	Other intangible assets	Intangible assets not yet available for use	Total
Cost					
January 1, 2024	46,903	663,505	369	22,030	732,807
Additions	-	463,379	-	21,542	484,921
Disposals	(172)	(615,275)	(78)	(9)	(615,534)
Change in fair value of CO ₂ emission allowances	-	83,098	-	-	83,098
Transfers to base	4,177	-	-	(4,177)	-
December 31, 2024	50,908	594,707	291	39,386	685,292
Accumulated Amortization					
January 1, 2024	(38,977)	-	(293)	-	(39,270)
Amortization for the year	(2,492)	-	(15)	-	(2,507)
Disposals	172	-	78	-	250
December 31, 2024	(41,297)	-	(230)	-	(41,527)
Carrying amount	9,611	594,707	61	39,386	643,765

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In 2025 and 2024 no borrowing costs were capitalized.

No intangible assets of the Company were pledged in favor of a creditor or restricted in their use as of December 31, 2025 or December 31, 2024.

Write-off of intangible assets not yet available for use

In 2025, the certain construction in process projects to acquire intangible assets that are no longer planned to be pursued as part of the Company's operating plans were written off and their full carrying amount was derecognized. The write-off of EUR 4.5 million was the result of assessment that affected specific, identifiable assets and was not significantly adverse to the Company's intangible asset group. This amount has been included in the line item Other operating expenses, refer to "construction in progress write-off" in Note 22.

Insurance

Intangible assets are not insured.

Impairment of Intangible Assets

The Company evaluates impairment of non-financial assets for IFRS purposes whenever changes in circumstances indicate that the carrying amounts of the assets exceed their recoverable amount. No indicators of intangible assets impairment were identified. Further details are disclosed in Note 3.

Fair value of intangible assets

The following table provides an analysis of intangible assets that are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

December 31, 2025				
	Level 1	Level 2	Level 3	Total
Assets				
CO ₂ emission allowances	626,004	-	-	626,004
Total	626,004	-	-	626,004
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
CO ₂ emission allowances	594,707	-	-	594,707
Total	594,707	-	-	594,707

During 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 of fair value measurements.

Note 8 CO₂ emission allowances

The table below shows movements in CO₂ emission allowances recognized in intangible asset during 2025:

	Quantity (thousands of tons)	Cost	Revaluation - previous period	Revaluation - current period	Fair value
2023 purchased emission allowances	625	52,096	(7,799)	-	44,297
2024 purchased emission allowances	1,595	108,647	4,511	-	113,158
2024 allocated emission allowances	6,163	354,732	82,520	-	437,252
Emission allowances balance as of January 1, 2025	8,383	515,475	79,232	-	594,707
2023 purchased emission allowances - surrendered	(625)	(52,096)	7,800	-	(44,296)
2024 purchased emission allowances - surrendered	(379)	(31,972)	5,057	-	(26,915)
2024 allocated emission allowances - surrendered	(6,163)	(354,732)	(82,520)	-	(437,252)
Emission allowances surrendered in 2025	(7,167)	(438,800)	(69,663)	-	(508,463)
Emission allowances balance after surrendering	1,216	76,675	9,569	-	86,244
2024 purchased emission allowances	1,216	76,675	9,569	17,370	103,614
2025 purchased emission allowances	-	-	-	-	-
2025 allocated emission allowances	6,128	469,453	-	52,937	522,390
Emission allowances balance as of December 31, 2025 - total	7,344	546,128	9,569	70,307	626,004

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The table below shows movements in CO₂ emission allowances recognized in intangible asset during 2024:

	Quantity (thousands of tons)	Cost	Revaluation - previous period	Revaluation - current period	Fair value
2022 allocated emission allowances	566	46,956	(3,285)	-	43,671
2023 allocated emission allowances	6,222	556,881	(76,221)	-	480,660
2022 purchased emission allowances	500	36,459	2,166	-	38,625
2023 purchased emission allowances	1,302	110,665	(10,116)	-	100,549
Emission allowances balance as of January 1, 2024	8,590	750,961	(87,456)	-	663,505
2022 allocated emission allowances - surrendered	(566)	(46,956)	3,285	-	(43,671)
2023 allocated emission allowances - surrendered	(6,222)	(556,881)	76,221	-	(480,660)
2022 purchased emission allowances - surrendered	(500)	(36,459)	(2,166)	-	(38,625)
2023 purchased emission allowances - surrendered	(677)	(58,569)	6,250	-	(52,319)
Emission allowances surrendered in 2024	(7,965)	(698,865)	83,590	-	(615,275)
Emission allowances balance after surrendering	625	52,096	(3,866)	-	48,230
2023 purchased emission allowances	625	52,096	(3,866)	(3,933)	44,297
2024 purchased emission allowances	1,595	108,647	-	4,511	113,158
2024 allocated emission allowances	6,163	354,732	-	82,520	437,252
Emission allowances balance as of December 31, 2024 - total	8,383	515,475	(3,866)	83,098	594,707

On September 10, 2025, the Company surrendered 7,166,498 tons of CO₂ emission allowances for year 2024 via the Slovak National Administrator of Union Registry fulfilling its obligation for the fourth year of the Phase IV period. On April 16, 2024 the Company surrendered 7,964,722 tons of CO₂ emission allowances for year 2023 via the Slovak National Administrator of Union Registry fulfilling its obligation for the third year of the Phase IV period.

The Slovak Ministry of Environment allocated 7 thousand metric tons and 6.12 million metric tons of European Union Emission Allowances (EUA) free of charge to the Company in June and September 2025, respectively (2024: 6.2 million tons EUA). The emission allowances were initially measured at fair value as of the allocation date totaling EUR 469.5 million (2024: EUR 354.7 million). Emission allowances allocated in June 2025 were valued at EUR 69.57 per ton and emission allowances allocated in September 2025 were valued at EUR 76.61 per ton (2024: EUR 57.56 per ton). Received emission allowances were recognized in deferred income on the acquisition date and subsequently recognized as income in the period for which the emission allowances have been allocated.

The Company did not purchase emission allowances via spot purchases in 2025. The Company purchased 1.6 million tons EUAs totaling EUR 108.6 million in 2024.

Emission allowances are revalued to fair value at the end of each reporting period. The European Climate Exchange is used to obtain the fair value of the emission allowances. The liability for the obligation to deliver the emission allowances is settled within nine months after the end of the reporting period in accordance with applicable legislation.

The price of CO₂ emission allowances was EUR 85.24 per metric ton as of December 31, 2025 (December 31, 2024: EUR 70.95 per metric ton).

If a cost model had been used, the carrying amount of emissions allowances net of impairment would have totaled EUR 546.1 million as of December 31, 2025 (December 31, 2024: EUR 515.5 million).

The following tables shows movements in the provision for CO₂ emission allowances:

	Quantity (thousands of tons)	CO ₂ emission allowances (Note 16)
Balance as of January 1, 2025	7,167	508,476
Provision made	6,506	554,544
Provision used / reversed	(7,166)	(508,463)
Balance as of December 31, 2025	6,507	554,557

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	Quantity (thousands of tons)	CO ₂ emission allowances (Note 16)
Balance as of January 1, 2024	7,965	615,275
Provision made	7,167	508,476
Provision used / reversed	(7,965)	(615,275)
Balance as of December 31, 2024	7,167	508,476

Deferred income tax recognized from CO₂ emission allowances transactions is as follows:

	Tax base	Fair value	Temporary difference	Deferred tax assets / (liabilities) through profit or loss (Note 9)	Deferred tax assets / (liabilities) through other comprehensive income (Note 9)
December 31, 2025					
Allocated emission allowances - asset	469,453	522,390	52,937	-	(12,705)
Purchased emission allowances - asset	103,614	103,614	-	-	-
Emission allowances provision - liability	(501,604)	(554,557)	(52,953)	12,709	-
Total	71,463	71,447	(16)	12,709	(12,705)
December 31, 2024					
Allocated emission allowances - asset	354,732	437,252	82,520	-	(19,805)
Purchased emission allowances - asset	157,455	157,455	-	-	-
Emission allowances provision - liability	(425,943)	(508,476)	(82,533)	19,808	-
Total	86,244	86,231	(13)	19,808	(19,805)

The tax base for emission allowances recorded as assets includes the value of the allocated emission allowances at the time of acquisition and the fair value of the purchased emission allowances as of December 31, 2025. The tax base for the emission allowances provision is the portion of the emission allowances provision calculated in accordance with the local tax regulations.

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Note 9 Deferred Income Tax

Differences between IFRS Accounting Standards as adopted by the EU and Slovak tax laws give rise to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is recorded at the rate of 24 percent as of December 31, 2025 (December 31, 2024: 24 percent).

The tax effect of the movements in the temporary differences during 2025 is as follows:

	January 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2025
Property, plant and equipment	(58,546)	6,198	-	(52,348)
Leases - asset	(2,345)	(1,293)	-	(3,638)
Leases - liability	3,271	992	-	4,263
Inventories	6,301	(2,501)	-	3,800
Employee benefits	5,481	(51)	(307)	5,123
Tax loss	8,417	(6,257)	-	2,160
Research and development	3,382	434	-	3,816
CO ₂ Emission allowances transactions - asset (Note 8)	(19,805)	19,805	(12,705)	(12,705)
CO ₂ Emission allowances transactions - provision (Note 8)	19,808	(7,099)	-	12,709
Derivative financial instruments	(5,375)	1,113	3,481	(781)
Landfill - assets	(987)	153	-	(834)
Landfill - liability	1,315	(1,059)	-	256
Provisions - other	15,783	2,568	-	18,351
Other temporary differences	4,650	704	-	5,354
Total	(18,650)	13,707	(9,531)	(14,474)
Deferred tax liability	(18,650)			(14,474)

The tax effect of the movements in the temporary differences during 2024 is as follows:

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024
Property, plant and equipment	(50,328)	(8,218)	-	(58,546)
Leases - asset	(3,213)	868	-	(2,345)
Leases - liability	3,957	(686)	-	3,271
Inventories	12,301	(6,000)	-	6,301
Employee benefits	4,863	1,011	(393)	5,481
Tax loss	2,425	5,992	-	8,417
Research and development	2,240	1,142	-	3,382
CO ₂ Emission allowances transactions - asset (Note 8)	16,696	(16,696)	(19,805)	(19,805)
CO ₂ Emission allowances transactions - provision (Note 8)	(16,599)	36,407	-	19,808
Derivative financial instruments	1,026	(651)	(5,750)	(5,375)
Landfill - assets	(1,134)	147	-	(987)
Landfill - liability	598	717	-	1,315
Provisions - other	10,457	5,326	-	15,783
Other temporary differences	(3,209)	7,859	-	4,650
Total	(19,920)	27,218	(25,948)	(18,650)
Deferred tax liability	(19,920)			(18,650)

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The Company has unrecognized potential deferred tax asset of EUR 751 thousand related to subsidiaries as of December 31, 2025 (December 31, 2024: deferred tax asset of EUR 785 thousand).

Tax loss carry forward

By the end of the 2025, the Company recognized a deferred tax asset for the tax losses in accordance with IAS 12 Income taxes. The Company expects a taxable base of EUR 28 million for the tax period of 2025. In accordance with applicable tax legislation, the Company expects in 2025 utilization of the tax loss reported for 2022 in the amount of EUR 11.5 million and a portion of the tax loss reported for 2024 in the amount of EUR 14 million. The Company plans to utilize the remaining tax loss in 2026 - 2029 in accordance with valid tax regulation.

Note 10 Inventories

	December 31, 2025	December 31, 2024
Raw materials	259,240	274,265
Work-in-progress	7,120	59,248
Semi-finished production	158,083	129,288
Finished goods	134,972	120,095
Inventory allowance	(8,155)	(16,948)
Total	551,260	565,948

No inventories were pledged in favor of a creditor or restricted in their use as of December 31, 2025 and 2024.

Inventory as of December 31, 2025 is shown net of write-down allowances resulting from lower net realizable values totaling EUR 8,155 thousand (December 31, 2024: EUR 16,948 thousand). Gross value of inventories written down were EUR 29 million as of December 31, 2025 (December 31, 2024: EUR 137 million).

Movements of write-down allowances for inventories were as follows:

	Raw materials	Work in progress	Semi-finished production	Finished products	Total
January 1, 2025	4,689	4,425	5,079	2,755	16,948
Allowance made	652	-	5,022	1,722	7,396
Allowance used	(40)	-	-	-	(40)
Allowance reversed	(3,890)	(4,425)	(5,079)	(2,755)	(16,149)
December 31, 2025	1,411	-	5,022	1,722	8,155
	Raw materials	Work in progress	Semi-finished production	Finished products	Total
January 1, 2024	1,837	1,425	3,409	2,442	9,113
Allowance made	5,248	4,426	5,080	2,755	17,509
Allowance used	(933)	(211)	(745)	-	(1,889)
Allowance reversed	(1,463)	(1,215)	(2,665)	(2,442)	(7,785)
December 31, 2024	4,689	4,425	5,079	2,755	16,948

Usage of write-down allowances is recognized when inventory is removed from the accounting books (e.g., sale, disposal, donation, damage, consumption) or reversal is recognized when the indication that the inventories impairment loss recognized in prior periods no longer exists or may have decreased.

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Note 11 Trade and Other Receivables

	December 31, 2025	December 31, 2024
Trade receivables	266,279	231,448
Related party trade receivable (Note 28)	10,351	12,129
Trade receivables and related party trade receivables	276,630	243,577
Trade receivables that are subject of factoring arrangements	24,973	4,687
Total trade receivables	301,603	248,264
Other receivables - funds for landfill restoration	9,767	8,749
Other receivables from related parties (Note 28)	2	2
Other receivables	9,652	9,087
Trade and other receivables - financial (gross)	321,024	266,102
Loss allowance for trade receivables	(4,225)	(2,914)
Loss allowance for other receivables	(9)	(7)
Trade and other receivables - financial (net)	316,790	263,181
VAT receivable	19,644	43,197
Advance payments made	9,241	10,503
Other receivables - non-financial	28,885	53,700
Trade and other receivables (net)	345,675	316,881
Long-term receivables (financial)	9,760	8,679
Short-term receivables (financial and non-financial)	335,915	308,202

No receivables of the Company were pledged in favor of a bank or other entities as of December 31, 2025 and 2024. The Company carries out non-recourse sales of receivables without any credit risk involved. Company owns the receivables in amount of EUR 24,973 thousand, which can be sold under the terms of factoring arrangements.

Information about collateral or other credit enhancements and the overall credit risk of the Company is disclosed in Note 25. The valuation falls within Level 2 of the fair value hierarchy. There was no movement between fair value measurement categories during 2025. Additional information about measurement of the trade receivables is disclosed in Note 26.

Trade receivables and other receivables

The structure of trade receivables, including related party accounts receivable, is as follows:

	December 31, 2025	December 31, 2024
Counterparties with no or low risk of trade receivables collection	248,814	228,082
Counterparties with increased risk of trade receivables collection	27,816	15,495
Trade receivables at amortized costs	276,630	243,577
Counterparties with no or low risk of trade receivables collection	21,519	3,999
Counterparties with increased risk of trade receivables collection	3,454	688
Trade receivables at FV through other comprehensive income	24,973	4,687
Total	301,603	248,264

Counterparties with no or low risk of trade receivables collection are customers with prompt payment discipline supported by requested credit enhancement endorsement. Counterparties with increased risk of trade receivables collection are customers in higher risk locations, with inconsistent payment discipline and limited credit enhancement endorsement.

The Company recognized an allowance for expected credit losses to trade receivables and other receivables in amount of EUR 4,234 thousand as of December 31, 2025 (December 31, 2024: EUR 2,921 thousand).

The movements of loss allowances were as follows:

	Trade receivables	Other receivables	Total
January 1, 2025	2,914	7	2,921
Increase in loss allowance	1,542	10	1,552
Receivables written-off	(212)	-	(212)
Unused amount reversed	(19)	(8)	(27)
December 31, 2025	4,225	9	4,234

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	Trade receivables	Other receivables	Total
January 1, 2024	13,780	10	13,790
Increase in loss allowance	1,410	4	1,414
Receivables written-off	(12,109)	-	(12,109)
Unused amount reversed	(167)	(7)	(174)
December 31, 2024	2,914	7	2,921

A part of recognized loss allowance in amount of EUR 4,013 thousand (December 31, 2024: EUR 2,708 thousand) relates to individually impaired receivables. For the rest of the trade receivables and the other receivables, which almost all are falling within due (or few days overdue) category, the Company estimated general expected credit losses allowance using a credit enhancement matrix. The general expected credit loss allowance calculated by the Company is EUR 221 thousand as of December 31, 2025 (December 31, 2024: EUR 214 thousand).

The matrix specifies loss rates depending on shared credit risk characteristics represented by internal rating of customers and the days past due. Oscillation of portion receivables after due date was significantly improved compared to the last ten years. Ten years median of past due trade receivables to total trade receivables ratio is 2.05 percent (2024: 2.25 percent), median for the year 2025 is 0.8 percent (2024: 1.5 percent). The expected credit loss rate was determined based on risk analysis of assessed trade receivables currently after due date.

Trade receivables assessed for expected credit losses and their structure were as follows:

December 31, 2025					
Category	% of expected credit loss	Gross book value	Gross book value - overdue over 30 days	Expected credit loss	Net book value
No or remote risk customers	-	105,000	(2)	-	105,002
Customers with risk	0.13%	170,520	756	221	169,543
Related parties	-	143	-	-	143
Other	-	5,148	(29)	-	5,177
Non-active customers	-	3,624	3,601	-	23
December 31, 2025		284,435	4,326	221	279,888

December 31, 2024					
Category	% of expected credit loss	Gross book value	Gross book value - overdue over 30 days	Expected credit loss	Net book value
No or remote risk customers	-	93,995	28	-	93,967
Customers with risk	0.17%	127,381	(58)	214	127,225
Related parties	-	226	-	-	226
Other	-	5,038	658	-	4,380
Non-active customers	-	3,179	3,154	-	25
December 31, 2024		229,819	3,782	214	225,823

The Company performed regular review of customers' internal rating and considered historical, current, and forward-looking information on its and the industry development. Had the Company created an expected credit losses for accounts receivable where the deemed percentage of the expected credit loss is zero it would be considered immaterial from the point of expected credit losses. The Company also mitigates credit risk by utilizing a credit insurance with credible insurance institutions (rating not lower than A1 according to Moody's). Credit insurance is an integral part of credit enhancement matrix because it occurs from the initial recognition of trade receivable. No or remote risk customers for whom 0 percent of ECL is calculated are represented by State owned companies and First class companies, which according to the internal rating are included in a no risk category and the Company does not expect credit losses related to these customers.

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Other Receivables – Funds for Landfill Restoration

As required by the legislation, the Company deposited funds to cover closing, reclamation and post-closure monitoring costs at the end of a landfill's useful life into the State Treasury account. The Company will receive funds based on request once approved landfill expenditures occur. Funds for landfill restoration are receivables due from Slovak Republic with the credit rating A3 with stable outlook according to Moody's, that represents low credit risk. The Company therefore considers expected credit loss to be immaterial as of December 31, 2025 (December 31, 2024: immaterial).

Note 12 Derivative Financial Instruments

The Company has entered into forward foreign exchange contracts (FX forwards) which are not tradeable and are agreed with the banks on specific contractual terms and conditions. The Company is also exposed to a fluctuation of raw materials purchase prices. In order to eliminate the Company's exposure to iron ore and tin prices fluctuation, the Company entered into iron ore and tin swaps to protect its profit margin. These derivative instruments have potentially favorable (assets) or unfavorable (liabilities) conditions as a result of fluctuations in market foreign exchange rates or market commodity indexes.

Unrealized gains and losses on FX forwards and iron ore and tin swap contracts are recognized in other comprehensive income and accumulated in revaluation reserves in equity as of December 31, 2025 (Note 14).

On initial recognition of a hedged item (inventory), gains or losses accumulated in equity are removed from the separate component of equity and included in the initial cost of inventory. The accumulated gains or losses are reclassified from inventory to the profit or loss in the period(s) during which the hedged forecast transaction affects the profit or loss. In 2025 it was generally within 1 month for FX forwards, within 4 months for iron ore swaps and within 4 months for tin swaps after the contract maturity date (2024: 1 month for FX forwards and 2 months for iron ore swaps after the contract maturity date). In 2025 the Company concluded some contracts for iron ore for a period exceeding one year.

The tables below shows the change in fair value of derivative contracts recognized in revaluation reserve in equity:

	Iron ore Swaps	Tin Swaps	FX Forwards	Total
January 1, 2025	2,880	-	12,258	15,138
Change in fair value of derivative hedging instruments for the year	18,124	1,639	(31,750)	(11,987)
Release of fair value of derivative hedging instruments to inventory	(11,536)	(1,452)	11,034	(1,954)
Deferred tax	(1,581)	(45)	4,972	3,346
December 31, 2025	7,887	142	(3,486)	4,543

	Iron ore Swaps	Tin Swaps	FX Forwards	Total
January 1, 2024	-	(8)	(3,861)	(3,869)
Change in fair value of derivative hedging instruments for the year	6,739	-	30,420	37,159
Release of fair value of derivative hedging instruments to inventory	(2,949)	8	(9,404)	(12,345)
Deferred tax	(910)	-	(4,897)	(5,807)
December 31, 2024	2,880	-	12,258	15,138

The tables below show the profit/(loss) from derivative contracts recognized in inventory:

	Iron ore Swaps	Tin Swaps	FX Forwards	Total
January 1, 2025	1,240	-	5,234	6,474
Derivative contracts transferred from revaluation reserve in equity	11,536	1,452	(11,035)	1,953
Derivative contracts recognised in profit or loss	(9,763)	(677)	5,664	(4,776)
Revaluation of derivative contracts at maturity day	83	-	(3,977)	(3,894)
December 31, 2025	3,096	775	(4,114)	(243)

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	Iron ore Swaps	Tin Swaps	FX Forwards	Total
January 1, 2024	1,387	(183)	(75)	1,129
Derivative contracts transferred from revaluation reserve in equity	2,949	(8)	9,404	12,345
Derivative contracts recognised in profit or loss	(3,091)	191	(6,577)	(9,477)
Revaluation of derivative contracts at maturity day	(5)	-	2,482	2,477
December 31, 2024	1,240	-	5,234	6,474

The tables below show the profit/(loss) from derivative contracts recognized in profit or loss from operations:

	Iron ore Swaps	Tin Swaps	FX Forwards	Total
Derivative contracts transferred to Inventory in 2024 and recognised in profit or loss during 2025	1,475	-	5,398	6,873
Derivative contracts transferred to Inventory in 2025 and recognised in profit or loss during 2025	8,288	677	(11,062)	(2,097)
December 31, 2025 *	9,763	677	(5,664)	4,776

	Iron ore Swaps	Tin Swaps	FX Forwards	Total
Derivative contracts transferred to Inventory in 2023 and recognised in profit or loss during 2024	1,387	(191)	618	1,814
Derivative contracts transferred to Inventory in 2024 and recognised in profit or loss during 2024	1,704	-	5,959	7,663
December 31, 2024 *	3,091	(191)	6,577	9,477

* Included in the line item "Materials and energy consumed" in the statement of profit or loss and other comprehensive income.

The table below contains an overview of commenced contracts at the end of the reporting period:

	Contract maturity	Recognized in profit or loss
Contract commenced in 2025		
FX forwards	2025 - 2026	2025 - 2026
Irons ore	2025 - 2027	2025 - 2027
Tin Swaps	2025 - 2025	2025 - 2026
Contract commenced in 2024		
FX forwards	2024 - 2025	2024 - 2025
Irons Ore Swaps	2024 - 2026	2024 - 2026

The aggregated fair values of derivative financial instruments can fluctuate significantly from time to time. Fair value of hedging derivatives is determined using valuation techniques that utilize observable market data. The fair value of these forward foreign exchange contracts is determined using market forward exchange rates at the end of reporting period calculated from data obtained from Bloomberg and European Central Bank.

The table below sets out fair values of the Company's financial derivatives at the end of the reporting period:

	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
FX forwards - cash flow hedges	677	6,895	18,884	44
Short-term commodity swaps - cash flow hedges	8,911	-	4,398	916
Long-term commodity swaps - cash flow hedges	857	-	729	657
Total	10,445	6,895	24,011	1,617

Balances as of December 31, 2025 and December 31, 2024 were not past due. The risk of concentration of counterparty credit risk is mitigated by purchasing forward foreign exchange contracts from several counterparties. The Company has entered into forward foreign exchange contracts with ING Bank N.V., Citibank Europe plc, Goldman Sachs Bank USA, Komerční banka, a.s. and Fifth Third Bank as of December 31, 2025 and December 31, 2024. As of December 31, 2025, the financial derivatives with ING Bank N.V. and Komerční banka, a.s. represent more than 44 percent of value of total financial derivatives.

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The ratings of these banks are A- and better according to Standard & Poor's as of December 31, 2025 (December 31, 2024: A- and better). Information about the fair value hierarchy as of December 31, 2025 is disclosed in Note 26.

The table below reflects gross positions before the netting of any counterparty positions towards counterparties and covers the FX forwards with settlement dates after the respective end of the reporting period. The contracts are short term in nature:

	December 31, 2025	December 31, 2024
Payables on gross settlement of FX forwards in EUR thousand	(329,112)	(368,425)
Receivables on gross settlement of FX forwards in EUR thousand *	324,809	389,884

* Receivables nominated in USD, converted to EUR in 2025 at the rate of USD/EUR 1.1750 (2024: USD/EUR 1.039).

The table below reflects net positions of the commodity swaps with settlement dates after the respective end of the reporting period.

	December 31, 2025	December 31, 2024
Payables on net settlement of swap contracts in EUR thousand *	-	(1,573)
Receivables on net settlement of swaps contracts in EUR thousand *	9,768	5,127

* Payables and receivables nominated in USD, converted to EUR in 2025 at the rate of USD/EUR 1.1750 (2024: USD/EUR 1.039).

Note 13 Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash at bank	129,282	169,618
Total (Note 26)	129,282	169,618

Interest rates on bank accounts were approximately 1.06 percent per annum for EUR deposits, 1.62 percent per annum for USD deposits and 0.18 percent per annum for CZK deposits as of December 31, 2025 (December 31, 2024: 2.08 percent per annum for EUR deposits, 1.75 percent per annum for USD deposits and 0.19 percent per annum for CZK deposits). Interest rates at bank accounts denominated in other currencies are not disclosed as the balances in these accounts are not material. Based on the 2025 and 2024 business conditions the Company considered impact of the expected credit losses on cash and cash equivalents to be immaterial. Further information on the credit risk of cash and cash equivalents is disclosed in Note 25.

Note 14 Equity

Share capital

The Company's registered and fully paid in capital is EUR 839,357 thousand. The Company does not have unregistered increased share capital as of December 31, 2025.

According to Section 148, paragraph 2 of Act No. 513/1991 Coll. The Commercial Code, as amended, if a company has more than one partner, the declaration of bankruptcy on the partner's property, the termination of bankruptcy proceedings due to lack of property or the rejection of the petition for declaration of bankruptcy due to lack of property has the same effects as the cancellation of the partner's participation in the company by the court. After the termination of the partner's participation in the company, the partner shall have the right to a compensation share. The Company had sole partner in 2025 and it assumes that the same situation will be in 2026. Based on this fact, the Company considers the probability of the partner's entitlement to a compensation share to be low. For this reason, the Company has not set specific objectives, procedures nor processes to meet this potential obligation. The potential cash outflows in case such a circumstance arises amount to the whole of net assets as reported in these financial statements. The Company's net assets are presented as equity in these financial statements and not as a liability because the subscribed capital is the most subordinated instrument and the Company meets the exception from presenting these puttable net assets as a liability. Although the legal regulation assumes the right to a compensation share only in the case of the existence of multiple partners, the Company cannot prevent a partner from transferring part of his business share to another person. A potential obligation to pay a compensation share may therefore arise even if the Company currently has only one direct parent company partner.

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Legal reserve fund and Other reserves

The movements in reserve funds are as follows:

	Legal reserve fund	Other capital funds	Derivative hedging instruments	CO ₂ emission allowances (Note 8)	Total
January 1, 2025	84,910	44	15,138	63,432	163,524
Changes in fair value of derivative hedging instruments	-	-	(9,111)	-	(9,111)
Changes in fair value of CO ₂ emission allowances	-	-	-	53,295	53,295
Realization of CO ₂ emission allowances revaluation	-	-	-	(53,726)	(53,726)
Release of fair value of derivative hedging instruments	-	-	(1,484)	-	(1,484)
December 31, 2025	84,910	44	4,543	63,001	152,498

	Legal reserve fund	Other capital funds	Derivative hedging instruments	CO ₂ emission allowances (Note 8)	Total
January 1, 2024	84,910	44	(3,869)	-	81,085
Changes in fair value of derivative hedging instruments	-	-	28,388	-	28,388
Changes in fair value of CO ₂ emission allowances	-	-	-	63,432	63,432
Release of fair value of derivative hedging instruments	-	-	(9,381)	-	(9,381)
December 31, 2024	84,910	44	15,138	63,432	163,524

The change in the fair value of emission allowances is recognized after taking into account the deferred tax asset in the amount of EUR 12,705 thousand (2024: liability EUR 19,805 thousand) and the change in the fair value of derivative financial instruments is recognized after taking into account the deferred tax asset in the amount of EUR 3,481 thousand (2024: liability EUR 5,750 thousand) (Note 9).

Dividends

The table below shows dividends declared and paid by the Company to U. S. Steel Global Holdings VI B.V.:

	2025	2024
Opening balance as of January 1	50,000	90,000
Dividends declared	-	160,000
Dividends paid	(50,000)	(200,000)
Closing balance as of December 31	-	50,000

Note 15 Loans and Borrowings

The movement in liabilities from financing activities is as follows:

	Related parties (Note 28)	Lease liabilities (Note 5, 18)	Total
January 1, 2025	-	12,332	12,332
Lease additions	-	14,834	14,834
Lease payments	-	(9,404)	(9,404)
December 31, 2025	-	17,762	17,762
Long-term	-	9,768	9,768
Short-term	-	7,994	7,994
December 31, 2025	-	17,762	17,762

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	Related parties (Note 28)	Lease liabilities (Note 5, 18)	Total
January 1, 2024	64	17,740	17,804
Proceeds	2,092	-	2,092
Repayments	(2,156)	-	(2,156)
Lease additions	-	3,681	3,681
Lease payments	-	(9,089)	(9,089)
December 31, 2024	-	12,332	12,332
Long-term	-	3,717	3,717
Short-term	-	8,615	8,615
December 31, 2024	-	12,332	12,332

Credit facilities available to the Company:

Lender	Agreed amount	Currency	Interest rate	Date of maturity	Unpaid principal as of December 31, 2025	Unpaid principal as of December 31, 2024
United States Steel Corporation	200,000	USD	SOFR + 2.50 percent p.a.	December 26, 2027	-	-
		EUR	EURIBOR + 4.00 percent p.a.		-	-
Group of Banks *	150,000	EUR	IBOR + 2.00 or 2.35 percent p.a.	September 29, 2026	-	-
ING Bank N.V.	30,000	EUR	EURIBOR + 1.70 percent p.a.	September 13, 2027	-	-
		USD	LIBOR + 1.70 percent p.a.		-	-
		CZK	PRIBOR + 1.70 percent p.a.		-	-

* ING Bank N.V., Slovenská sporiteľňa a.s., Komerční banka, a.s., UniCredit Bank Czech Republic and Slovakia a.s., Československá obchodná banka, a.s. and Citibank Europe plc.

On December 27, 2024, the Company (Borrower) entered into a USD 200 million Revolving Credit Agreement ("Agreement") with United States Steel Corporation (Lender). Funds are available available in either USD or EUR. As of December 31, 2025, the USD 200 million Revolving Credit Agreement was undrawn and fully available.

On September 28, 2023 the Company decided to reduce the size of the EUR 300 million revolving credit facility ("the Credit Agreement") with ING Bank N.V., Slovenská sporiteľňa a.s., Komerční banka, a.s., UniCredit Bank Czech Republic and Slovakia a.s., Československá obchodná banka, a.s. and Citibank Europe plc, to EUR 150 million. The reduced credit facility size supports USSK's liquidity needs and is consistent with efforts to optimize costs and the global liquidity position.

On May 3, 2024 the Company entered into a Supplemental Amendment No. 2 to the Credit Agreement that amended the change of control provisions related to Nippon Steel Corporation's acquisition of U. S. Steel.

The Credit Agreement contains sustainability targets related to greenhouse gas emissions intensity reduction, safety performance and facility certification by ResponsibleSteel™ and certain financial covenants calculated from consolidated financial statements prepared in accordance with US GAAP. The Credit Agreement requires Company to maintain a net debt to EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization, hereinafter as "EBITDA") ratio of less than 3.50 : 1.00, as measured on a rolling twelve month basis on June 30th and December 31st of each year. The Credit Agreement also requires that the aggregate amount of Subordinated Intercompany Indebtedness and its Total Stockholders' Equity is not lower than 40 percent of its Total Assets. As of December 31, 2025 Company was in compliance with both covenants. The Credit Agreement was undrawn and fully available as of December 31, 2025 (December 31, 2024: Company complied with financial covenants specified in the Credit Agreement and the credit facility has not been drawn).

On March 27, 2023, the Company entered into a Supplemental Amendment No. 10 to the EUR 20 million Bilateral Loan Agreement between the Company and ING Bank N.V that increased the size of the existing credit facility to EUR 30 million.

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On May 3, 2024 the Company entered into a Supplemental Amendment No. 11 to the Bilateral Loan Agreement that amended the change of control provisions related to Nippon Steel Corporation's acquisition of U. S. Steel and on September 13, 2024 the Company entered into a Supplemental Amendment No. 12 and changed the final maturity date of the credit facility to September 13, 2027.

This credit facility may be used for working capital financing, drawing bank overdraft, and issuing of bank guarantees and letters of credit. As of December 31, 2025, the credit facility has been utilized in the amount of EUR 7,938 thousand for bank guarantees (December 31, 2024: the credit facility has been utilized in the amount of EUR 15,285 thousand for bank guarantees).

Within available credit facilities, the Company can draw loans with terms of not more than six months with interest fixed for each particular loan. Each of these facilities bear interest at the applicable inter-bank offer rate plus a margin. The Company is the sole obligor on each of these credit facilities, and if the credit facility is not drawn, it is obliged to pay a fee for tying up resources from the undrawn portion of the facility. The Company complied with all covenants specified in the loan agreements as of December 31, 2025 and 2024.

Management of capital is disclosed in Note 24 and information about credit facilities available to the Company and interest rate risk exposure is disclosed in Note 25. Loans and Borrowings within the Group's cash pooling strategy are disclosed in Note 28.

Note 16 Provisions for Liabilities

Movements in provisions for liabilities were as follows:

	Landfill	Litigation	CO ₂ emissions (Note 8)	Other	Total
January 1, 2025	11,201	262	508,476	124	520,063
Provision made	629	54	554,557	443	555,683
Provision used / reversed	(5)	(162)	(508,463)	(341)	(508,971)
Provision - change of estimate	(9)	-	(13)	-	(22)
December 31, 2025	11,816	154	554,557	226	566,753
Long-term provisions	11,767	154	-	-	11,921
Short-term provisions	49	-	554,557	226	554,832

	Landfill	Litigation	CO ₂ emissions (Note 8)	Other	Total
January 1, 2024	15,248	253	615,275	485	631,261
Provision made	284	10	508,476	297	509,067
Provision used / reversed	(3,901)	(1)	(615,275)	(658)	(619,835)
Provision - change of estimate	(430)	-	-	-	(430)
December 31, 2024	11,201	262	508,476	124	520,063
Long-term provisions	11,166	262	-	-	11,428
Short-term provisions	35	-	508,476	124	508,635

The movement of provisions caused by the passage of time (i.e. accretion expense) in 2025 and 2024 was immaterial.

Provision reversals for the year 2025 and 2024 were immaterial.

Landfill

The provision for closing, reclamation and after-close monitoring of landfills is recognized based on the Law No. 79/2015 Coll. on Waste, as amended. In 2025, the Company had four landfills: two for non-hazardous waste and two for hazardous waste. Reclamation of one hazardous and one non-hazardous landfill was completed, and those landfills were closed in 2011 and 2013 and continue to be monitored in accordance with the approved project documentation. During 2023, the loading of waste at the 3rd stage of second non-hazardous landfill was completed and during the 2024, this stage of the landfill was reclaimed. The cost related to the reclamation are charged against the created provision. The short-term portion of the provision represents expenditures that are expected to be settled within 12 months.

Litigation

The Company uses external legal counsel to act in some legal proceedings and internal legal counsel in other proceedings. These proceedings are at different stages and some may proceed for undeterminable

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periods of time. The Company's management has made its best estimate of the probabilities and the contingent loss amounts associated with all legal proceedings in both Slovak and foreign jurisdictions and has recorded provisions accordingly. The provisions are considered immaterial to the Company's financial statements. Based on the facts currently available, management believes that the disposition of these other matters that are pending or asserted will not have a material adverse effect, individually or in the aggregate, on the financial position of the Company.

Emission allowances

A provision was recognized for CO₂ emissions emitted in 2025 in order to settle obligation by allocated CO₂ emission allowances totaling EUR 522,390 thousand (2024: EUR 437,252 thousand) and by purchased CO₂ emission allowances totaling EUR 32,167 thousand (2024: EUR 71,224 thousand). The provision was calculated as a multiple of the final volume of CO₂ emitted for the calendar year and the fair value of CO₂ emission allowances on the European Climate Exchange as of the date of the financial statements. The provision was charged to Operating expenses. Amortization of related deferred income from allocated CO₂ emission allowances is recognized in Other income (Note 19).

Other

Other provisions include provisions for warranty.

Note 17 Employee Benefits Liabilities

Employee retirement liability

The Company is committed to make payments to employees upon retirement in accordance with the Labor Code and Collective Labor Agreement. The defined benefit liability is calculated annually using the projected unit credit method.

Work and life jubilee benefits

The Company also pays certain work and life jubilee benefits. The liability is calculated consistently with the employee retirement liability except that actuarial gains and losses and past services costs are recognized immediately in profit or loss for the current period.

The movement in the accrued liability over the years is as follows:

	2025	2024
Employee benefits payable - pension		
Opening balance as of January 1	15,716	15,434
Total expense charged in profit or loss - pension	1,429	1,373
Actuarial (gains) / losses - pension	(1,278)	(264)
Benefits paid	(810)	(827)
Closing balance as of December 31	15,057	15,716
Employee benefits payable - other		
Opening balance as of January 1	7,339	9,793
Total expense charged in profit or loss - jubilee	493	522
Total expense charged in profit or loss - termination	306	657
Actuarial (gains) / losses - jubilee	(664)	(250)
Benefits paid	(959)	(3,383)
Closing balance as of December 31	6,515	7,339
Long-term employee benefits payable - pension	14,526	15,005
Long-term employee benefits payable - other	5,584	6,657
Short-term employee benefits payable	1,462	1,393

The amounts recognized in the statement of financial position are as follows:

	December 31, 2025	December 31, 2024
Present value of the liability - pension *	15,058	15,717
Present value of the liability - jubilee	6,499	7,312
Present value of the liability - termination	15	26
Total liability in the statement of financial position	21,572	23,055

* The Company has adjusted presentation of the 2024 values according to the way of presentation of liabilities in 2025.

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The amounts recognized in the comprehensive income are as follows:

	2025	2024
Current service costs - pension	890	872
Current service costs - jubilee	262	293
Current service costs - termination	306	657
Interest costs	770	730
Actuarial (gains) / losses - pension	(1,278)	(264)
Actuarial (gains) / losses - jubilee	(664)	(250)
Total	286	2,038

Current service cost and net actuarial losses are presented in salaries and other employee benefits (Note 21) and interest costs are reflected in interest expense line of the statement of profit or loss and other comprehensive income.

Principal actuarial assumptions used to determine employee benefits liabilities as of December 31, were as follows:

	2025	2024
Discount rate - pension	4.00%	3.50%
Discount rate - jubilee	3.60%	3.30%
Annual wage and salary increases	4.50%	5.00%
Staff turnover *	5.00%	5.00%

* Staff turnover is replaced by termination table that varies by employee's age and years of service but does not exceed 5 percent annually.

For calculating the discount rate for euro-denominated pension and postretirement liabilities in accordance with IAS 19 *Employee benefits*, the Company used suitable Euro yield curve which benchmark highly rate corporate bonds. The yield curve selected was derived based on data published by European Central Bank and underlying data provided by EuroMTS Ltd. Discount rates were applied based on the duration of the pension and jubilee liability.

Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognized in liability to employees and social security institutions (Note 18). Liabilities for profit sharing and bonus plans are measured at the amounts expected to be paid when they are settled.

The amount of profit sharing and bonus plans is presented in Note 21.

Defined contribution pension plan

Throughout the year, the Company made contributions to the mandatory government and private defined contribution plans representing 27.2 percent (2024: 25.5 percent) of total salaries and other employee benefits up to a monthly salary limit of EUR 15,730 (2024: EUR 9,128).

The amount of contributions for social security is presented in Note 21.

In addition, with respect to employees who have chosen to participate in a supplementary pension scheme, the Company made contributions to the supplementary scheme amounting to 1.6 percent of the monthly accounted wage in 2025 (2024: 1.5 percent).

Information for pension plans with an accumulated employee benefits liabilities:

	December 31, 2025	December 31, 2024
Accumulated employee benefits liabilities	15,371	15,143
Effects of future compensation	6,186	7,886
Projected employee benefits liabilities	21,557	23,029
Termination	15	26
Total liability in the statement of financial position	21,572	23,055

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Note 18 Trade and Other Payables

	December 31, 2025	December 31, 2024
Trade payables	226,670	240,987
Related party accounts payables (Note 28)	10,180	11,563
Assigned trade payables ⁽¹⁾	86,097	117,086
Accrued discounts and rebates	13,578	16,475
Uninvoiced deliveries and other accrued expenses	55,409	43,834
Trade payables and accruals (Note 25)	391,934	429,945
Lease liabilities	17,762	12,332
Dividend liabilities (Note 14)	-	50,000
Other payables	6,250	2,234
Financial liabilities	24,012	64,566
Liability to employees and social security institutions	39,922	35,565
Advance payments received (Contract liability)	2,241	5,291
VAT and other taxes and fees	6,094	4,343
Non-financial liabilities	48,257	45,199
Total	464,203	539,710

⁽¹⁾ Assigned trade payables are trade payables which are not going to be paid to original supplier because the receivables against the Company were assigned, at the supplier's request, to another creditor, and the transfer was approved by the Company. The terms with the suppliers remain unchanged, and the Company has no legal relationship with such creditors.

The Company provided or will provide discounts and rebates to the customers which fulfilled all contractual requirements as of December 31, 2025.

	December 31, 2025	December 31, 2024
Short-term payables	454,435	535,758
Long-term payables	9,768	3,952
Total	464,203	539,710

Long-term trade and other payables represent lease liabilities (as of December 31, 2025: EUR 9,768 thousand and as of December 31, 2024: EUR 3,717 thousand) and the retention portion of capital expenditures for which due dates longer than 12 months were agreed upon in contracts.

The aging structure of trade and other payables is presented in the table below:

	December 31, 2025	December 31, 2024
Trade and other payables not yet due	459,096	534,340
Trade and other payables past due	5,107	5,370
Total	464,203	539,710

The carrying amount of trade payables and accruals is denominated in the following currencies:

	December 31, 2025	December 31, 2024
EUR	356,065	300,920
USD	32,487	124,154
Other	3,382	4,871
Total	391,934	429,945

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Contributions to and withdrawals from the social fund during the period are in the following table:

	December 31, 2025	December 31, 2024
Opening balance as of January 1	703	835
Company contribution (Company costs)	2,025	1,704
Withdrawals	(2,062)	(1,836)
Closing balance as of December 31	666	703

The social fund is used for social, medical, relaxing and similar needs of the Company's employees in accordance with Social Fund Law. The balances are included in the liability to employees and social security institutions caption of the table above.

Note 19 Revenue from Contracts with Customers and Other Income

The main activities of the Company are the production and sale of steel products, which include slabs, sheet, strip mill plate, tin mill products and spiral welded pipes. In addition, the Company distributes electricity, heat and gas. The Company also produces coke which is primarily used in the steel making process. The Company also provides certain functional support services to its subsidiaries and U. S. Steel Corporation.

For most of its revenue arrangements, the Company acts as a principal, however, the Company also acts as an agent arranging for the transportation service related to the sales of own production with the "C" delivery terms (Note 3) and records as revenue the net consideration it retains after paying the suppliers.

Revenue from contracts with customers consists of the following:

	2025	2024
Sales of own production	2,377,077	2,653,338
Sales of merchandise	802	967
Rendering of services	18,872	30,268
Total	2,396,751	2,684,573

In 2025 and 2024 sales of merchandise represented net sales of natural gas and electricity to the external parties.

In 2025 and 2024 rendering of services comprised of distribution of media (natural gas, electricity, water) and arranging transportation services to customers.

Timing of revenue recognition

	2025	2024
Performance obligation satisfied at a point in time	2,377,879	2,654,305
Performance obligation satisfied over time	18,872	30,268
Total	2,396,751	2,684,573

Disaggregation of the revenue from contracts with customers – sales of own production

Segments and Products	2025	2024
Hot-rolled products	1,063,937	1,332,686
Cold-rolled products	155,295	208,148
Coated sheets	631,747	704,817
Tin mill products	411,573	250,017
Standard and line pipe	49,351	46,071
Slabs	31,605	71,023
Tar - nonsteel products	15,947	19,635
By products and other	17,622	20,941
Total	2,377,077	2,653,338

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Market	2025	2024
Steel service centers	419,131	568,269
Transportation (including automotive)	426,298	477,741
Further conversion - trade customers	143,859	158,990
Containers	411,072	248,531
Construction and construction products	709,477	870,400
Appliances and electrical equipment	140,276	153,811
Oil, gas and petrochemicals	6,424	1,369
Mechanical machinery	15,764	19,094
Metal goods	65,914	77,087
Other markets	38,862	78,046
Total	2,377,077	2,653,338

Other income

Other income consists of the following:

	2025	2024
Amortization of deferred income - CO ₂ emission allowances (Note 8)	469,453	354,732
Amortization of deferred income - environmental projects (Note 5)	8,758	11,106
Gain on disposal of property, plant and equipment, investment property and intangible assets	848	5
Rental income	1,970	1,657
Income from contractual penalties	1,506	252
Compensation for indirect emissions from the Environmental Fund and other compensation	11,792	4,882
Trade mark and Intellectual property license	10,957	11,173
Other	1,223	3,077
Total	506,507	386,884

Note 20 Materials and Energy Consumed

Materials and energy consumed is comprised of the following:

	2025	2024
Materials consumed	(1,382,442)	(1,700,276)
Energy consumed	(189,485)	(171,396)
Changes in internally produced inventory	(11,465)	(47,636)
Reversal of inventory allowance / (allowance made) (Note 10)	8,753	(9,724)
Total	(1,574,639)	(1,929,032)

Note 21 Salaries and Other Employee Benefits

Salaries and other employee benefits are comprised of the following:

	2025	2024
Wages and salaries	(240,536)	(221,195)
Termination benefits (Note 17)	(306)	(657)
Mandatory social and health insurance to insurance funds - defined contribution plans	(51,739)	(44,027)
Mandatory retirement insurance to insurance funds - defined contribution plans	(43,802)	(36,864)
Other social expenses - defined contribution plans	(14,644)	(13,427)
Pension expenses- retirement and work and life jubilees - defined benefit plans (Note 17)	(488)	(915)
Total	(351,515)	(317,085)

The number of active employees of the Company as of December 31, 2025 was 7,573 (December 31, 2024: 7,554). The average number of the Company's employees for 2025 was 7,594 (2024: 7,632).

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Note 22 Other Operating Expenses

Other operating expenses during 2025 and 2024 are as follows:

	2025	2024
Construction in progress write-off	(42,970)	(127)
Licences, trade marks, licence support ⁽²⁾	(22,537)	(16,124)
External processing ⁽²⁾	(14,608)	(17,812)
Service activities ⁽²⁾	(12,787)	(13,057)
Real Estate Tax and Other Taxes	(11,812)	(12,245)
Cleaning and waste disposal ⁽³⁾	(11,375)	(11,353)
Processing of steel slag, sludge and dust	(8,457)	(5,098)
Services of heavy machines	(6,464)	(2,487)
Crane operation ⁽²⁾	(6,298)	(5,466)
Insurance Costs	(6,288)	(6,338)
Packaging	(4,286)	(4,829)
Warehousing Costs	(4,154)	(4,624)
Telephone, fax, telex, postage, data processing/access	(3,978)	(3,644)
Security services - premises	(2,994)	(2,671)
Scarffing of conti-slabs	(2,634)	(2,817)
Waste storage charges ⁽³⁾	(2,333)	(3,217)
Advertising and promotion	(1,890)	(1,786)
Environmental fees ⁽³⁾	(1,815)	(1,571)
Bank and commitment fee	(1,633)	(1,688)
Metalurgical furnace maintenance ⁽²⁾	(1,631)	(1,284)
Impairment of receivables release (Note 11)	(1,602)	(1,205)
Employee intracompany transportation	(1,454)	(1,524)
Chromium plating of rolls	(1,350)	(1,347)
Chemical treatment of water circuits	(1,230)	(1,238)
Mediatory services and trade commissions	(1,163)	(1,112)
Reimbursements for damages caused by the Company	(1,008)	(1,130)
Other operating costs - related parties	(940)	(644)
Employee transportation - adverse event ⁽²⁾	(806)	(17)
Audit of the financial statements	(763)	(579)
Trainings	(759)	(910)
Traveling Costs	(750)	(576)
Variable lease payments (Note 5)	(722)	(846)
Nickeling of copper plates ⁽²⁾	(537)	(492)
Short-term leases (Note 5)	(82)	(386)
Low value leases (Note 5)	(8)	(8)
Other operating expenses ^{(1), (3)}	(9,381)	(3,730)
Total	(193,499)	(133,982)

⁽¹⁾ Other operating expenses include various types of services not exceeding EUR 1 million individually.

⁽²⁾ The Company has adjusted presentation of the 2024 values according to the way of presentation of expenses in 2025.

⁽³⁾ Value includes portion of environmental expenses disclosed in Note 27.

Note 23 Income Tax

The income tax (expense) / credit consists of following:

	2025	2024
Current tax related to CO ₂ emission allowances and derivative hedging instruments revaluation accounted in other comprehensive income	4,442	(82)
Current tax - other	(395)	(1,147)
Deferred tax (Note 9)	13,707	27,218
Total	17,754	25,989

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The tax on the Company's loss before tax differs from the theoretical amount that would arise using the tax rate applicable to the Company as follows:

	2025	2024
Loss before tax	(74,118)	(125,597)
Tax calculated at 24 percent tax rate (2024: 21 percent)	17,788	26,375
Permanent differences:		
Research & Development deduction	434	1,142
Other	(468)	(1,528)
Tax (charge) / credit	17,754	25,989

The effective tax rate was 24 percent in 2025 (2024: 22 percent).

The tax (charge) / credit relating to components of other comprehensive income is as follows:

	2025			2024		
	Before tax	Tax (charge) / credit	After tax	Before tax	Tax credit / (charge)	After tax
Changes in fair value of derivative hedging instruments	(13,941)	3,346	(10,595)	24,814	(5,807)	19,007
Changes in actuarial gains and losses	1,278	(307)	971	264	(393)	(129)
Revaluation of intangible assets (Note 7)	70,307	(17,012)	53,295	83,098	(19,666)	63,432
Other comprehensive income / (loss)	57,644	(13,973)	43,671	108,176	(25,866)	82,310

The change in the fair value of CO₂ emission allowances is recognized after taking into account the deferred tax liability in the amount of EUR 12,705 thousand (2024: liability EUR 19,805 thousand) (Note 9) and current tax liability related to revaluation of purchased CO₂ emission allowances recognized in other comprehensive income in the amount of EUR 4,307 thousand (2024: asset EUR 139 thousand). The change in the fair value of derivative financial instruments is recognized after taking into account the deferred tax asset in the amount of EUR 3,481 thousand (2024: liability EUR 5,750 thousand) (Note 9) and current tax liability related to items recognized in other comprehensive income in the amount of EUR 135 thousand (2024: liability EUR 57 thousand).

Top-up tax

The Company made an assessment for the year ended December 31, 2025 and December 31, 2024. Based on this assessment the Company believes that all criteria to use the exception outlined in the Paragraph 32, section 3, letter c) of Act No. 507/2023 Coll. about the additional tax were met in both evaluated periods. According to the above exception, the Company's top-up tax for the years 2025 and 2024 is considered to be zero.

Note 24 Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and to pay obligations as they come due. The Company's overall strategy did not change compared to 2024.

The capital structure of the Company consists of debt (Note 15) totaling EUR 17,762 thousand as of December 31, 2025 (December 31, 2024: EUR 12,332 thousand) and equity (Note 14) totaling EUR 1,425,887 thousand as of December 31, 2025 (December 31, 2024: EUR 1,436,372 thousand) that includes share capital, reserve funds and retained earnings.

The externally imposed capital requirements for a limited liability company established in the Slovak Republic include a minimum level of share capital totaling EUR 5 thousand. The Company complied with the regulatory capital requirements as of December 31, 2025 and December 31, 2024.

Note 25 Financial Risk Management

Financial risk is managed in compliance with policies and procedures established by U. S. Steel. The use of risk management instruments is controlled by U. S. Steel management which authorizes the use of futures, forwards, swaps and options to manage exposure to price fluctuations of certain commodities and foreign currency transactions. The derivative instruments, if used, could materially affect the Company's

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results of operations in particular accounting periods; however, management believes that the use of these instruments will not have a material adverse effect on the financial position or liquidity of the Company.

The Company is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign exchange rate risk and other price risk). The overall financial risk management process focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Company's financial performance.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company. The Company is essentially exposed to credit risk from its operating activities (primarily trade receivables). Remaining credit risk relates mainly to receivables resulting from Environmental projects (Note 11), deposits with banks (Note 13) and derivative financial instruments (Note 12).

Credit risk related to receivables is managed by the Credit & Collection Department. All customers of the Company are assigned an internal risk rating in accordance with approved internal policies and procedures. A customer's credit rating is determined by considering its financial situation, payment behavior, past experience and other factors. Individual credit limits are established based on internal ratings and the amounts and utilization of the limits are periodically re-evaluated and monitored. Company management carefully monitors the impact of the current economic situation on the customers and adjusts the ratings and related credit limits accordingly. Trade receivables are monitored daily for individual customers and groups of customers under common control. Overdue receivables are handled in accordance with established collection management practices such as reminders, phone contact, suspension of orders and shipments, etc.

The Company mitigates credit risk for approximately 87 percent (2024: 86 percent) of revenue from contracts with customers by requiring credit insurance, letters of credit, bank guarantees, prepayments or other collateral. The acceptable ratings of the banks are BBB- and better (according to Standard & Poor's or equivalent of it per other rating agencies). Information about collateral or other credit enhancements is as follows:

	2025	2024
Credit insurance	79%	78%
Letters of credit and documentary collection	0%	0%
Bank guarantees	2%	2%
Other credit enhancements	6%	6%
Credit enhanced sales	87%	86%
Unsecured sales	13%	14%
Total	100%	100%

The majority of the Company's customers are located in Central and Western Europe. No single customer accounts for more than 10 percent of gross annual revenues in either of the years presented.

Expected credit losses related to trade and other receivables are estimated at the end of each reporting period using a credit enhancements matrix. Significant accounting estimates and judgements are applied in the estimation (Note 3).

The cash has been deposited to banks with the rating Prime-2 and better according to Moody's, that represents high ability to repay short-term debt. The Company therefore considers expected credit loss to be immaterial.

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(All amounts are in thousands of EUR if not stated otherwise)

The Company is exposed to overall credit risk arising from financial assets as summarized below:

December 31, 2025			
	Derivative financial instruments measured at FV through profit or loss	Financial assets measured at amortized cost	Financial assets measured at FV through other comprehensive income
Trade and other receivables (Note 11)			
Trade receivables (net)	-	262,054	24,973
Related party accounts receivables (net)	-	10,353	-
Other receivables (net)	-	19,410	-
Derivative financial instruments (Note 12)			
FX forwards	298	-	379
Commodity swaps	-	-	9,768
Short-term loans (Note 28)			
Short-term loans provided to related parties	-	43,122	-
Cash and cash equivalents (Note 13)			
Cash and cash equivalents	-	129,282	-
Total	298	464,221	35,120

December 31, 2025	
	Cash and cash equivalents at amortized cost
ING Bank N.V.	19,652
Bank Handlowy w Warszawie SA	1,151
Citibank Europe plc, organizační složka	5,471
Citibank Europe plc	38,275
Slovenská sporiteľňa, a.s.	13,947
Komerční Banka, a.s.	8,876
Československá obchodná banka, a.s.	17,152
Všeobecná úverová banka, a.s.	15,868
UniCredit Bank Czech Republic and Slovakia, a.s.	8,890
Total (Note 13)	129,282

December 31, 2024			
	Derivative financial instruments measured at FV through profit or loss	Financial assets measured at amortized cost	Financial assets measured at FV through other comprehensive income
Trade and other receivables (Note 11)			
Trade receivables (net)	-	228,534	4,687
Related party accounts receivables (net)	-	12,131	-
Other receivables (net)	-	17,829	-
Derivative financial instruments (Note 12)			
FX forwards	-	-	18,884
Commodity swaps - Iron ore	-	-	5,127
Cash and cash equivalents (Note 13)			
Cash and cash equivalents	-	169,618	-
Total	-	428,112	28,698

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December 31, 2024	
	Cash and cash equivalents at amortized cost
ING Bank N.V.	32,945
COMMERZBANK Aktiengesellschaft	2,266
Citibank Europe plc	45,039
Slovenská sporiteľňa, a.s.	40,006
Komerční Banka, a.s.	14,799
Československá obchodná banka, a.s.	22,272
Všeobecná úverová banka, a.s.	7,459
UniCredit Bank Czech Republic and Slovakia, a.s.	4,419
Bank Handlowy w Warszawie SA	413
Total (Note 13)	169,618

The maximum exposure to credit risk at the reporting date is the carrying value of the above mentioned financial assets before consideration of collateral and other credit enhancements.

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of credit facilities to cover the liquidity risk in accordance with its financing strategy. Company management monitors expected and actual cash flows and the cash position of the Company on a daily basis in accordance with approved internal policies and procedures. The exposure by country is also closely monitored.

During 2024, the Company drew short-term borrowings as a part of the Group's cash pooling strategy of EUR 2,092 thousand and repaid EUR 2,156 thousand and provided to its subsidiary U.S. Steel Košice - SBS, s.r.o. the amount of EUR 877 thousand and received EUR 877 thousand.

Borrowing contract with U.S. Steel Košice - SBS, s.r.o. (Lender) ended with the signing of Supplemental Amendment No. 25 by the repayment of the outstanding amount by the Company (Borrower) on December 18, 2024. Borrowings drawn within the U.S. Steel Košice - SBS, s.r.o. cash pooling strategy bore interest rate spread over 1-month EURIBOR plus margin 1.7 percent per annum (Note 28).

On December 11, 2025, the Company (Lender) entered into a Supplemental Amendment No. 22 with U.S. Steel Košice – SBS, s.r.o. (Borrower) in the amount of EUR 300 thousand for a fixed period of time, until December 31, 2026. The interest rate for granting the loan is EURIBOR plus an annual margin of 1.7 percent. As of December 31, 2025, the EUR 300 thousand Supplemental Amendment was undrawn and fully available.

Other borrowings are disclosed in Note 15.

The table below summarizes the expected contractual cash flows in relation to agreed maturities of financial assets and financial liabilities:

December 31, 2025				
	0 – 1 year	1 – 5 years	over 5 years	Total
Assets				
Cash and cash equivalents	129,282	-	-	129,282
Trade receivables (net)	297,380	-	-	297,380
Other receivables (net)	19,410	-	-	19,410
Gross settled FX forwards (Note 12)	324,809	-	-	324,809
Net settled commodity swaps (Note 12)	8,911	857	-	9,768
Short - term loans provided to related parties	43,122	-	-	43,122
Total	822,914	857	-	823,771
Liabilities				
Trade payables and accruals	382,167	9,767	-	391,934
Other financial liabilities	6,250	-	-	6,250
Gross settled FX forwards (Note 12)	329,112	-	-	329,112
Lease liability	7,745	9,971	53	17,769
Total	725,274	19,738	53	745,065

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(All amounts are in thousands of EUR if not stated otherwise)

December 31, 2024	0 – 1 year	1 – 5 years	over 5 years	Total
Assets				
Cash and cash equivalents	169,618	-	-	169,618
Trade receivables (net)	245,350	-	-	245,350
Other receivables (net)	17,831	-	-	17,831
Gross settled FX forwards (Note 12)	389,884	-	-	389,884
Net settled commodity swaps (Note 12)	4,399	728	-	5,127
Total	827,082	728	-	827,810
Liabilities				
Trade payables and accruals	425,993	3,952	-	429,945
Other financial liabilities	2,234	-	-	2,234
Gross settled FX forwards (Note 12)	368,425	-	-	368,425
Net settled commodity swaps (Note 12)	918	655	-	1,573
Lease liability	7,704	5,152	7	12,863
Total	805,274	9,759	7	815,040

Market risk

a) Interest rate risk

The Company was not subjected to the effects of interest rate fluctuations on borrowings drawn against revolving credit facilities (Note 15) as of December 31, 2025, since no borrowings have been drawn as of December 31, 2025 and December 31, 2024.

The Company's income is substantially independent of changes in market interest rates. The Company had other minor interest income from short term bank deposits and cash at bank accounts as of December 31, 2025 and December 31, 2024.

b) Currency risk

The Company is exposed to the risk of price fluctuations due to the effects of foreign exchange rates on revenues and operating costs, capital expenditures and existing assets or liabilities denominated in currencies other than the EUR, particularly the U.S. dollar. The fluctuation of exchange rates represents significant risk as the majority of sales are denominated in EUR, while purchases of strategic raw materials are mainly in USD.

The structure of cash and cash equivalents by currency is as follows:

December 31, 2025	Cash and cash equivalents
EUR	93,490
USD	27,070
CZK	7,998
other	724
Total	129,282

December 31, 2024	Cash and cash equivalents
EUR	133,687
USD	29,078
CZK	5,711
other	1,142
Total	169,618

The Company manages its exposure to certain currency price fluctuations in cooperation with U. S. Steel's Corporate Finance, using a limited number of forward foreign exchange contracts. Derivative hedging instruments are carried out in compliance with an approved hedging strategy and internal policy to hedge highly probable forecasted purchases of strategic raw materials denominated in USD. Financial instruments are used exclusively for hedging of financial risk exposure which is determined by the analysis of income and expenses structured by foreign currency. Trading for speculative purposes is prohibited. These cash flows are planned of the annual operating plan for the next 12 months and updated in line with quarterly short-range forecasts or whenever new business circumstances occur. Management monitors the open positions monthly.

As of December 31, 2025, the Company had open USD forward purchase contracts for Euros in total notional value of approximately EUR 329 million (December 31, 2024: EUR 368 million).

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As of December 31, 2025, if the EUR had weakened / strengthened by 7 percent against the U.S. dollar with all other variables held constant, this movement would have resulted in a EUR 274 thousand charge / EUR 238 thousand credit to Profit, mainly as a result of gains/losses from the fair value change of forward foreign exchange contracts.

As of December 31, 2025, if the EUR had weakened / strengthened by 7 percent against the U.S. dollar with all other variables held constant, this movement would have resulted in a EUR 490 thousand charge / EUR 426 thousand credit to Equity, mainly as a result of gains/losses from the fair value change of forward foreign exchange contracts.

As of December 31, 2024, if the EUR had weakened / strengthened by 7 percent against the U.S. dollar with all other variables held constant, this movement would have resulted in a EUR 9,187 thousand charge / EUR 7,985 thousand credit to Profit, mainly as a result of gains/losses from the fair value change of forward foreign exchange contracts.

As of December 31, 2024, if the EUR had weakened / strengthened by 7 percent against the U.S. dollar with all other variables held constant, this movement would have resulted in a EUR 661 thousand credit / EUR 1,896 thousand charge to Equity, mainly as a result of gains/losses from the fair value change of forward foreign exchange contracts.

On May 17, 2023, the Company (Lender) entered into a EUR 200 million Revolving Credit Agreement ("EUR 200 million Agreement") with United States Steel Corporation (Borrower). Funds are available in either USD or EUR. The validity of this Credit Agreement was extended by an Amendment on April 23, 2025, until April 22, 2028. As of December 31, 2025, the outstanding balance of the loan was EUR 43 million.

c) Other price risk

In the normal course of its business, the Company is exposed to price fluctuations related to the production and sale of steel products. The Company is also exposed to price risk related to the sale, production or purchase of coal, coke, natural gas, steel scrap, iron ore and pellets, zinc, tin and other nonferrous metals used as raw materials.

The Company is exposed to commodity price risk on both the purchasing and sales sides and manages the risk primarily through natural hedges. The Company's market risk strategy is in compliance with U. S. Steel's strategy that has generally been to obtain competitive prices for our products and services and allow operating results to reflect the market price movements dictated by supply and demand in the profit or loss.

The Company is exposed to a fluctuation of raw materials prices. An increase in the prices of these commodities would have an adverse impact on the Company's profitability. In order to mitigate the Company's exposure to iron ore and tin price fluctuation, the Company entered into commodity swaps and fixed the price for the portion of the Company's iron ore and tin requirements, which helped the Company's profitability objectives. There have not been any swaps for tin executed in 2024.

In 2025 and 2024, the Company did not carry out any other material derivative transaction mitigating commodity price risk and had only open commodity swaps for iron ore and tin as of December 31, 2025. As of December 31, 2024 the Company had open swaps for iron ore.

Based on sensitivity analysis performed by the Company iron ore price fluctuation would not have significant impact on the financial statements, as a result of derivative financial instruments held by the Company.

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Note 26 Financial Instruments by Category

The following table provides a reconciliation of classes of financial assets and liabilities with the measurement categories as determined by *IFRS 9 Financial Instruments* and *IFRS 16 Leases*:

December 31, 2025				
	Amortized cost	FV through profit or loss	FV through other comprehensive income	Total
Assets				
Unquoted financial instruments	-	111	-	111
Trade receivables (net)	262,054	-	24,973	287,027
Related party accounts receivables (net)	10,353	-	-	10,353
Other receivables (net)	19,410	-	-	19,410
Cash and cash equivalents	129,282	-	-	129,282
Short-term loans provided to related parties	43,122	-	-	43,122
Derivative financial instruments (Note 12)	-	298	10,147	10,445
Total	464,221	409	35,120	499,750
December 31, 2024				
	Amortized cost	FV through profit or loss	FV through other comprehensive income	Total
Liabilities				
Trade payables and accruals	391,934	-	-	391,934
Other financial liabilities (Note 18)	6,250	-	-	6,250
Derivative financial instruments (Note 12)	-	-	6,895	6,895
Short-term borrowings				
Leases (Note 5, 18)	7,994	-	-	7,994
Long-term borrowings				
Leases (Note 5, 18)	9,768	-	-	9,768
Total	415,946	-	6,895	422,841
December 31, 2024				
	Amortized cost	FV through profit or loss	FV through other comprehensive income	Total
Assets				
Unquoted financial instruments	-	111	-	111
Trade receivables (net)	228,534	-	4,687	233,221
Related party accounts receivables (net)	12,131	-	-	12,131
Other receivables (net)	17,829	-	-	17,829
Cash and cash equivalents	169,618	-	-	169,618
Derivative financial instruments (Note 12)	-	-	24,011	24,011
Total	428,112	111	28,698	456,921

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	Amortized cost	FV through profit or loss	FV through other comprehensive income	Total
Liabilities				
Trade payables and accruals	429,945	-	-	429,945
Other financial liabilities (Note 18)	2,234	-	-	2,234
Dividends (Note 14, 18)	50,000	-	-	50,000
Derivative financial instruments (Note 12)	-	44	1,573	1,617
Short-term borrowings				
Leases (Note 5, 18)	8,615	-	-	8,615
Long-term borrowings				
Leases (Note 5, 18)	3,717	-	-	3,717
Total	494,511	44	1,573	496,128

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

December 31, 2025				
	Level 1	Level 2	Level 3	Total
Assets				
Trade receivables that are subject of factoring arrangements (Note 11)	-	24,973	-	24,973
Unquoted financial instruments	-	111	-	111
Hedging derivatives	-	10,445	-	10,445
Total	-	35,529	-	35,529
Liabilities				
Hedging derivatives	-	6,895	-	6,895
Total	-	6,895	-	6,895
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
Trade receivables that are subject of factoring arrangements (Note 11)	-	4,687	-	4,687
Unquoted financial instruments	-	111	-	111
Hedging derivatives	-	24,011	-	24,011
Total	-	28,809	-	28,809
Liabilities				
Hedging derivatives	-	1,617	-	1,617
Total	-	1,617	-	1,617

During 2025 and 2024, there were no transfers between Level 1 and Level 2 of fair value measurements and no transfers into and out of Level 3 of fair value measurements.

All other financial instruments, with the exception of hedging derivatives and trade receivables that are subject of factoring arrangements, are measured at amortized cost as of December 31, 2025 and December 31, 2024. Fair values of these instruments as of December 31, 2025 and December 31, 2024 approximate their carrying amounts.

Note 27 Contingent Liabilities and Contingent Assets

Capital Commitments

Capital expenditures of EUR 19 million had been committed under contractual arrangements as of December 31, 2025 (December 31, 2024: EUR 18 million).

Environmental Commitments

The Company is in compliance with environmental legislation. In 2025, the environmental expenses represented mainly by air, water pollution and solid waste handling fees totaled approximately EUR 5.9

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million (2024: EUR 7.2 million). There are no material legal proceedings pending against the Company involving environmental matters.

The Company is subject to the laws of Slovakia and the European Union (EU). An EU Regulation commonly known as Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation 1907/2006 (REACH) requires the registration of certain substances produced in or imported into the EU, and for selected substances, the application for authorization to continue use where replacement of certain substances is not possible or feasible. In some cases, replacements for substances currently used in our operations were implemented. European Commission approved Authorization for the Company to use sodium dichromate and chromium trioxide for packaging steel until December 31, 2027. The Company can still use hexavalent chromium substances in the selected processes until the suitable alternative is qualified for use.

Efforts are ongoing to identify, test and prove the feasibility of replacement substances. Membership contributions to consortiums for update of registration and authorization documentation were EUR 59 thousand in 2025 (2024: EUR 4 thousand). The Company cannot reliably estimate the potential additional registration costs of produced and purchased substances.

Effective from January 1, 2020, the Company transferred, within the framework of fulfilling the obligations of a packaging manufacturer, from the collective system to the individual system of fulfillment of obligations, resulting in reduction of the total costs relating to the subsequent collection, sorting and recovery of the packaging waste. Due to the impact of the change as well as the optimization of record keeping procedure for the packaging placed on the Slovak market, the 2025 costs were EUR 140 thousand (2024: EUR 141 thousand).

Carbon Dioxide (CO₂) Emissions

The European Union has established CO₂ reduction targets of 40 percent by 2030, against a 1990 baseline and full carbon neutrality by 2050. As part of the European Green Deal the Commission proposed in September 2020 to raise the 2030 reduction target to at least 55 percent compared to 1990. The new target has been endorsed by the European Parliament.

In order to achieve the EU goal of carbon emissions neutrality by 2050, on July 14, 2021, the European Commission released a package of legislative proposal called Fit for 55. The proposals contain significant changes to current EU ETS functions and requirements, including: a new carbon border adjustment mechanism (CBAM) to impose carbon fees on EU imports, further reduction of free CO₂ allowance allocation to heavy industry and measures to strengthen allocation of emission allowances. The initial phase started on October 1, 2023 with only reporting obligation without financial impact. The full scale of CBAM will commence on January 1, 2026 and will have an impact on Company's free allocation starting in 2026 where initial reduction to 97.5 percent starts until 2035 with no free allocation.

Another implication of CBAM is the customs duty that will require the Company to cover all its imports from third parties with CBAM Certificates representing embedded emissions in goods imported. The company obtained the status of Approved CBAM Declarant on June 25, 2025. On September 29, 2025, the EU legislative package entitled "Omnibus I" was approved and entered into force on October 20, 2025, based on which the start of the purchase of CBAM certificates, covering emissions from imports in 2026, is postponed to February 2027.

An emission trading system (ETS) was established to encourage compliance with set emissions reduction targets and starting in 2013, the ETS discontinued allocation based on national allocation plans (NAP) and began to employ centralized allocation which is more stringent than the previous requirements.

Phase IV of the EU Emissions Trading System (EU ETS) commenced on January 1, 2021 and will finish on December 31, 2030. The Phase IV is divided into two sub periods (2021-2025 and 2026-2030). The European Commission issued final approval of the updated 2021-2025 Slovak National Allocation table in February 2022. The Slovak Ministry of Environment allocated 7 thousand tons and 6.12 million tons of EUA at no charge to the Company in June and September 2025, respectively. As of December 31, 2025, the Company pre-purchased and settled approximately 0.38 million tons EUAs totaling EUR 26.61 million to cover the expected 2025 shortfall of emission allowances and 0.84 million tons EUAs totaling EUR 50.06 million to cover portion of the expected subsequent years shortfall (Note 8). In the third quarter 2025 the Company also entered into forward agreements to purchase 0.20 million tons EUAs in total amount of EUR 15.08 million with settlement in the first quarter 2026 for the anticipated subsequent years shortfall.

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During the third quarter of 2024, USSK submitted a request for free allocation for the second sub period 2026-2030 to the European Commission via the Slovak Ministry of Environment. The decision on volume of free allocation was expected at the end of 2025. However the European Commission is late with the process and new deadline for free allocation decision was set on April 2026.

In 2019, the U. S. Steel Corporation announced its commitment to reduce greenhouse gas emissions intensity across its global footprint by 20 percent, as measured by the rate of CO₂ equivalents emitted per ton of finished steel shipped, by 2030 based on 2018 baseline levels. In 2021, the U. S. Steel Corporation announced its goal to achieve net-zero emissions by 2050 as measured by the rate of CO₂ equivalents emitted per ton of finished steel shipped. These targets will apply to U. S. Steel's global operations.

The carbon reduction targets reflect Company's continued commitment to improvement in production efficiency and the manufacture of products that are environmentally friendly by utilization of various alternatives, for example transition to Electric Arc Furnace (EAF) technology as well as incremental gains in energy reduction, use of renewable energy, hydrogen-based steelmaking and continued asset and process improvements. However, the development of breakthrough technologies is likely required to continue the path of low to no carbon footprint in the steel industry. Implementation of new technologies will most likely require significant amounts of capital and an abundant source of low-cost hydrogen and/or green power, most likely leading to an increase in the cost of future steelmaking. In addition, the cost of emission allowances is forecast to increase, along with the number of allowances decreasing in the next several years.

Best Available Techniques (BAT's)

The EU's Industrial Emissions Directive requires implementation of EU determined BAT's for Iron and Steel production to reduce environmental impacts as well as compliance with BAT associated emission levels. Total capital expenditures for projects to go beyond the BAT requirements were EUR 138 million. These costs were partially offset by the EU funding received and may be mitigated over the next measurement periods if the Company complies with certain financial covenants, which are assessed annually. If the Company is unable to meet these covenants in the future, the Company might be required to provide additional collateral (e.g., bank guarantee) to secure 50 percent of the EU funding received. The Company complied with these covenants as of December 31, 2025 and December 31, 2024, and no additional collateral will be required by the end of June 2026. By this next assessment date, the Company expects that thirteen projects of the total fifteen will pass the sustainability monitoring and will be excluded from further assessment to provide additional collateral. The last assessment of financial covenants will be performed as of June 30, 2026.

War in Ukraine

In February 2022, Russia invaded Ukraine and active conflict continues in the country. The war in Ukraine has caused, and will likely continue to cause disruption and instability in Russia, Ukraine, as well as in the markets in which the Company operates. The Company is constantly monitoring the situation for impacts and risks to the Company.

As a result of the invasion, the European Union (EU) has enacted sanctions against Russia and Russian interests. The Company is complying with all applicable sanctions that impact its business.

Since the onset of the war, and before, the Company has been procuring iron ore and coal through alternate sources (Poland, Canada, USA and Ukraine). With the EU prohibiting purchases of coal from suppliers in Russia, purchases of coal originating from Russia have stopped. The Company has built up alternative supply chains to meet current customer demand.

Russian supply of natural gas to Europe has decreased significantly in response to enacted sanctions. However, Slovakia has natural gas storage and access to additional supply from countries including Norway, the United States and Africa. Together, these sources are enough to support the country's expected natural gas consumption through the 2026, which includes demand for Company's operations.

Company's management considered the potential impact of this situation on its activities and business and concluded that they did not have a significant impact on its 2025 financial statements or going concern assumption in 2026 and further. However, if current situation turns into negative development, it might have a material adverse effect on the Company, its business, financial condition, results, cash flows and prospects in general.

The Company does not expect an impact on its ability to continue to operate as a going concern.

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Note 28 Related Party Transactions

Transactions with related parties

The following table provides amounts of transactions with related parties recognized in the profit or loss of the relevant financial year and outstanding balances resulting from transactions with related parties included in the statement of financial position as of December 31 of the relevant financial year:

Transaction	Related party	2025	2024
Rendering of services	United States Steel Corporation, middle parent company	11,468	11,803
	Big River Steel, Company under common control of U.S. Steel	-	24
	Subsidiaries under control of the Company	99	71
Sales of materials and own production	Subsidiaries under control of the Company	11	14
Sales of merchandise	Subsidiaries under control of the Company	-	1
Other income	Subsidiaries under control of the Company	250	143
Revenues total		11,828	12,056
Services received	United States Steel Corporation, middle parent company	12,904	13,567
	USS International Services, LLC, Company under common control of U. S. Steel	1,309	1,300
	Subsidiaries under control of the Company	4,047	23
Purchase of raw material	United States Steel Corporation, middle parent company	18,988	114,719
Purchase of other materials, products and goods	Subsidiaries under control of the Company	-	3
Purchase of energies	Subsidiaries under control of the Company	-	4
Cost of sales of material and own products	United States Steel Corporation, middle parent company	-	387
Other expenses	Subsidiaries under control of the Company	-	9
Expenses total		37,248	130,012

Transaction	Related party	2025	2024
Receivables	United States Steel Corporation, middle parent company	10,267	12,072
	USS International Services, LLC, Company under common control of U. S. Steel	69	48
	Subsidiaries under control of the Company	17	11
Receivables total		10,353	12,131
Payables	United States Steel Corporation, middle parent company	9,573	10,935
	USS International Services, LLC, Company under common control of U. S. Steel	110	262
	Subsidiaries under control of the Company	497	366
Payables total		10,180	11,563
Loans provided	United States Steel Corporation, middle parent company	43,122	-
Loans provided total		43,122	-

Dividends

The table below shows dividends declared and paid by the Company to U. S. Steel Global Holdings VI B.V. (Note 14):

	2025	2024
Opening balance as of January 1	50,000	90,000
Dividends declared	-	160,000
Dividends paid	(50,000)	(200,000)
Closing balance as of December 31	-	50,000

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Loans with related parties

On December 27, 2024, the Company (Borrower) entered into a USD 200 million Revolving Credit Agreement ("Agreement") with United States Steel Corporation (Lender). Funds are available in either USD or EUR. This Agreement will mature on December 26, 2027. Amounts outstanding under the Agreement shall bear interest at a rate equal to SOFR plus margin 2.50 percent per annum for loans denominated in USD or at a rate equal to EURIBOR plus 4.00 percent per annum for loans denominated in EUR. As of December 31, 2025, the USD 200 million Revolving Credit Agreement was undrawn and fully available.

On May 17, 2023, the Company ("Lender") entered into a EUR 200 million Revolving Credit Agreement ("EUR 200 million Agreement") with United States Steel Corporation ("Borrower"). Funds are available in either USD or EUR. The validity of this Credit Agreement was extended by an Amendment on April 23, 2025, until April 22, 2028. Amounts outstanding under the Agreement shall bear interest at a rate equal to SOFR plus margin 1.80 percent per annum for loans denominated in USD or at a rate equal to EURIBOR plus 2.35 percent per annum for loans denominated in EUR. As of December 31, 2025, the outstanding balance of the loan was EUR 43 million and the interest income was EUR 122 thousand.

On December 11, 2025, the Company ("Lender") entered into a Supplemental Amendment No. 22 with U.S. Steel Košice – SBS, s.r.o. ("Borrower") in the amount of EUR 300 thousand for a fixed period of time, until December 31, 2026. The interest rate for granting the loan is EURIBOR plus an annual margin of 1.7 percent per annum. As of December 31, 2025, the EUR 300 thousand Supplemental Amendment was undrawn and fully available.

In 2024 the Company drew (Note 15) and provided short-term borrowings as a part of the Group's cash pooling strategy.

Lender	Agreed amount	Currency	Interest rate	Date of Maturity	Transaction	2025	2024
U.S. Steel Košice - SBS, s.r.o.	2,700	EUR	1M EURIBOR + 1.7% p.a.	December 18, 2024	Drawings	-	2,092
					Repayments	-	2,156
Borrower	Agreed amount	Currency	Interest rate	Date of Maturity	Transaction	2025	2024
U.S. Steel Košice - SBS, s.r.o.	500	EUR	1M EURIBOR + 1.7% p.a.	December 18, 2024	Drawings	-	877
					Repayments	-	877

All related party transactions were realized on arm's length basis.

Employments of the statutory representatives and key management employees

a) Slovak and foreign statutory representatives of the Company did not receive any cash or non-cash benefits from the Company in 2025 and 2024 that arise from their positions as statutory representatives. In 2025 and 2024 american statutory representatives of the Company were employed and paid based on their employment contracts with USS International Services, LLC and their compensation was included in charges for managerial services provided to the Company.

Salaries and other employee benefits of the Company's key management employees shown in the following table comprise also a compensation of Slovak statutory representatives:

	2025	2024
Wages and salaries	19,718	14,064
Mandatory social and health insurance to all insurance funds	5,698	4,494
Total	25,416	18,558

b) No loans or advance payments were provided to statutory representatives by the Company.

Note 29 Financial Performance Indicators

USSK management believes that EBITDA considered along with the net earnings (loss), Earnings Before Interest and Taxes (EBIT) and Earnings Before Taxes (EBT) are relevant indicators of trends relating to Company's financial performance and cash generating activity. These performance indicators provide management and investors with additional information for comparison of our operating results to the operating results of other companies. These measures are not intended to evaluate the Company's liquidity position.

U. S. Steel Košice, s.r.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are in thousands of EUR if not stated otherwise)

EBITDA is determined from net earnings (loss) as adjusted for income taxes, net interest income (loss), dividend income and significant non-cash items which do not affect cash generating activity. Adjustments include depreciation, amortization, asset impairment charge or reversal and non-cash charges recorded in line with emission allowances accounting policy. Earnings Before Interest and Taxes (EBIT) is a measure of a Company's profitability determined from EBITDA adding back depreciation, amortization and asset impairment charge or reversal. Earnings Before Tax (EBT) is further adjusted adding back net financial income (expense) and dividend income.

The reconciliation of EBITDA, EBIT and EBT is as follows:

	2025	2024
Net loss	(56,364)	(99,608)
Income tax	(17,754)	(25,989)
Interest expense and other financial costs	2,313	2,786
Interest income	(2,289)	(7,317)
Dividend income	(100)	(115)
Depreciation and amortization	118,278	120,764
Non cash portion of CO ₂ emission allowances transactions	527,944	424,393
Amortization of deferred income - CO ₂ emission allowances (Note 19)	(469,453)	(354,732)
EBITDA	102,575	60,182
Depreciation & Amortization	(118,278)	(120,764)
EBIT	(15,703)	(60,582)
Interest expense and other financial costs	(2,313)	(2,786)
Interest income	2,289	7,317
Dividend income	100	115
EBT	(15,627)	(55,936)

Adjusted EBITDA provides additional information by excluding the effects of non-recurring adjusting items or one-off events that can obscure underlying trends, e.g. restructuring and other charges, or income/gains or expenses/losses from any items unusual because of their nature, size or incidence or other nonrecurring items.

The reconciliation of adjusted EBITDA is as follows:

	2025	2024
EBITDA	102,575	60,182
Construction in progress write-off (Note 5, 7)	42,970	-
Costs of paying an extraordinary bonus to USSK employees related to NSC transaction	14,846	-
Costs of eliminating an undesirable event, unscheduled repair	-	14,169
Adjusted EBITDA	160,391	74,351

EBITDA and Adjusted EBITDA amounts are derived from net loss shown on page F-8. The increase in EBITDA and Adjusted EBITDA in 2025 from the prior year primarily resulted from the lower raw material costs, strengthening of the euro versus the U.S. dollar and lower other costs partially offset by lower average realized prices, decreased shipments, lower non-steel sales, higher operating costs and higher energy costs.

Note 30 Events after the Reporting Period

In the 1st quarter 2026, forward agreements to purchase 209 thousand tons EUAs were settled and assigned to USSK account in the amount of EUR 15 million.

After December 31, 2025, no other significant events have occurred that would require recognition or disclosure in the 2025 financial statements.