CURRENT REPORT NO. 15/2026

The Management Board of Stalprodukt S.A. (the "Issuer"), with reference to Current Report No. 3/2026 dated 27 March 2026 concerning the initiation by the European Commission of a safeguard investigation regarding imports into the European Union of certain flat-rolled products of grain-oriented electrical steel ("GOES"), hereby informs that on 18 September 2026 the European Commission published **Commission Implementing Regulation (EU) 2026/2133 of 18 September 2026 imposing a provisional safeguard measure on imports of certain flat-rolled products of grain-oriented electrical steel** (the "Regulation").

The investigation was initiated by the European Commission on 27 March 2026, at the request of three Member States – Germany, France and Poland – pursuant to Article 5 of Regulation (EU) 2015/478 of the European Parliament and of the Council and Article 3 of Regulation (EU) 2015/755 of the European Parliament and of the Council.

The provisional safeguard measures cover:

1. certain flat-rolled products of grain-oriented electrical steel ("GOES"), currently classified under CN codes **7225 11 00** and **7226 11 00**;
2. steel laminations and cores, whether or not stacked or wound, used in transformers and inductors ("SLC"), currently classified under CN code **8504 90 13**, including cores incorporated into certain categories of transformers.

The Regulation enters into force on **25 September 2026**, and the provisional measures introduced thereunder will apply for **155 calendar days, i.e. until 26 February 2027**.

The safeguard mechanism combines **tariff-rate quotas with a price mechanism based on price thresholds**. The tariff-rate quotas are administered on a **"first come, first served"** basis.

For GOES and SLC not incorporated into transformers, the amount of the provisional safeguard duty corresponds to the difference between the applicable price threshold specified in the Regulation and the net price of the product at the Union frontier, before customs duty, where that price is below the applicable threshold. Where the net price at the Union frontier is equal to or higher than the applicable price threshold, no safeguard duty is levied.

For GOES, depending on the applicable TARIC code, the price thresholds are **EUR 2,800, EUR 3,100 or EUR 3,400 per tonne within the tariff-rate quota**, and **EUR 3,500 per tonne outside the quota**.

The **EUR 3,400/t** threshold applies to the highest-grade GOES category, i.e. material with maximum core loss not exceeding **0.7 W/kg**; the **EUR 3,100/t** threshold applies to material with core loss above **0.7 W/kg but not exceeding 0.9 W/kg**; while the **EUR 2,800/t** threshold applies to the remaining GOES categories.

For laminations/shapes, the price threshold is **EUR 4,000 per tonne within the quota and EUR 4,550 per tonne outside the quota**, while for cores the corresponding thresholds are **EUR 5,000 and EUR 5,600 per tonne**, respectively.

Further details in this respect are set out in the annexes to the Regulation.

For GOES, tariff-rate quotas with an aggregate volume of **63,947.61 tonnes** have been established, including:

- **30,693.68 tonnes** for China,

- **23,103.61 tonnes** for Japan,
- **4,789.93 tonnes** for the Republic of Korea,
- **5,360.39 tonnes** for other countries.

For laminations and cores, tariff-rate quotas with an aggregate volume of **23,801.97 tonnes** have been established, including:

- **14,161.55 tonnes** for Türkiye,
- **4,241.07 tonnes** for China,
- **2,704.99 tonnes** for the United Arab Emirates,
- **2,694.36 tonnes** for other countries.

The above quotas have been established for the duration of the provisional measures.

With regard to cores incorporated into transformers, the Regulation provides for a separate mechanism. These products are not subject to tariff-rate quotas, while the provisional safeguard duty amounts to **EUR 1,140 per tonne of the core incorporated into the transformer**. Economic operators are required to declare the weight of the core contained in the transformer.

The Regulation further provides that, where imports subject to the provisional safeguard duty are simultaneously subject to the anti-dumping duties imposed by Commission Implementing Regulation (EU) 2022/58, the anti-dumping duties will not be collected during the period of application of the Regulation, as they are lower than the provisional safeguard duties.

In the course of the investigation, the European Commission established that between **2021 and 2025 total imports of GOES and SLC into the European Union increased from 135,140 tonnes to 297,079 tonnes, i.e. by 120%**.

Imports of GOES increased during that period from **101,617 tonnes to 227,396 tonnes**, while imports of SLC increased from **33,523 tonnes to 69,683 tonnes**. At the same time, consumption of the products concerned by the investigation increased by **32%**, while the Union industry's market share declined from **66% in 2021 to 43% in 2025**.

The European Commission provisionally concluded that Union producers were suffering serious injury and that there was a causal link between the significant increase in imports and the serious injury suffered by the Union industry. In particular, the Commission pointed to declining production and sales, a significant loss of market share, price suppression and a substantial deterioration in profitability.

Between 2021 and 2025, Union industry production declined by **9%**, capacity utilization decreased from **85% to 71%**, and profitability of domestic sales to unrelated customers fell from **8.4% to 3.6%**. The Commission also found that critical circumstances existed requiring immediate action, concluding that any delay in introducing provisional safeguard measures would cause damage which would be difficult to repair.

The introduction of the provisional safeguard measures constitutes a significant event from the perspective of the Issuer's activities in the **Electrical Steel Segment**, as it introduces an additional instrument protecting the Union market for GOES and products resulting from its further processing against the effects of increased imports.

However, as at the date of publication of this report, it is not possible to reliably and precisely determine the impact of the measures introduced on the future operating and financial results of the Issuer and the Stalprodukt Group.

In particular, the introduction of safeguard measures does not imply an automatic or immediate improvement in GOES price levels in the European Union, nor a proportionate increase in the Issuer's sales volumes or margins, due, among other factors, to the specific characteristics of the GOES market, including the long-term nature of commercial relationships and the contracting cycle, which may result in a delay between changes in market conditions and their impact on sales prices and volumes.

The pace and scale of the impact of the new measures will also be affected by the level of inventories of imported products currently available on the European market. Their gradual depletion may delay the impact of the new measures on the availability of imported products, price levels and demand for European production.

The design of the safeguard mechanism, based on differentiated price thresholds and tariff-rate quotas, is also of material importance. The amount of safeguard duty payable depends on the level of the import price relative to the applicable price threshold, while in the case of GOES the thresholds applied within the quotas differ depending on the product grade.

In the Regulation, the European Commission also noted that imports of certain high-quality products, in particular from Japan and the Republic of Korea, already take place at prices which do not differ significantly from the established price thresholds and, in certain cases, exceed them. The structure of the measure is therefore intended to allow imports to continue, particularly with regard to high-quality products, while at the same time restricting imports at prices causing injury to the Union industry.

Consequently, the introduction of the safeguard measures does not automatically result in a reduction in import competition across all segments of the GOES market, and the actual impact of the measure will depend both on the quality and price structure of imports and on the extent and pace of utilization of the individual tariff-rate quotas.

The actual impact of the safeguard measures on the Issuer's market position will depend, in particular, on the pace of utilization of the established tariff-rate quotas, the level of import prices and transaction prices on the European Union market, the quality structure of imported products, the pace at which existing inventories are reduced, the reactions of foreign suppliers and European customers, developments in demand for transformers, as well as the further supply-demand situation on the global and European GOES markets.

The measures introduced are provisional and do not prejudge the final outcome of the safeguard investigation conducted by the European Commission.

In the further course of the investigation, the European Commission will continue to assess the conditions for the application of safeguard measures and the conditions for their possible continuation. As a result, the provisional measures may be replaced by definitive measures, the scope, structure, level and duration of which may differ from the solutions adopted at the provisional stage.

The Issuer's Management Board will monitor the practical functioning of the new measures, in particular the pace of utilization of the tariff-rate quotas, changes in import volumes and prices and developments on the European GOES market, and will continue to actively participate in the further course of the proceedings conducted by the European Commission.

The Issuer will report any subsequent developments related to the proceedings that meet the criteria for inside information in accordance with applicable law.

Legal basis: Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation).