Registered number: 04661575

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

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7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

COMPANY INFORMATION

Directors

H Arnold
L Cerny
C Rovira Caroz

Company secretary

H Arnold

Registered number

04661575

Registered office

Building 58
East Moors Road
Cardiff
CF24 5NN

Independent auditor

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their strategic report for the year ended 31 December 2025.

Business review and financial key performance indicators

Turnover for 2025 was £415.1 million (2024: £461.1 million). The decrease year on year is due to slightly higher volumes sold offset by lower pricing in line with reducing input costs, primarily energy and scrap.

The company's key financial indicator is EBITDA which for 2025 was £11.7 million (2024: £14.7 million). The UK construction market continued to be strained in 2025 with economic growth slowing in the second half of the year reflecting business confidence in response to inflationary pressure and the geopolitical environment. Whilst the UK market continued to be challenging, the company was able to partially compensate by selling in to Europe. EBITDA is shown as an adjusted operating profit measure, excluding depreciation, amortisation, interest and taxation.

Despite the decrease in turnover reported for the year, the directors have undertaken a forward-looking assessment and remain confident in the company's ability to continue operating for the foreseeable future. This assessment reflects the company's strong customer base, ongoing cost-efficiency measures, and the actions being taken to improve profitability. Forecasts prepared by management demonstrate that the company has adequate resources to meet its obligations and continue trading.

The company ended the year with a stable financial position, supported by a solid working capital base and a well-maintained asset structure. Liquidity remained adequate throughout the year, and the company continued to operate with a level of borrowings relative to its scale. Overall, the balance sheet remains consistent with the size and complexity of the business and provides a sound platform for ongoing operation.

On 11 April 2025, 7 Steel (UK) Holdings Limited and all its subsidiaries were sold to Sev.en Steel UK Ltd, a company incorporated in England & Wales. This change has no impact on the financial KPI's.

Principal risks and uncertainties

Market price risk

The company's products are subject to steel price volatility through changing market prices at both selling and purchasing level. It manages this risk through continually monitoring the market and careful analysis of margins. The company also monitors potential political interventions, such as changes to energy-related grants or import tariffs that could indirectly influence input costs or market pricing.

Energy price risk

Energy prices have been higher than historical average prices during the year, but not as high as 2022 prices and similar to those of 2024. As the Steel Producing Sector is an energy intensive industry this has affected European steel producers' costs, with the UK being most affected. The group continually implements projects that focus on operational efficiency with a particular focus on energy consumption projects in light of the increasing energy prices. The introduction of the network charge compensation from the UK government is a positive measure to help reduce UK energy policy costs.

Inflationary pressure

The global economic environment has remained volatile in recent years as inflation risk fully materialised along with other major global crises such as higher energy costs increasing input costs. The company manages price risk in all products by striving to be a low cost producer and passing costs through the supply chain.

Financial risk management objectives and policies

Foreign currency risk

The company's currency risk is controlled by a natural hedge wherever possible and where there is an excess, the company may take out foreign currency contracts accordingly.

Interest rate risk

The company's exposure to interest rate fluctuations relates primarily to the company's asset based lending facility. The company's policy is to manage its interest cost using a variable rate debt. With the high SONIA (Sterling Overnight Index Average) rate albeit decreasing in recent years, the company is focusing on cash optimisation to keep interest costs as low as possible.

Credit risk

The company's policy is to insure its trade debtors and exercise strong credit control procedures.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations, and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at board level and cash payback periods applied as part of the investment appraisal process.

Section 172(1) statement

The directors have continued to comply with the requirements of Section 172 of The Companies Act 2006' in promoting the long term success of the company for the benefit of all stakeholders. The directors consider the key stakeholders of the company to be the parent company and ultimate shareholders, employees, customers, suppliers, industrial partners, financial institutions and the community. The directors manage all its responsibilities, including those matters set out in S172(1) at the 7 Steel (UK) Holdings level. The following describes how the directors have regarded the matters set out in Section 172(1)(a) to (f) for all entities within 7 Steel (UK) Holdings and its subsidiaries ("7 Steel UK")

a. The directors consider the interests of all stakeholders when making key business decisions. The relevance of each stakeholder group may increase or decrease by reference to the subject in question, with the directors seeking to understand the needs and priorities of each group. This, together with the combination of the consideration of long term impacts of decisions and the maintenance of the groups' reputation for high standards of business conduct, is and always will be integral to the way the directors and group operates.

b. The directors support employees, their safety and wellbeing, their commitment and development and encourage employees to be involved in performance improvement projects through team working and other departmental improvement activities. The group is engaged in employee training and development supported by comprehensive internal and external training platforms. 7 Steel UK has retained the gold award for We Invest in Apprentices certification, as part of the Investors in People standard and are the first steel company in the world to receive this award. During 2025, 7 Steel UK employed 43 apprentices, 11 of which secured full time roles within the organisation.

c. The directors value long term partnerships and aim to work collaboratively throughout the supply chain with customers, suppliers and other stakeholders.

Section 172(1) statement (continued)

d. Investing in the local community remains a core commitment for 7 Steel UK. The company actively participates in The Cardiff Commitment, helping young people access STEM-related careers, and maintains strong relationships with local primary and secondary schools. During 2025, 7 Steel UK sponsored Cardiff University Engineering netball team, in addition to supporting them with career advice and support, continuing to build relationships with females in STEM. As part of its commitment to local enterprise and economic growth, 7 Steel UK continues to be a proud sponsor of the Cardiff Business Awards, celebrating and recognising the achievements of businesses that drive innovation and prosperity in the region. 7 Steel UK remained actively engaged in industrial decarbonisation and circular economy initiatives, supporting programmes that advance decarbonisation and circularity across the sector.

e. The directors are responsible for establishing and reviewing the short and long term strategy considering strategic, economic, political and social issues, alongside other regulations and external matters relevant to the group. Through working together with management, the directors support the group in following the long standing Total Quality Management approach of continuous improvement and innovation to ensure the highest standard of business conduct and performance.

f. During board of director meetings, the directors consider stakeholders by reviewing key performance indicators covering Health & Safety including employee training, sustainability & climate risk actions, production and sales volumes and financial indicators. The directors aim to ensure all members and stakeholders of the company are treated fairly.

This report was approved by the board and signed on its behalf.

Firmado por:

Carles Rovira

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C Rovira Caroz

Director

Date: 18-may.-2026

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their report and the financial statements for the year ended 31 December 2025.

Change of name

On 19 May 2025, the Group and its subsidiaries were rebranded to 7 Steel and subsequently the company changed its name from Celsa Steel (UK) Limited to 7 Steel (UK) Limited.

Principal activity

The company's principal activity during the year was the sale of steel products.

Results and dividends

The loss for the year, after taxation, amounted to £0.03 million (2024: profit of £1.73 million).

The directors do not recommend the payment of a dividend (2024: £nil).

Directors

The directors who served during the year were:

H Arnold	
A Fort	(resigned 31 December 2025)
M McKillop	(resigned 31 December 2025)
C Rovira Caroz	
L Cerny	(appointed 11 April 2025)
J Echávarri Lasa	(resigned 27 March 2025)

Qualifying third-party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Environmental matters

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities.

Future developments

The directors aim to maintain the policies of the company with the company continuing to follow the long-standing Total Quality Management approach of continuous improvement and innovation.

The business will continually develop and build long term relationships with its customers to provide low carbon solutions and grow its market share.

The company believes that sustainable development is the key to a better future. We are committed to contribute to the solution of the depletion of natural resources and climate change.

Financial instruments

The company's financial instruments comprise cash at bank and in hand, trade and other receivables, trade and other payables, and borrowings.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered going concern from a group wide perspective (7 Steel (UK) Holdings Limited, "7 Steel UK Group") due to the way the group operates and the structure of the lending facilities. A letter of support has been provided to the company.

The company meets its day to day working capital requirements from the 7 Steel UK Group Asset Based Lending (ABL) facility, a facility committed until June 2028, together with operational cash flows, intercompany loans, and trading balances within the 7 Steel UK Group.

The directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company has access to adequate funds to meet its liabilities as they fall during the period through to December 2027. A letter of support from 7 Steel (UK) Holdings Limited provides additional support through funding or not seeking full repayment from any intercompany loans and trading balances, should it be required.

7 Steel (UK) Holdings Limited has indicated its intention to continue to make available such funds as are required by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Post balance sheet events

There have been no significant events since the year end date up to the date of signing the financial statements.

Political contributions

The company made no political donations or incurred political expenditure during the year.

Engagement with suppliers, customers and others

The directors and the company value long-term partnerships and aim to work collaboratively throughout the supply chain with customers, suppliers and other stakeholders. The company regularly meets with its customers and suppliers reviewing performance KPI's where appropriate.

Greenhouse gas emissions, energy consumption and energy efficiency action

The company is exempt from the UK Streamlined Energy and Carbon Report (SECR) regulations. The performance of the 7 Steel UK Group in respect of these regulations is disclosed in the directors' report in the group of companies' accounts made up to 31 December 2025 of 7 Steel (UK) Holdings Limited.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Firmado por:
Carles Rovira
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C Rovira Caroz
Director

Date: 18-may.-2026

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

Opinion

We have audited the financial statements of 7 Steel (UK) Limited (formerly known as Celsa Steel (UK) Limited) (the "company") for the year ended 31 December 2025 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED) (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud, including the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for directors.
- Considering key performance indicators.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet key performance indicator targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that external sales of goods revenue is overstated through recording revenues in the wrong period.

On this audit we do not believe there is a fraud risk related to internal sales of goods revenue recognition as this is all inter-group and therefore does not drive key performance indicators at group level where they are assessed.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual characteristics compared to the total journal population.
- Assessing a sample of external sales of goods revenue recorded pre-year end to confirm it is recorded in the correct period based on the appropriate revenue recognition criteria.

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and others management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED) (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/ auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED) (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Craig Brooke
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square,
Britannia Quay,
Cardiff,
CF10 4AX

Date: 20-May-2026

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**2025**	2024
		£'000	£'000
Turnover	4	**415,117**	461,104
Change in stocks of finished goods and work in progress		**(1,841)**	769
Raw materials and consumables		**(402,296)**	(445,998)
Other operating and external income/(charges)		**765**	(1,217)
Operating profit	5	**11,745**	14,658
Interest receivable and similar income	8	**2**	–
Interest payable and similar charges	9	**(11,747)**	(11,505)
Amortisation of financing costs	5	**(458)**	(482)
(Loss)/profit before taxation		**(458)**	2,671
Tax on (loss)/profit	10	**432**	(942)
(Loss)/profit for the financial year		**(26)**	1,729

There was no other comprehensive income in 2025 or 2024.

The notes on pages 17 to 26 form part of these financial statements.

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

REGISTERED NUMBER: 04661575

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
Current assets			
Stocks	11	**67,640**	73,569
Debtors	12	**155,086**	110,930
Cash at bank and in hand		**155**	55
		222,881	184,554
Creditors: amounts falling due within one year	13	**(14,672)**	(10,822)
Net current assets		**208,209**	173,732
Total assets less current liabilities		**208,209**	173,732
Creditors: amounts falling due after more than one year	14	**(205,327)**	(170,824)
Net assets		**2,882**	2,908
Capital and reserves			
Called up share capital	15	**1,000**	1,000
Profit and loss account		**1,882**	1,908
Total equity		**2,882**	2,908

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15-May-2026

Firmado por:
Carles Rovira
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C Rovira Caroz
Director

Signed by:
Holly Arnold
9A3D75676589443...

H Arnold
Director

The notes on pages 17 to 26 form part of these financial statements.

7 STEEL (UK) LIMITED (FORMERLY KNOWN AS CELSA STEEL (UK) LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2024	1,000	179	**1,179**
Profit for the financial year	–	1,729	**1,729**
At 31 December 2024 and 1 January 2025	**1,000**	**1,908**	**2,908**
Loss for the financial year	–	(26)	**(26)**
At 31 December 2025	**1,000**	**1,882**	**2,882**

The notes on pages 17 to 26 form part of these financial statements.

1 General information

7 Steel (UK) Limited (formerly known as Celsa Steel (UK) Limited) ('the company') is a private company limited by shares and is incorporated and domiciled in Wales. The address of its registered office is Building 58, East Moors Road, Cardiff, CF24 5NN.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45 and 11.47;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.1(a).

This information is included in the consolidated financial statements of 7 Steel (UK) Holdings Limited as at 31 December 2025 and these financial statements may be obtained from Building 58, East Moors Road, Cardiff, CF24 5NN.

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered going concern from a group wide perspective (7 Steel (UK) Holdings Limited, "7 Steel UK Group") due to the way the group operates and the structure of the lending facilities. A letter of support has been provided to the company.

The company meets its day to day working capital requirements from the 7 Steel UK Group Asset Based Lending (ABL) facility, a facility committed until June 2028, together with operational cash flows, intercompany loans, and trading balances within the 7 Steel UK Group.

2 Accounting policies (continued)

2.3 Going concern (continued)

The directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company has access to adequate funds to meet its liabilities as they fall during the period through to December 2027. A letter of support from 7 Steel (UK) Holdings Limited provides additional support through funding or not seeking full repayment from any intercompany loans and trading balances, should it be required.

7 Steel (UK) Holdings Limited has indicated its intention to continue to make available such funds as are required by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2.4 Foreign currency

i. Functional and presentation currency

The company's functional and presentational currency is GBP.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

2.5 Turnover

Turnover represents the fair value of the consideration receivable for goods and services provided in the normal course of business, net of discounts, rebates and value added tax and is primarily attributable to the manufacture and sale of steel products to both third parties and other group entities.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the customer, the Company has no continuing managerial involvement or effective control over the goods sold, the amount of turnover can be measured reliably and it is probable that the economic benefits will flow to the Company. This is generally when goods are despatched to the customer.

2.6 Interest receivable and similar income

Interest income are recognised in the profit and loss account using the effective interest method. Interest income is recognised as it accrues, using the effective interest rate applicable to the financial asset.

2.7 Interest payable and similar expenses

Finance costs include interest payable on borrowings, unwinding of discounts, and amortisation of transaction costs.

2 Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. Stocks are measured on a weighted average cost basis. Management applies judgement in determining whether a provision is required to reflect any reduction in the carrying value of stock. Finished goods and semi-finished goods include labour and attributable overheads.

2.9 Deferred financing costs

Financing costs incurred on refinancing of the secured loans are deferred and against the offset secured loans. Subsequently these are amortised over the life of the secured loan.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets shall only be offset against deferred tax liabilities when there is a a legally enforceable right to set off current tax assets against current tax liabilities.

2 Accounting policies (continued)

2.11 Financial instruments

(i) Financial assets

Financial assets, including trade and other receivables, amounts due from group companies, cash and bank balances are initially recognised at transaction price less attributable transaction costs.

Where applicable, such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

(ii) Financial liabilities

Financial liabilities, including bank loans and amounts due to fellow group companies are initially recognised at transaction price less attributable transation costs, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting judgements in applying the company's accounting policies:

Certain critical accounting judgements (apart from those involving estimations which are dealt with separately below) in applying the company's accounting policies are described below.

Agent v principal judgement

In determining the appropriate recognition and presentation of revenue, management has exercised judgement in assessing whether the company acts as principal or agent in respect of certain revenue streams, in accordance with Section 23 Revenue of FRS 102.

In making this judgement, management has considered a number of indicators, including (but not limited to):

- whether the company has primary responsibility for fulfilling the contract with the customer;
- whether the company bears inventory, performance, or other commercial risk;
- whether the company has discretion in establishing prices charged to customers; and
- whether the company is exposed to credit risk in relation to amounts receivable from customers.

Based on this assessment, management has concluded that the company acts as principal in these arrangements, as it controls the goods and/or services provided to the customer before transfer, bears the primary responsibility for delivery, and is exposed to the significant risks and rewards associated with the underlying transactions. Accordingly, revenue is recognised on a gross basis, reflecting the total consideration to which the company expects to be entitled.

Source of estimation uncertainty and judgements involving estimations:

The company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notwithstanding this, the company has the below estimates:

4 Turnover

Analysis of turnover by country of destination:

	2025	2024
	£'000	£'000
United Kingdom	**307,524**	371,125
Rest of Europe	**107,593**	89,979
	415,117	461,104

All turnover recognised in the period is generated from the sale of steel products.

5 Operating profit

The operating profit is stated after charging:

	2025	2024
	£'000	£'000
Foreign exchange losses	**705**	1,152
Amortisation of financing costs	**458**	482

Audit fees are borne by another group company, 7 Steel Manufacturing (UK) Limited. The amount attributed to 7 Steel (UK) Limited is £68,000 (2024: £85,000).

Amounts receivable by the company's auditor and its associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, 7 Steel (UK) Holdings Limited.

6 Employee information

The company has no employees other than the directors. Staff costs are borne by another group company, 7 Steel Manufacturing (UK) Limited.

7 Directors' remuneration

The directors of this company have not received any payment from it directly. The holding company of the Group, (7 Steel (UK) Holdings Ltd) have paid the remuneration to all the directors of the Group (Holdings and fellow subsidiaries).

The amount apportioned for the directors giving service to this company add up to £42,169 (2024: £29,237).

8 Interest receivable and similar income

	2025	2024
	£'000	£'000
Bank interest received	**2**	–

9 Interest payable and similar expenses

	2025	2024
	£'000	£'000
Secured loan	**11,747**	11,505

10 Taxation

	2025	2024
	£'000	£'000
Corporation tax		
Current tax on (loss)/profit for the year	–	667
Group relief	**229**	191
Adjustments in respect of prior periods	**(661)**	84
Tax on (loss)/profit on ordinary activities	**(432)**	942

Factors affecting the tax (credit)/charge for the year

The tax assessed for the year is is lower than (2024: higher than) the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025	2024
	£'000	£'000
(Loss)/profit before taxation	**(458)**	2,671
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	**(115)**	668
Effects of:		
Adjustments to tax charge in respect of previous periods	**(317)**	42
Deferred tax not provided	–	232
Total tax (credit)/charge for the year	**(432)**	942

Factors that may affect future tax charges

There has been no change to the corporation tax rates for the financial year ended 31 December 2025. The prevailing rate of UK corporation tax for the year is therefore 25% (2024: 25%).

11 Stocks

	2025	2024
	£'000	£'000
Raw materials and consumables	**3,982**	8,070
Finished goods and semi-finished goods	**63,658**	65,499
	67,640	73,569

Reversal of impairment losses totalling £5.2 million (2024: £14.7 million) were recognised in profit and loss relating primarily to the market value for the stocks.

12 Debtors

	2025	2024
	£'000	£'000
Trade debtors	**38,996**	40,074
Amounts owed by group undertakings	**116,080**	62,160
Amounts owed by associated undertakings	**10**	8,696
	155,086	110,930

Included in the amounts due from group companies is £20 million (2024: £Nil) which is repayable on demand, however the expectation is that these amounts will be repaid in more than one year and have therefore been presented as such. Amounts owed by group undertakings bear interest at SONIA +1% and are expected to be repaid by 30 June 2028.

13 Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Amounts owed to group undertakings	**14,286**	9,682
Corporation tax payable	**–**	661
Other creditors	**386**	479
	14,672	10,822

Amounts owed to group undertakings are non-interest bearing and payable on standard payment terms.

14 Creditors: amounts falling due after more than one year

	2025	2024
	£'000	£'000
Secured loan	**66,747**	72,924
Amounts owed to group undertakings	**118,400**	97,900
Amounts owed to associated undertakings	**20,180**	–
	205,327	170,824

Amounts owed to group undertakings include £6.5 million that is non-interest bearing and repayable on demand, however the expectation is that these amounts will be repaid in more than one year and have therefore been presented as such. The remaining balance bears interest at SONIA +1% and is repayable by 30 June 2028.

Amounts owed to associated undertakings bear interest at SONIA + 4.5% and are repayable by 31 December 2028.

14 Creditors: amounts falling due after more than one year (continued)

The secured loan is part of the 7 Steel UK Group Asset Based Lending (ABL) Facility with a facility limit of £170.0 million, committed until June 2028. Interest is payable at a spread above SONIA per annum and is secured by a fixed charge on trade debtors and inventories.. The main financial covenant linked to the ABL facility is a fixed charge cover ratio and is managed at 7 Steel UK Group level.

In addition an unsecured £40 million revolving credit standby facility has been made available to the 7 Steel UK Group, from the owners Seven Global Investments, of which £20 million has been utilised.

For the duration of the agreed contract maturity periods, provided no event of default occurs, 7 Steel UK Group have an unconditional right to defer the principal repayment of both the secured loan and the utilised portion of the revolving credit standby facility.

15 Called up share capital

	2025	2024
	£'000	£'000
Allotted and fully paid		
1,000,000 (2024: 1,000,000) Ordinary shares of £1 each	**1,000**	1,000

16 Related party transactions

The company has outstanding balances with related parties which are disclosed separately in notes 12, 13 and 14.

The company is exempt from disclosing the nature and information about transactions that have taken place between two or more members of group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, as per paragraph 33.1A of FRS 102.

During the year, the company entered into transactions, in the ordinary course of business, with entities over which the group has joint control or significant influence. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2025	2024
	£'000	£'000
Sales to associated undertakings	**22,599**	15,773
Amounts owed from associated undertakings	**1,870**	1,627

Terms and conditions of transactions

Sales to entities over which the group has joint control or significant influence are made at normal market prices. Outstanding balances with the entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The company has not benefited from any guarantees for receivables. During the year the company has not made any provision for doubtful debts relating to the amount of outstanding balances (2024: £nil).

17 Controlling party

As at 31 December 2025, the immediate parent company is 7 Steel (UK) Holdings Limited a company incorporated in England & Wales. The ultimate parent undertaking and controlling party is the Tilia Foundatia, a foundation domiciled in Vaduz, Principality of Liechtenstein.

As at 31 December 2025, the smallest and largest group in which the results of the company are consolidated is that headed by 7 Steel (UK) Holdings Limited, whose financial statements are available from the Company Secretary, Building 58, East Moors Road, Cardiff, CF24 5NN.

18 Post balance sheet events

There have been no significant events since the year end date up to the date of signing the financial statements.