

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 2024**

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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
A Fort
M McKillop
C Rovira Caroz

Company secretary

H Arnold

Registered number

04661575

Registered office

Building 58
East Moors Road
Cardiff
CF24 5NN

Independent auditor

Ernst & Young LLP
Statutory Auditor
The Paragon
Countership
Bristol
BS1 6BX

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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their strategic report for the year ended 31 December 2024.

Business review and financial key performance indicators

The company's key financial indicator is turnover which was £461 million (2023: £500 million). The decrease year on year is due to slightly higher volumes offset by lower pricing driven by reducing input costs, primarily energy and scrap.

Principal risks and uncertainties

Market price risk

The company's products are subject to changing market prices at both selling and purchasing level. It manages this risk by striving to be a low cost producer. The company continually monitors commodity markets to minimise the impact of any future volatility of all input costs.

Energy price risk

Energy prices have been higher than historical average prices during the year, but not as high as 2022 prices. 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.

Inflationary pressure

The global economic environment has deteriorated significantly in recent years as inflation risk fully materialised along with other major global crises. 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 and group's policy is to manage its cost of borrowing using a mix of debt types. With the high SONIA (Sterling Overnight Index Average) rate, 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.

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

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 the 7 Steel UK Group:

- 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 2024, 7 Steel employed 54 apprentices (7 of which completed their apprenticeships during the year).
- 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. In 2024, 7 Steel UK employees selected Velindre as the Charity of the Year, continuing efforts to support meaningful local causes. Through the 7 Steel in the Community initiative, the company donated £9,403 via its community sponsorship plan, providing funding to local female football teams, internal teams and sporting activities, as well as supporting Splott Community Volunteers local food bank. Looking ahead to 2025, 7 Steel UK aims to increase this support to £15,000. As part of its commitment to local enterprise and economic growth, 7 Steel UK was 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. The company is a member of Net Zero Industry Wales (NZIW) and South Wales Industrial Cluster (SWIC), 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. During 2024, 7 Steel UK was the winner of the Make UK Regional Energy & Sustainability Award, for its Biodiversity project around the Tremorfa site Melt Shop.
- 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.

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

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

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

A handwritten signature in black ink, appearing to be 'C Rovira Caroz', written over a horizontal line.

C Rovira Caroz
Director

Date: 22 September 2025

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £1,729 thousand (2023: loss of £41 thousand).

The directors do not recommend the payment of a dividend (2023: £nil).

Directors

The directors who served during the year were:

H Arnold

A Fort

M McKillop

C Rovira Caroz

L Cerny (appointed 11 April 2025)

L Sanz Villares (resigned 2 April 2024)

J Echávarri Lasa (appointed 5 June 2024 and 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.

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Going concern

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company and group can continue in operational existence for the period of at least 12 months and have considered through to the period ending December 2026.

In September 2025, the 7 Steel UK Group (7 Steel (UK) Holdings Limited) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until June 2028. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level. Both the 'base case' forecast, and 'downside' scenarios prepared as part of the going concern analysis demonstrate compliance with all debt and covenant requirements.

The directors have considered the change in the ultimate shareholders of the 7 Steel UK Group as disclosed in note 16 to the financial statements. The 7 Steel UK group financial facility agreements restrict cash being extracted from the 7 Steel UK group, with any dividend payment requiring the approval of its UK lenders. In addition, the UK group is not dependent on guarantees from its parent but does have a revolving credit facility in place.

Having undertaken this review, the directors are of the opinion that the company and the 7 Steel UK Group have access to adequate resources to continue in operational existence for the period of at least 12 months and considered through to the period ending December 2026. The company benefits from a letter of support from 7 Steel (UK) Holdings Limited being provided from the date of signing the financial statements through to December 2026. Accordingly, they continue to adopt the going concern basis in preparing the annual report.

Post balance sheet events

On 11 April 2025, 7 Steel (UK) Holdings Limited and all its subsidiaries were sold to Seven Steel UK Ltd, a company incorporated in England & Wales. As a result of this transaction, Seven Steel UK Ltd now owns 100% of the shares and controlling interest in 7 Steel (UK) Holdings Ltd. The effective date of the change in ownership is 11 April 2025.

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

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.

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 2024 of 7 Steel (UK) Holdings Limited.

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

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, Ernst & Young LLP, will not be reappointed in 2025 in accordance with section 485 of the Companies Act 2006, the new auditor will be KPMG LLP.

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



C Rovira Caroz

Director

Date: **22 September 2025**

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

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of 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 (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 2024 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the company has to comply with operational and employment laws and regulations, including health & safety, and general data protection regulation (GDPR).
- We understood how the company is complying with those frameworks by making enquiries with management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities of fraudulent transactions. We corroborated our enquiries through the review of the following documentation or completion of the following procedures:
 - Review of all minutes of board meeting held during the year and through to the most recent meeting held prior to the approval of these financial statements
 - Reviewed accounting policies and completed a disclosure checklist to ensure compliance with FRS 102 and Company Law requirements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and enquiry of management. Through these procedures we determined there to be a risk of management override and a fraud risk in relation to revenue recognition.
 - In performing our work over revenue, we considered there to be specific risks relating to the cut off of transactions and manual journals around period end. We used data analytics to test cut-off and used a lower testing threshold to test manual journals posted around the period-end. We also used data analytics to analyse 100% of the revenue transactions recorded in the year, testing the correlation between revenue, trade receivables and cash.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of key management, reviewing key policies, and reading Board meeting minutes. We also completed procedures to conclude on the compliance of significant disclosures in the financial statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Eleri James (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol, UK

Date: 23 September 2025

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

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Turnover	4	461,104	499,791
Change in stocks of finished goods and work in progress		769	11,461
Raw materials and consumables		(445,998)	(501,646)
Other operating and external charges		(1,217)	(850)
Operating profit	5	14,658	8,756
Interest payable and similar charges	8	(11,505)	(8,142)
Amortisation of financing costs	13	(482)	(976)
Profit/(loss) before taxation		2,671	(362)
Tax on profit/(loss)	9	(942)	321
Profit/(loss) for the financial year		1,729	(41)

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

The notes on pages 16 to 24 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 2024

	Note	2024 £'000	2023 £'000
Current assets			
Stocks	10	73,569	68,860
Debtors	11	110,930	107,888
Cash at bank and in hand		55	1,233
		184,554	177,981
Creditors: amounts falling due within one year	12	(10,822)	(9,345)
Net current assets		173,732	168,636
Total assets less current liabilities		173,732	168,636
Creditors: amounts falling due after more than one year	13	(170,824)	(167,457)
Net assets		2,908	1,179
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account		1,908	179
Total equity		2,908	1,179

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2025.



C Rovira Caroz
Director



H Arnold
Director



A Fort
Director



M McKillop
Director

The notes on pages 16 to 24 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 2024

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2023	1,000	220	1,220
Loss for the financial year	–	(41)	(41)
At 31 December 2023 and 1 January 2024	1,000	179	1,179
Profit for the financial year	–	1,729	1,729
At 31 December 2024	1,000	1,908	2,908

The notes on pages 16 to 24 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 2024 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. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company and group can continue in operational existence for the period of at least 12 months and have considered through to the period ending December 2026.

In September 2025, the 7 Steel UK Group (7 Steel (UK) Holdings Limited) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until June 2028. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level. Both the 'base case' forecast, and 'downside' scenarios prepared as part of the going concern analysis demonstrate compliance with all debt and covenant requirements.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.3 Going concern (continued)

The directors have considered the change in the ultimate shareholders of the 7 Steel UK Group as disclosed in note 16 to the financial statements. The 7 Steel UK group financial facility agreements restrict cash being extracted from the 7 Steel UK group, with any dividend payment requiring the approval of its UK lenders. In addition, the UK group is not dependent on guarantees from its parent but does have a revolving credit facility in place.

Having undertaken this review, the directors are of the opinion that the company and the 7 Steel UK Group have access to adequate resources to continue in operational existence for the period of at least 12 months and considered through to the period ending December 2026. The company benefits from a letter of support from 7 Steel (UK) Holdings Limited being provided from the date of signing the financial statements through to December 2026. Accordingly, they continue to adopt the going concern basis in preparing the annual report.

2.4 Foreign currency

i. Functional and presentation currency

The company's functional and presentational currency is the 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, which is stated net of value added tax, represents amounts invoiced to third parties and group companies and is attributable to the manufacture and re-rolling of steel products. Turnover is recognised upon shipment.

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.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.7 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.

2.8 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 legally enforceable right to set off current tax assets against current tax liabilities.

2.9 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.9 Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities, including bank loans and amounts due to fellow group companies are initially recognised at transaction price, 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 about the carrying amounts of assets and liabilities that are experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

There are no critical accounting judgements.

Key sources of estimation uncertainty

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.

Impairment of trade debtors

A bad debt estimate for trade debtors is calculated using an ageing methodology of the uninsured amount.

4 Turnover

Analysis of turnover by country of destination:

	2024 £'000	2023 £'000
United Kingdom	371,125	397,461
Rest of Europe	89,979	102,330
	461,104	499,791

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Operating profit

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

	2024	2023
	£'000	£'000
Foreign exchange gains/(losses)	1,152	(667)
Amortisation of financing costs	482	976

Audit fees are borne by another group company, 7 Steel Manufacturing (UK) Limited. The amount attributed to 7 Steel (UK) Limited is £85 thousand (2023: £85 thousand).

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 £29,237 (2023: £24,254).

8 Interest payable and similar expenses

	2024	2023
	£'000	£'000
Secured loan	11,505	8,142

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Taxation

	2024 £'000	2023 £'000
Corporation tax		
Current tax on profit/(loss) for the year	667	(84)
Group relief	191	(237)
Adjustments in respect of prior periods	84	–
Tax on profit/(loss) on ordinary activities	942	(321)

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

The tax assessed for the year is higher than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 23.52%). The differences are explained below:

	2024 £'000	2023 £'000
Profit/(loss) before taxation	2,671	(362)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 25% (2023: 23.52%)	668	(85)
Effects of:		
Expenses not deductible for tax purposes	–	43
Adjustments to tax charge in respect of previous periods	42	(279)
Deferred tax not provided	232	–
Total tax charge/(credit) for the year	942	(321)

Factors that may affect future tax charges

Changes to UK Corporation Tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. There has been no change to the corporation tax rates for the financial year ended 31 December 2024. The prevailing rate of UK corporation tax for the year is therefore 25% (2023: 23.52%).

10 Stocks

	2024 £'000	2023 £'000
Raw materials and consumables	8,070	4,130
Finished goods and semi-finished goods	65,499	64,730
	73,569	68,860

Reversal of impairment losses totalling £14,688 thousand (2023: impairment losses of £4,077 thousand) were recognised in profit and loss relating primarily to the market value for the stocks.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Debtors

	2024 £'000	2023 £'000
Trade debtors	40,074	57,763
Amounts owed by group undertakings	62,160	38,978
Amounts owed by associated undertakings	8,696	11,057
Corporation tax debtor	–	90
	110,930	107,888

12 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts owed to group undertakings	9,682	8,692
Corporation tax payable	661	–
Other creditors	479	653
	10,822	9,345

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

13 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Secured loan	72,924	89,557
Amounts owed to group undertakings	97,900	77,900
	170,824	167,457

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

The secured loan is part of the 7 Steel UK Group Asset Based Lending (ABL) Facility with a facility limit of £200 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, inventories, real estate and plant and equipment. 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 September 2025 the ABL facility was amended with a revised facility limit of £170 million with the same term, interest payable, fixed charges and covenants.

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

Deferred financing costs in relation to the ABL Facility secured loan are amortised over the life of the secured loan and recognised in the profit and loss account. There is an amount of £482 thousand recognised in 2024 (2023: £976 thousand).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Called up share capital

	2024 £'000	2023 £'000
Allotted and fully paid		
1,000,000 (2023: 1,000,000) Ordinary shares of £1 each	1,000	1,000

15 Related party transactions

The company has outstanding balances with related parties which are disclosed separately in notes 11, 12 and 13.

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:

	2024 £'000	2023 £'000
Sales to related parties	15,773	21,870
Amounts owed from related parties	1,627	3,745

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 (2023: nil).

16 Controlling party

As at 31 December 2024, the immediate parent company is 7 Steel (UK) Holdings Limited (formerly known as Celsa (UK) Holdings Limited) a company incorporated in England & Wales. The ultimate parent undertaking and controlling party is Celsa Steel S.A (formerly known as Inversiones Pico Esapadas S.A.), which is a company incorporated in Spain.

As at 31 December 2024, the smallest and largest group in which the results of the company are consolidated is that headed by 7 Steel (UK) Holdings Limited (formerly known as Celsa (UK) Holdings Limited), whose financial statements are available from the Company Secretary, Building 58, East Moors Road, Cardiff, CF24 5NN.

Following the sale of the company on 11 April 2025, the ultimate parent undertaking and controlling party will be the Tilia Fundatia, a foundation domiciled in Vaduz, Principality of Liechtenstein. The immediate parent undertaking remains unchanged as 7 Steel (UK) Holdings Limited (formerly known as Celsa (UK) Holdings Limited).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Post balance sheet events

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. As a result of this transaction, Sev.en Steel UK Ltd now owns 100% of the shares and controlling interest in 7 Steel (UK) Holdings Ltd. The effective date of the change in ownership is 11 April 2025.

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