Registered number: 04577881

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

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

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

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

## COMPANY INFORMATION

**Directors**

H Arnold
L Cerny
C Rovira Caroz

**Company secretary**

H Arnold

**Registered number**

04577881

**Registered office**

Building 58
East Moors Road
Cardiff
CF24 5NN

**Independent auditor**

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

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

## STRATEGIC REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2025

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

**Business review and financial key performance indicators**

Turnover for 2025 was £423.9 million (2024: £471.4 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 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.

The company's key financial indicator is EBITDA which for 2025 was £21.7 million (2024: £14.7 million). The continued higher costs including energy and UK interest rates continued to affect construction confidence and new projects. Key input costs during 2025 remained at higher than usual levels, albeit lower than 2023, and Management have been relatively successful in passing these cost price increases (including scrap & energy) through the supply chain.

The operating profit for the year before taxation and interest amounted to £1.0 million (2024: loss of £11.1 million).

The company has numerous provisions and accruals which require judgement and estimations. These balances are reviewed and updated periodically during the normal course of business, and in accordance with accounting standards. During 2025, following numerous projects exploring potential outlets, the company has re-assessed its level of bi-products on site and any corresponding potentially liability, making an assessment of the quantity that can be recycled and reused in other operations. Based on the latest estimates, the 2025 Profit & Loss has been impacted by a credit of £6 million (2024: £1 million debit) relating to bi-products.

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**

7 Steel Manufacturing (UK) Limited (formerly known as Celsa Manufacturing (UK) Limited)is exposed and affected by factors outside its control. The principal areas of risk are:

*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.

**Principal risks and uncertainties (continued)**

*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.

The company continues to assess all risks, including climate related risks, but does not consider them to be current key principal risks.

**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 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.

**Section 172 statement (continued)**

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.

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
C632D18925EF4DF...

**C Rovira Caroz**

**Director**

Date: 18-may.-2026

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

### Principal activity

The company's principal activity during the year was the manufacture and re-rolling of steel products.

### 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 Manufacturing (UK) Limited to 7 Steel Manufacturing (UK) Limited.

### Results and dividends

The operating profit for the year before taxation and interest amounted to £1.0 million (2024: loss of £11.1 million).

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

### Directors

The directors who served during the year were:

| | |
|---|---|
| H Arnold | |
| C Rovira Caroz | |
| L Cerny | (appointed 11 April 2025) |
| J Echávarri Lasa | (resigned 27 March 2025) |
| A Fort | (resigned 31 December 2025) |
| M McKilop | (resigned 31 December 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 company's activities. The company operates an Environmental Management System that is certified to ISO 14001. In 2025, the Environmental Management System was recertified to ISO 14001, which has now been maintained for the 19th consecutive year.

### Going concern

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

**Going concern (continued)**

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.

**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 company continues to commit resources to the development of new products and processes in order to keep it technologically in the forefront of the marketplace. 7 Steel UK continues to work towards reducing its carbon emissions and continues to invest in multiple energy efficiencies projects.

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. Circular economy is our business, taking waste and returning it as raw material for new products.

**Financial instruments**

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

**Post balance sheet events**

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

**Research and development**

The company continues to invest in research and development activities across its manufacturing operations, seeking appreciable improvements in quality and operational efficiencies.

**Political contributions**

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

**Capital investment**

During 2025 there have been capital investments totalling £15 million. The company continues to invest in capital projects with a focus on automation and energy efficiency, as well as investment relating to its net zero circular pathway. With financial support through UK grant funding competitions the group has invested and will continue to invest in its vertical integration and carbon reduction initiatives.

**Engagement with employees**

During the year employees have been regularly briefed on progress on company and departmental goals and targets, operational and environmental performance, market conditions, and points for action through the company team briefing procedure.

Annual meetings are held between management and employee representatives. Matters concerning the company's performance such as operational, environmental and trading performance, capital investment plans, together with matters of general interest to employees such as company and group policies and procedures, health, safety, wellbeing and environmental issues, and welfare matters.

Employees are also encouraged to be involved in performance improvement projects through team working and other departmental improvement activities.

**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.

**Disabled and protected employees**

The company give full consideration to applications for employment from disabled persons and those with protected characteristics where the requirements of the job can be adequately fulfilled. The company aims to ensure that no job applicant is placed at a disadvantage by practices or requirements which disproportionately disadvantage particular groups and which are not justified by the demand of the job.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion where appropriate. If an employee experiences difficulties at work because of a disability, the company will make adjustments to accommodate where possible and reasonable.

**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 can be found in the directors' report of the 7 Steel (UK) Holdings Limited financial statements.

**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
C632D18925EF4DF...

**C Rovira Caroz**
**Director**

Date: 18-may.-2026

# 7 STEEL MANUFACTURING (UK) LIMITED (FORMERLY KNOWN AS CELSA MANUFACTURING (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.

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

**Opinion**

We have audited the financial statements of 7 Steel Manufacturing (UK) Limited (formerly known as Celsa Manufacturing (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 MANUFACTURING (UK) LIMITED (FORMERLY KNOWN AS CELSA MANUFACTURING (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 management, and 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 recharge 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.

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

**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, taxation legislation, and pension 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: health and safety, data protection laws and employment law 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 MANUFACTURING (UK) LIMITED (FORMERLY KNOWN AS CELSA MANUFACTURING (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 9, 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 MANUFACTURING (UK) LIMITED (FORMERLY KNOWN AS CELSA MANUFACTURING (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:

CBrooke

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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 MANUFACTURING (UK) LIMITED (FORMERLY KNOWN AS CELSA MANUFACTURING (UK) LIMITED)

## PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31 DECEMBER 2025

| | Note | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| **Turnover** | 4 | **423,941** | 471,380 |
| Change in stocks of finished goods and work in progress | | **4,310** | 5,752 |
| Raw materials and consumables | | **(300,639)** | (362,852) |
| Other operating and external charges | | **(64,275)** | (65,083) |
| Staff costs | 6 | **(41,605)** | (39,744) |
| Depreciation | 11 | **(20,723)** | (20,520) |
| **Operating profit/(loss)** | 5 | **1,009** | (11,067) |
| Loss on disposal of fixed assets | | **(556)** | (373) |
| Interest receivable and similar income | 9 | **18** | 28 |
| Interest payable and similar expenses | 8 | **(3,558)** | (3,786) |
| Amortisation of financing costs | 16 | **(897)** | (687) |
| **Loss before taxation** | | **(3,984)** | (15,885) |
| Tax on loss | 10 | **436** | 747 |
| **Loss for the financial year** | | **(3,548)** | (15,138) |

There was no other comprehensive income recognised in 2025 or 2024.

The notes on pages 18 to 33 form part of these financial statements.

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

## REGISTERED NUMBER: 04577881

## BALANCE SHEET

## AS AT 31 DECEMBER 2025

| | Note | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 11 | **152,240** | 158,717 |
| | | **152,240** | 158,717 |
| **Current assets** | | | |
| Stocks | 12 | **27,623** | 23,313 |
| Debtors | 13 | **79,400** | 70,166 |
| Cash at bank and in hand | | **5,623** | 14,568 |
| | | **112,646** | 108,047 |
| Creditors: amounts falling due within one year | 14 | **(204,099)** | (179,496) |
| Provisions: amounts falling due within one year | 18 | **(3,869)** | (13,745) |
| **Net current liabilities** | | **(95,322)** | (85,194) |
| **Total assets less current liabilities** | | **56,918** | 73,523 |
| Creditors: amounts falling due after more than one year | 15 | **(69,763)** | (82,821) |
| Deferred tax liability | 19 | **(2,356)** | (3,123) |
| **Net liabilities** | | **(15,201)** | (12,421) |
| **Capital and reserves** | | | |
| Called up share capital | 20 | **66,135** | 66,135 |
| Revaluation reserve | | **11,774** | 14,076 |
| Profit and loss account | | **(93,110)** | (92,632) |
| **Total equity** | | **(15,201)** | (12,421) |

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
C632D18925EF4DF...

**C Rovira Caroz**
Director

Signed by:
Holly Arnold
9A3D75676589443...

**H Arnold**
Director

The notes on pages 18 to 33 form part of these financial statements.

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

## STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2025

| | Called up share capital | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **At 1 January 2024** | **66,135** | **16,382** | **(80,567)** | **1,950** |
| Loss for the financial year | – | – | (15,138) | **(15,138)** |
| Transfer in respect of depreciation on revalued tangible assets | – | (3,073) | 3,073 | – |
| Transfer of deferred tax from revaluation reserve | – | 767 | – | **767** |
| **At 31 December 2024 and 1 January 2025** | **66,135** | **14,076** | **(92,632)** | **(12,421)** |
| Loss for the financial year | – | – | (3,548) | **(3,548)** |
| Transfer in respect of depreciation on revalued tangible assets | – | (3,070) | 3,070 | – |
| Transfer of deferred tax from revaluation reserve | – | 768 | – | **768** |
| **At 31 December 2025** | **66,135** | **11,774** | **(93,110)** | **(15,201)** |

The notes on pages 18 to 33 form part of these financial statements.

## 1 General information

7 Steel Manufacturing (UK) Limited (formerly known as Celsa Manufacturing (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

The financial statements have been prepared on a going concern basis 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 translation

***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.

Products are sometimes sold with volume discounts. Turnover is recorded based on the price specified in the sales contracts, net of estimated volume discounts. Customer rebate agreements are used to estimate and provide for the discounts. The volume discounts are assessed based on anticipated annual purchases.

The company holds a credit note provision for customer returns which is included within turnover. Customer correspondence, index movements and credit notes issued in the following accounting period are used to calculate the provision.

**2 Accounting policies (continued)**

**2.6 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.8 Government grants**

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised as other income or as a reduction of the expenditure in the profit and loss account in the same period as the related expenditure.

**2.9 Interest receivable and similar income**

Other interest receivable and similar income include interest receivable on intercompany loans. Interest income is recognised in the profit or loss as it accrues, using the effective interest method.

**2.10 Interest payable and similar expenses**

Interest payable and similar expenses include borrowings, unwinding of discounts and amortisation of transaction costs and are recognised in the profit and loss as they accrue.

**2.11 Taxation**

The tax expense for the year comprises current and deferred tax. 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.

### 2 Accounting policies (continued)

### 2.11 Taxation (continued)

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.

### 2.12 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

| | | |
|---|---|---|
| Freehold property | – | 3 to 50 years |
| Plant and machinery | – | 3 to 30 years |
| Fixtures and fittings | – | 3 to 10 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets in the course of construction are not depreciated until the project is completed and the assets are commissioned.

## 2 Accounting policies (continued)

### 2.13 Revaluation of tangible assets

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The decrease of an asset's carrying amount as a result of a revaluation shall be recognised in equity to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

### 2.14 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.

### 2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

### 2.16 Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they fall due.

### 2.17 Capitalised finance cost

Interest occurring on borrowings to finance specific capital projects is capitalised, gross of tax related credits until completion of the project. It also includes any accrued interest in addition to the cash paid interest on the borrowings.

### 2.18 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 Accounting policies (continued)**

**2.19 Financial instruments**

(i) Financial assets

Financial assets, including trade and other receivables, amounts due from group companies, cash and bank balances are initially recognised a 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 transaction 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.

**3 Critical accounting judgements and estimation uncertainty (continued)**

**Critical accounting judgements in applying the company's accounting policies: (continued)**

**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:

***Impairment of stocks***

An estimate for impairment of stock is calculated based on an independent third-party value for the inventory, less management's estimate of costs to sell.

***Provisions***

Provisions are calculated using management's best estimate of the probable future obligation, based on historical and observable internal or external information available.

The company has numerous provisions and accruals which require judgement and estimations. These balances are reviewed and updated periodically during the normal course of business, and in accordance with accounting standards. During 2025, following numerous projects exploring potential outlets, the company has re-assessed its level of bi-products on site and any corresponding potentially liability, making an assessment of the quantity that can be recycled and reused in other operations. Based on the latest estimates, the 2025 Profit & Loss has been impacted by a credit of £6 million (2024: £1 million credit) relating to bi-products.

## 4 Turnover

Analysis of turnover by country of destination:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| United Kingdom | **421,349** | 471,302 |
| Rest of Europe | **2,592** | 78 |
| | **423,941** | 471,380 |

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

## 5 Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Auditor's remuneration | **109** | 136 |
| Amortisation of government grants (see note 17) | **(1,323)** | (837) |
| Amortisation of financing costs | **897** | 687 |
| Operating lease rentals - land and buildings | **536** | 536 |
| Operating lease rentals - plant and machinery | **2,706** | 2,500 |
| Exchange losses/(gains) | **583** | (895) |
| Depreciation of tangible assets | **20,723** | 20,520 |

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 Employees

Staff costs were as follows:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Wages and salaries | **36,160** | 35,195 |
| Social security costs | **3,931** | 3,211 |
| Other pension costs | **1,514** | 1,338 |
| | **41,605** | 39,744 |

## 6 Employees (continued)

The average monthly number of employees, during the year was as follows:

| | **2025** | 2024 |
|---|---|---|
| | **No.** | No. |
| Administration | **122** | 130 |
| Manufacturing | **672** | 707 |
| | **794** | 837 |

## 7 Directors' remuneration

Director remuneration paid by the company add up to £522,470 (2024: £251,867). The holding company of the Group, (7 Steel (UK) Holdings Ltd) have paid remuneration to all the directors of the Group (Holdings and fellow subsidiaries). Payments made into directors' pension funds by the company add up to £70,788 (2024: £30,214). The highest paid director received £333,986 (2024: £229,830) and payments made into the directors' pension funds for the highest director were nil (2024: nil).

The amount apportioned for the directors giving service to this company add up to £278,317 (2024: £192,649). Payments made into directors' pension funds by the company add up to £70,788 (2024: £30,214).

## 8 Interest payable and similar expenses

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Secured loans | **3,558** | 3,786 |

## 9 Interest receivable and similar income

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Other finance income | **18** | 28 |

## 10 Taxation

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| **Current tax** | | |
| UK corporation tax on loss for the year | **–** | (555) |
| Adjustments in respect of previous years | **555** | (369) |
| Group tax relief | **(366)** | (1,547) |
| **Total current tax charge/(credit)** | **189** | (2,471) |
| **Deferred tax** | | |
| Deferred tax charge for the year | **286** | 3,654 |
| Adjustments in respect of previous years | **(911)** | (1,930) |
| **Deferred tax (credit)/charge** | **(625)** | 1,724 |
| **Tax credit on loss on ordinary activities** | **(436)** | (747) |

## 10 Taxation

### Factors affecting the tax credit for the year

The tax assessed for the year is higher 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 before taxation | **(3,984)** | (15,885) |
| | | |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%) | **(996)** | (3,971) |
| ***Effects of:*** | | |
| Expenses not deductible for tax purposes | **2** | 935 |
| Depreciation on assets ineligible for capital allowances | **911** | 959 |
| Deferred tax not recognised | **–** | 3,283 |
| Adjustments to tax charge in respect of prior periods | **(792)** | (2,565) |
| Non-taxable income | **(450)** | – |
| Other short term timing differences | **120** | (155) |
| Deferred tax credited directly to equity | **769** | 767 |
| **Total tax credit for the year** | **(436)** | (747) |

### 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 Tangible assets

| | Freehold buildings | Plant and machinery | Fixtures and fittings | Assets in course of construction | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Cost** | | | | | |
| At 1 January 2025 | **33,755** | **292,234** | **496** | **24,197** | **350,682** |
| Additions | **255** | **11,443** | **–** | **3,101** | **14,799** |
| Disposals | **–** | **(565)** | **–** | **–** | **(565)** |
| Transfers | **–** | **18,498** | **–** | **(18,498)** | **–** |
| **At 31 December 2025** | **34,010** | **321,610** | **496** | **8,800** | **364,916** |
| **Accumulated depreciation** | | | | | |
| At 1 January 2025 | **13,512** | **177,958** | **495** | **–** | **191,965** |
| Charge for the year | **1,299** | **19,423** | **1** | **–** | **20,723** |
| Disposals | **–** | **(12)** | **–** | **–** | **(12)** |
| **At 31 December 2025** | **14,811** | **197,369** | **496** | **–** | **212,676** |
| **Net book value** | | | | | |
| **At 31 December 2025** | **19,199** | **124,241** | **–** | **8,800** | **152,240** |
| At 31 December 2024 | 20,243 | 114,276 | 1 | 24,197 | 158,717 |

The net book value of tangible fixed assets above includes £1.5 million (2024: £1.7 million) in respect of capitalised finance costs.

The company applied the transitional arrangements of Section 35 of FRS 102 and the fair value valuation as the deemed cost for freehold buildings and plant and machinery. The items are being depreciated from the transition date. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings.

Plant, machinery and buildings were independently revalued on the basis of open market value and by Intervalor Consultancy Group S.A. in December 2015, which was the date of the last full valuation.

Analysis of the land and buildings and plant & machinery valued at the date of transition to FRS 102 using the deemed cost exemption:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Historical net book value equivalent | **134,012** | 143,559 |
| Revaluation | **18,228** | 15,158 |
| **Net book value** | **152,240** | 158,717 |

### 12 Stocks

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Raw materials and consumables | **27,623** | 23,313 |

Inventory has been impaired by £2.3 million at 31 December 2025 (2024: £0.4 million). The impairment losses are recognised in the profit and loss and relate primarily to the market value for the stocks.

### 13 Debtors

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| ***Due after more than one year*** | | |
| Deferred tax asset (note 19) | **11,934** | 11,308 |
| **Due within one year** | | |
| Trade debtors | **768** | 872 |
| Amounts owed by group undertakings | **50,081** | 42,538 |
| Amounts owed by associated undertakings | **–** | 1,856 |
| VAT recoverable | **2,188** | 2,047 |
| Corporation tax debtor | **–** | 555 |
| Prepayments and accrued income | **14,429** | 10,990 |
| | **79,400** | 70,166 |

Amounts owed by group undertakings and associated undertakings are non-interest bearing and payable on standard terms.

Deferred tax asset is £11.9 million (2024: £11.3 million). The expectation is that these amounts will be repaid in more than one year and have therefore been presented as such.

### 14 Creditors: amounts falling due within one year

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Secured loans (note 16) | **2,612** | 3,500 |
| Trade creditors | **111,789** | 122,669 |
| Amounts owed to group undertakings | **85,982** | 36,230 |
| Amounts owed to associated undertakings | **37** | 15,117 |
| Other taxes and social security | **1,004** | 847 |
| Other creditors | **650** | 210 |
| Deferred income | **1,067** | 920 |
| Accruals | **958** | 3 |
| | **204,099** | 179,496 |

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

### 15 Creditors: amounts falling due after more than one year

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Secured loans (note 16) | **7,853** | 21,112 |
| Amounts owed to group undertakings | **54,423** | 44,423 |
| Amounts owed to associated undertakings | **–** | 9,053 |
| Deferred income | **7,487** | 8,233 |
| | **69,763** | 82,821 |

Amounts owed to group undertakings bear interest at SONIA +1 % and are repayable by 30 June 2028.

### 16 Secured loans

Analysis of the maturity of loans is given below:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Within one year | **2,612** | 3,500 |
| In two to five years | **15,007** | 23,600 |
| | **17,619** | 27,100 |
| Less: deferred financing costs | **(7,154)** | (2,488) |
| | **10,465** | 24,612 |

The secured loans relate to the 7 Steel UK Group Term Loan facility which is repayable by instalments until June 2028. Interest is charged at a spread above SONIA per annum. The main financial covenants linked to the 7 Steel UK Group term loan facility are debt leverage and interest coverage and is managed at 7 Steel UK Group level.

In September 2025 the Term Loan facility was amended at a lower quantum of £17.6 million with the same term, interest payable, fixed charges and covenants.

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

Deferred financing costs in relation to the secured loans are amortised over the life of the secured loan and recognised in the profit and loss account. There is an amount of £0.9 million recognised in 2025 (2024: £0.7 million).

## 17 Deferred income

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| **Government grants** | | |
| At 1 January | **9,153** | 8,363 |
| Amounts received during the year | **724** | 1,627 |
| Amounts recognised in profit and loss account | **(1,323)** | (837) |
| | **8,554** | 9,153 |

Deferred income relates to government grants which are released in line with the associated depreciation expense.

## 18 Provisions

| | **Environmental** | **Energy** | **Other** | **Total** |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| At 1 January 2025 | **9,616** | **813** | **3,316** | **13,745** |
| Amounts utilised | **(1,771)** | **–** | **(3,204)** | **(4,975)** |
| Decrease to provisions | **(6,140)** | **(739)** | **(111)** | **(6,990)** |
| Provisions made during the year | **213** | **–** | **1,876** | **2,089** |
| **At 31 December 2025** | **1,918** | **74** | **1,877** | **3,869** |

The environmental provision relates to the estimated costs of disposing of biproducts generated from steel production. The provision has decreased substantially in the year following the identification of alternative outlets, reducing the expected cost of disposal.

The energy provision relates to potential charges linked to electricity transmission triad exposure.

Other provisions relate to obligations where the amounts remain uncertain. They include supplier-related matters, support department costs and workforce-related items.

## 19 Deferred taxation

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| At beginning of the year | **8,185** | 9,142 |
| Charged to profit and loss account (note 10) | **625** | (1,724) |
| Credited to other comprehensive income | **768** | 767 |
| At end of the year | **9,578** | 8,185 |

## 19 Deferred taxation (continued)

The deferred tax balance is made up as follows:

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| Capital allowances in advance of depreciation | **(15,843)** | (17,671) |
| Unutilised tax losses | **27,748** | 28,929 |
| Other timing differences | **29** | 51 |
| Revaluation of assets | **(2,356)** | (3,124) |
| | **9,578** | 8,185 |

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| Deferred tax asset | **11,934** | 11,308 |
| Deferred tax liability | **(2,356)** | (3,123) |
| | **9,578** | 8,185 |

The company has an unrecognised gross tax losses of £28.1 million (2024: £nil). These tax losses have not been recognised as the timing of future taxable profits against which they may be utilised remains uncertain.

## 20 Called up share capital

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| **Allotted, called up and fully paid** | | |
| 66,134,704 (2024: 66,134,704) Ordinary shares of £1 each | **66,135** | 66,135 |

## 21 Pension committments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There are £0.1 million of unpaid contributions outstanding at 31 December 2025 (2024: £0.2 million).

## 22 Commitments under operating leases

At 31 December 2025, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| Not later than 1 year | **3,537** | 2,977 |
| Later than 1 year and not later than 5 years | **4,875** | 5,054 |
| Later than 5 years | **809** | 965 |
| | **9,221** | 8,996 |

### 23 Non-GAAP financial measure

Earnings before interest, taxes, depreciation, and amortisation (EBITDA), as disclosed in the strategic report is a non-GAAP financial measure. EBITDA is the operating profit/(loss) adjusted by depreciation and amortisation, as summarised in the following reconciliation:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Operating profit/(loss) | **1,009** | (11,067) |
| Depreciation | **20,723** | 20,520 |
| **EBITDA** | **21,732** | 9,453 |

### 24 Related party transactions

The company has outstanding balances with related parties which are disclosed separately in notes 13, 14 and 15.

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.

**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).

### 25 Controlling party

As at 31 December 2025, the immediate parent undertaking is 7 Steel (UK) Holdings Limited (formerly knows as Celsa (UK) Holdings Limited) ,a company incorporated in England & Wales. The ultimate parent undertaking and controlling party is Tilia Foundation, 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 (formerly knows as Celsa (UK) Holdings Limited), whose financial statements are available from the Company Building 58, East Moors Road, Cardiff, CF24 5NN.

### 26 Post balance sheet events

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