

Registered number: 04578086

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

COMPANY INFORMATION

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H Arnold
L Cerny
A Fort
M L McKillop
C Rovira Caroz

Secretary

H Arnold

Registered number

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Registered office

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

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the group strategic report and financial statements for 7 Steel UK (Holdings) Limited (formerly known as Celsa UK (Holdings) Limited) (the "company") and its subsidiaries (the "group") for the year ended 31 December 2024.

Business review and financial key performance indicators

7 Steel (UK) Holdings (7 Steel UK', 'Group') is the largest recycler and manufacturer of steel reinforcement in the UK, and one of the largest producers of other long steel products. 7 Steel UK produces steel from UK sourced scrap metal using an electric arc furnace (EAF). Our recycling based EAF process allows us to produce steel with 86% lower carbon intensity compared with traditional blast furnace steelmaking, which uses mined iron ore. 7 Steel UK is already a low carbon steel recycling company, sourcing scrap through its own circular hubs as well as from third parties to create an integrated recycling business. The group invests in all aspects of the business and continues its commitment to reducing its carbon emissions.

The group's key financial performance indicator is EBITDA which was £24.3 million (2023: £35.9 million).

2024 was a suppressed year following the more normalised results experienced in 2023. The start of 2024 was closer to a continuation of H2-2023, with a slight improvement in H2-2024.

The continued negative impact of higher UK interest rates continued to affect construction confidence and new projects. Key input costs during 2024 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 group was able to maintain a level of margin resulting in an EBITDA of £24.3 million, despite the lower average selling prices.

The group has numerous provision and accruals which require judgment and estimations. These balances are reviewed and updated periodically during the normal course of business, and in accordance with accounting standards. During 2024, upon reassessment of certain energy related provisions, the 2024 performance has benefited from a credit to the profit and loss totalling £1.6m (2023: £2.9m credit). In addition, the company has re-assessed its level of biproducts on site and any corresponding potentially liability, making an assessment of the quantity that can potentially be recycled and reused in other onsite and offsite operations. Based on the latest estimates the 2024 profit and loss has suffered from a debit of £1m relating to biproducts (2023: £1.3m credit).

Turnover was £588 million (2023: £662 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.

The group is mainly focused on the domestic market and an analysis of turnover by geographical market is as follows:

	2024	2023
	£'000	£'000
United Kingdom	495,840	555,736
Rest of the world	92,564	106,415

Adjusted cash net income for the year was £13.2 million (2023: £26.1 million). Adjusted cash net income is the profit/(loss) on ordinary activities before taxation adjusted by the non-cash charges included in the consolidated profit and loss account, as disclosed in note 30.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

7 Steel UK is exposed and affected by factors outside its control. The principal areas of risk are:

Market price risk

The group'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 group 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 group manages price risk in all products by striving to be a low cost producer and passing costs through the supply chain.

The group 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 group's currency risk is controlled by natural hedge wherever possible and where there is an excess, the group may take out foreign exchange 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 group is focusing on cash optimisation to keep interest costs as low as possible.

Credit risk

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

Liquidity risk

The company and group 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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED)

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure

The UK Mandatory Climate Disclosures required under 'The Companies (Strategic Report) (climate Financial disclosures) Regulation 2022' consist of eight disclosure requirements that fall under four thematic pillars: Governance, Risk Management, Strategy, and Metrics & Targets.

This disclosure sets out the UK Mandatory Climate Disclosures (MCD) for 7 Steel (UK) Holdings Limited ("7 Steel UK") and encompasses all its subsidiary undertakings (the "company"). A more comprehensive disclosure can be found on the company's website. z

Actions undertaken prior to the change in ownership have been referred to as 'Celsa' or 'CELSA' throughout this disclosure.

Governance

The management of climate-related risks and opportunities is embedded at the highest level of 7 Steel UK (the company) and all its subsidiaries, through the company's board of directors, who have oversight of all climate-related issues, and are responsible for managing 7 Steel UK's progress towards climate-related goals and targets.

The board of directors meet at least once per month and during meetings the directors consider stakeholder issues by reviewing key performance indicators including those related to climate and sustainability (in addition to those covering Health & Safety, employee training, production and sales volumes and financial indicators). The 7 Steel UK board meetings have sustainability and climate related risks and opportunities as a standing item. Detailed below are examples where the Board and the 7 Steel UK Executive Committee have considered climate and sustainability topics during 2024 and in prior years:

- In 2021, the Executive Committee held several sessions to create and advise the Board on Celsa UK's Decarbonisation Strategy before its implementation.
- In 2022, the Board monitored progress of the UK's Decarbonisation Strategy and review of the internal organisational restructure, ensuring that sufficient resources were allocated to the task with the appointment of the Head of Sustainability & Strategy at CELSA Group level.
- In 2023, climate-related topics were debated and discussed by the Board and Executives as part of the preparatory works for Celsa UK's UK MCD.
- In 2023, Celsa UK's Management and the board of directors started to discuss and present environmental impacts on CELSA UK.
- In 2024, the company completed a double materiality assessment with the aim to help inform, refine and increase the understanding of the impact of climate-related risks and opportunities on the operations and business functions. Double materiality is a concept in which companies must consider how their actions impact both people and the planet, but also how sustainability issues can affect the company's financial well-being.
- The double materiality assessment has been integrated into Executive and Board-level discussions to help align climate-related risks and opportunities with stakeholder expectations and the company's strategic objectives.

Climate and sustainability matters are the responsibility of the Board and on a day-to-day basis 7 Steel UK's CEO, who receives input from the UK Sustainability Executive Committee (SEC). The UK SEC is responsible for identifying and managing climate related risks and opportunities and meets bi-monthly to review the company's climate and sustainability framework, related strategies, policies, and practices. The UK SEC is led by the UK Head of Sustainability & Strategy and attended by representatives from the Environmental and Sustainability functions.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

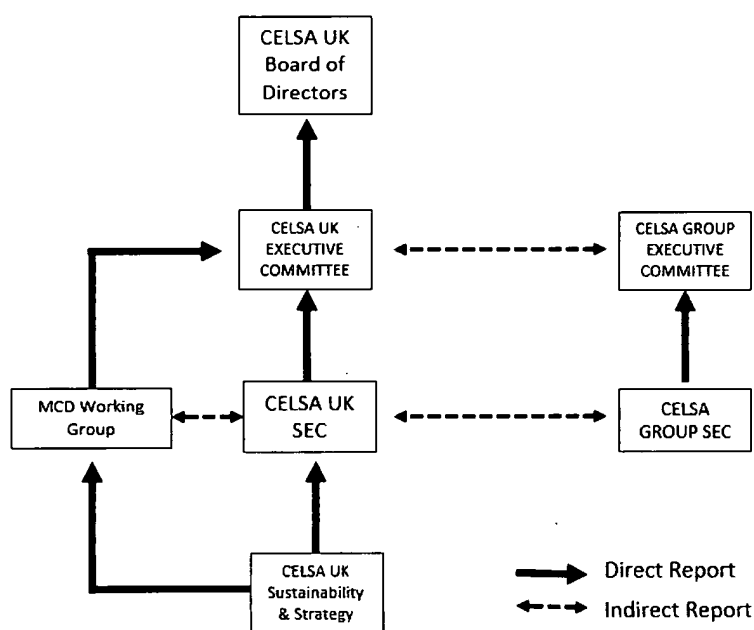
UK Mandatory Climate Disclosure (continued)

Governance (continued)

7 Steel Group's SEC, who ensure the UK's alignment with the 7 Steel Group's climate and sustainability initiatives, supports the UK SEC. 7 Steel UK SEC reports every month to the 7 Steel UK executive committee, providing an update on environmental strategies, climate related risks and opportunities and encourages discussion from all functions within the company. Any required escalation of climate change issues to the 7 Steel UK board of directors are done through the 7 Steel UK CEO. The 7 Steel UK CEO and CFO update the Board monthly.

The company's corporate governance structure is continually evolving in recognition of the urgency that climate change demands and in response to the company's increasing understanding of the impact of climate change on the business. The 7 Steel UK climate change governance structure is detailed below, and further information can be found in the Mandatory Climate Disclosure, available on the 7 Steel UK website. By applying the principles of double materiality, 7 Steel UK ensures a holistic approach that integrates financial and non-financial considerations into governance processes.

Diagram 1: 7 Steel UK Climate Change Governance - organisational structure



Risk management

During 2023, the Sustainability and Strategy team led an exercise to identify several climate-related risks and opportunities in collaboration with the functional and operational teams from across the business. The MCD working group reviewed the results of the exercise prior to a qualitative assessment of the risks and opportunities to help understand their impacts and assess their relative materiality to Celsa UK.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

Risk management (continued)

7 Steel UK's Enterprise Risk Management (ERM) framework provides a structured approach to evaluating climate risks in conjunction with broader enterprise-level risks, ensuring alignment with the company's overall risk appetite and strategic priorities.

The results of the 2023 assessment, and their subsequent integration into the company's climate change strategy, are summarised in the Strategy and Metrics & Targets section of this disclosure. The methodology used required that the identified risks and their impacts were scored based on:

- i. severity
- ii. likelihood
- iii. time horizon
- iv. financial impact

The comparative consideration of these four factors in relation to the risks (and opportunities) identified enabled 7 Steel UK to prioritise and implement appropriate mitigation and management strategies.

While the climate risk and opportunities identification and assessment exercise was conducted as a standalone activity, 7 Steel UK recognise the increasing importance of considering climate-related risks and opportunities within the context of our wider business and its strategy. Consequently, the intent is to continue to integrate the management of climate-related risks and opportunities across the business.

7 Steel UK will continue to strengthen the methodology and tools to help improve identification, assessment and management of climate risks and opportunities. The climate risk identification, assessment and impact evaluation will be performed on an annual basis, and will be performed at 7 Steel UK level, covering all UK subsidiaries. Insights from the double materiality analysis will continue to be used to refine risk identification, prioritisation, and implement mitigation strategies to align with stakeholder expectations and enterprise-level objectives. The governance process for monitoring the effectiveness of 7 Steel UK's approach to mitigating climate risks is as per Diagram 1: 7 Steel UK Climate Change Governance - organisational structure.

Strategy and Metrics & Targets

The company has identified the climate-related risks and opportunities arising in connection with the company's operations. The grid in diagram 3 summarises the material physical and transition risks and opportunities, including impact and mitigating actions under a 2°C and 4°C warming scenario.

Time horizons have been determined based on 7 Steel UK's business and climate strategy and cycles:

	Years	Rationale
Short Term	1 - 5	Aligned with internal business plan and financial facility agreement period
Medium Term	5 - 10	Aligned with the 7 Steel Decarbonisation Pathway timeline
Long Term	10+	Aligned with the fixed asset lifetime cycle (3-30 years) and UK Governments Net Zero Plan 2050

The company has considered two climate scenarios when evaluating the climate risks and opportunities.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

Strategy and Metrics & Targets (continued)

2°C Warming Scenario

The 2°C warming scenario is aligned with the IPCC RCP (Representative Concentration Pathway) 2.6 and SSPs (Shared Socioeconomic Pathways) SSP 1 -1.9, in which there is a high likelihood that average global temperatures will not exceed more than 2°C over pre-industrial levels by 2100.

4°C Warming Scenario

Given the current global emissions trajectory, we have also considered a 4°C warming scenario aligned with the IPCC RCP 8.5, SSP 5 - 8.5, where average global temperatures will increase by up to 4°C by 2100 over pre-industrial levels.

Identified Risks & Opportunities

Basing the assessment on a 2°C and 4°C warming scenario, 7 Steel UK have initially identified two climate-related risks and one climate-related opportunity. The two risks are summarised as acute physical risks and secondly, the impact of a rapid transition, resulting in more regulation and tax for carbon consumption. The analysis has identified one significant opportunity namely, the production of low-carbon steel that is a fully recycled product. Promoting these credentials should allow an increase in price for lower carbon products, and more sales volume as customers look at their own supply chain to reduce Scope 3 emissions. A 2°C warming scenario was selected to assess the material risks and opportunities due to alignment with the IPCC RCP (Representative Concentration Pathway) 2.6 and SSPs (Shared Socioeconomic Pathways) SSP 1 -1.9, in which there is a high likelihood that average global temperatures will not exceed more than 2°C over pre-industrial levels by 2100. A 4°C scenario was also selected and is aligned with RCP 8.5, and represents the continuation of limited policy and regulatory action to reduce emissions, with the resultant increase in physical risks.

Risk 1 - acute physical climate risk:

Under a 2°C warming scenario the physical risks of climate change, specifically flooding and heatwaves present a risk to 7 Steel UK's main manufacturing site, with the increased risk of flash flooding directly affecting the operations, and heat waves, particularly in the hot metal areas, requiring increased rest periods for employees, with subsequent cost increases linked to cooling the facilities. To address the risk of heat waves, the company plans to look at the working environment in the hot metal areas and ensure welfare facilities include cool rooms where required in order to maintain the required rate of production whilst ensuring the welfare of all employees. The assessment has shown that this may affect insurance premiums, production capabilities, and operating costs (energy).

7 Steel UK's assessment of increased precipitation, in particular flash flooding, and the required mitigation actions will necessitate a flood risk assessment for each site. This will support the implementation of additional drainage management and preventative maintenance to ensure effective operability of the current systems.

The 7 Steel UK SEC, Executives and Board will monitor the progress of the mitigating actions identified (improvements in working and welfare facilities and flood risk assessments) through regular action plan reviews. To monitor the effectiveness of these mitigating actions, the company will measure tonnages of final product lost due to climate related events per year with a target of nil lost tonnes per annum. This will be calculated by the number of production stoppages for natural events such as high wind or flooding which can be assigned to the stoppage event. There have been nil lost tonnes due to climate related events during 2024.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

Identified Risks & Opportunities (continued)

Under a 4°C scenario acute physical risks would likely become chronic and widespread in nature affecting 7 Steel UK's operations and supply chains. This would necessitate additional significant investment and changes to working practices and physical infrastructure to enable 7 Steel UK to maintain required levels of outputs.

Risk 2 - policy & legal:

The second risk identified relates to a rapid transition, which is likely to result in an increased carbon tax and additional reporting for intensive energy consumers such as 7 Steel UK under a 2°C scenario. To mitigate this risk, the company has introduced an internal carbon calculator. The carbon calculator has been developed to determine the implications of proposed projects (both capital and operational) that could increase the company's carbon emissions. These projects are then evaluated based on their alignment to the company's strategic plans and 7 Steel UK's goal to reduce their carbon emissions by 50% by 2030. This target refers to Scope 1 and 2 emissions only.

To monitor this risk a metric has been set of Scope 1 and Scope 2 carbon emissions in absolute tonnes of CO₂e. The company has set a 2% linear reduction of scope 1 & 2 emissions using 2022 as the base year. The 2024 target was 188,318tCO₂e for 7 Steel Manufacturing. 7 Steel Manufacturing refers to the main steel manufacturing site of the UK Group and is the key contributor of Scope 1 & 2 emissions. The downstream fabricator sites (subsidiaries) are not material to the overall company wide target and have therefore been excluded for the purposes of setting this metric. The company was not able to achieve target during 2024, with a result achieved of 193,027 tCO₂e. This is primarily due to operational challenges in the rolling mills, where efficiency targets were not achieved. The methodology and basis on which the above tonnes are calculated is aligned with the UK Emissions Trading Scheme (UK ETS) and follows the GHG Protocol. Scope 1 emissions include all direct greenhouse gas emissions from fuel combustion across our operational sites, while Scope 2 emissions account for indirect emissions from purchased electricity. Emission factors are applied using the latest UK Government (DEFRA) conversion factors to ensure accuracy and consistency in our reporting. . This methodology is different from that used in the Streamlined Energy & Carbon Reporting (SECR) figures below, due to SECR including additional Scope 3 emissions such as business travel and electricity transmission losses, as well as incorporating emissions from the downstream fabricator companies, making it a broader corporate footprint rather than focusing solely on UK ETS-reportable manufacturing activities.

The transition risk, represented by the impact of sudden and significant changes to policy and legal requirements on 7 Steel UK, would be significantly reduced under a 4°C scenario as a 'business as usual' approach endures by governments and policy makers. It would also be less likely under this scenario that a carbon tax would be imposed, which would reduce the financial risks to 7 Steel UK over the long term.

Opportunity 1 - market:

As 7 Steel UK is already a low carbon steel manufacturer, the company has the opportunity to promote its low carbon credentials to the changing market and public preferences under a 2°C scenario. By doing this, more downstream users will be purchasing steel with less associated carbon emissions. 7 Steel UK has a significant advantage in the short to medium term to lead the market. To monitor this opportunity a metric has been set on 7 Steel UK's Environmental Product Declaration (EPD) figures, demonstrating the number of kilograms of carbon dioxide produced per tonne of finished product. 7 Steel Steel's revised EPD is 374KgCO₂/t for Rod & Bar Mill products, and 417KgCO₂/t for Section Mill products, Revisions to our EPD have improved data accuracy by updating databases, refining inventory verification, and incorporating on-site oxygen production energy use. Methodological enhancements and process changes have also reduced the environmental impact of transport, ensuring a more precise assessment.

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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

Identified Risks & Opportunities (continued)

Under a 4°C scenario, the market will continue to represent an opportunity and allow 7 Steel UK to maximise its low carbon credentials. Despite inaction by governments and policymakers, consumers and markets may continue to increase their demand for low carbon steel in response to societal concerns, a demand that 7 Steel UK would be well placed to respond to.

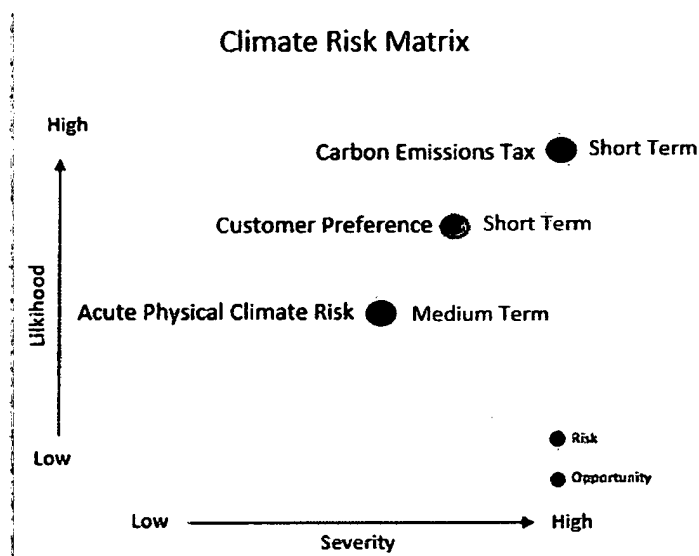
The below table summarises the KPIs that are being used to assess progress against climate related risk and opportunities.

Diagram 2: Targets & Metrics

Risk / Opportunity	Metric	2024 Target	2024 Result	2023 Target	2023 Result
Risk 1: acute physical climate risk	Produced steel tonnage lost due to climate related event per year	0	0	0	0
Risk 2: policy & legal	Absolute annual carbon (Scope 1 & 2) – 7 Steel Manufacturing site only	188,318 tCO ₂ e	193,027 tCO ₂ e	192,318 tCO ₂ e	186,908 tCO ₂ e
Opportunity 1: market	Environmental Product Declaration (EPD)	NA	Rod and Bar Mill: 374KgCO ₂ /t Section Mill: 417KgCO ₂ /t	NA	Rod and Bar Mill: 437KgCO ₂ /t Section Mill: 482KgCO ₂ /t

The below matrix shows the likelihood and severity of each risk and opportunity described above.

Diagram 3: Climate Risk Matrix



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

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

Identified Risks & Opportunities (continued)

Diagram 4: Material risk and opportunity matrix

Climate Risk / Opportunity Title	TCFD Category	2°C	4°C	Time Horizon	Metrics & Targets
Increased severity of extreme weather events such as flooding, drought, and heavy precipitation	Risk 1 Acute Physical Climate Risk	B	A	5-10 years	Target: 0 tonnes of produced steel lost due to weather events per year Metric: Tonnes lost due to climate related events per year
Carbon Emissions Tax	Risk 2 Policy & Legal	A	C	1-5 years	2024 Target: 188,318tCO ₂ e Metric: 2% reductions in absolute carbon annually (Scope 1&2)
Changing customer preference to low carbon steel ("green steel") which CELSA already produce as standard product	Opportunity 1 Market	C	A	1-5 years	Target: CELSAs Decarbonisation Pathway Metric: Environmental Product Declaration kg CO ₂ /t

Climate Risk / Opportunity Title	TCFD Category	2° c	4° c	Time Horizon	Mitigation Actions
Increased severity of extreme weather events such as flooding, drought, and heavy precipitation	Risk 1 Acute Physical Climate Risk	B	A	5-10 years	<p>Drainage management system in place for preventative maintenance and replacing of ageing drainage systems.</p> <p>Infrastructure improvements, such as implementing soakaways, increasing site drainage, raising internal railway lines.</p> <p>Preventative maintenance for building structures to withstand intense storm events.</p> <p>Installation of air conditioning units to regulate warmer working conditions.</p> <p>Water management in place to monitor consumption of water for processes.</p>
Carbon Emissions Tax	Risk 2 Policy & Legal	A	C	1-5 years	<p>CELSA has included carbon pricing as an important tool into all business decisions to help us achieve our zero emissions goal.</p> <p>CELSA has developed a decarbonisation pathway that will bring its carbon emissions down and so reduce associated taxes.</p>
Changing customer preference to low carbon steel ("green steel") which CELSA already produce as standard product	Opportunity 1 Market	C	A	1-5 years	<p>Marketing strategy to promote the circular lifecycle of CELSA's "Circular Steel" product and programme.</p> <p>Promoting CELSA's low carbon steel at number of trade shows, exhibitions and workshops.</p>

	Risk	Opportunity
A	High Impact	Low opportunity
B	Moderate Impact	Moderate opportunity
C	Low Impact	High opportunity

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GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

UK Mandatory Climate Disclosure (continued)

The company has used a likelihood and impact matrix scoring system to evaluate the risk score. A risk with low impact (1) and low likelihood (1) will give a risk score of 1 (1 x 1). On the opposite end, a scenario with high impact (5) and high likelihood (5) will provide a risk score of 25 (5 x 5).

The scenario analysis and results summarised in diagram 4 are those most relevant to the company and are hypothetical outcomes and not forecasts.

7 Steel UK will continue to develop and assess the risks and opportunities presented by climate change at its operating sites and will report on developments in line with our governance and reporting structure. The company will use the scenario analysis as part of its strategic and financial planning, albeit this will be continually evolving as our understanding and knowledge increases.

Having assessed the potential impacts of climate risk on the strategy of the company, the directors believe the company has sufficient resilience due to the mitigation actions identified and implemented.

Summary

The evaluation and results of the scenario analysis have enabled the directors to better understand and put in place mitigating actions to manage the risks, and build strategies to maximise the opportunities, to ensure resilience in 7 Steel UK's business model and strategy against the potential impacts of climate change.

By embedding the principles of double materiality and leveraging the ERM framework, 7 Steel UK aims to maintain resilience and agility in its climate strategy, ensuring the business remains competitive and compliant with evolving stakeholder and regulatory expectations.

With the scenario analysis being renewed and reviewed at least annually, 7 Steel UK will continue to develop and enhance its climate-related analysis and reporting journey.

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



C Rovira Caroz
Director

Date: 22 September 2025

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and the audited group and parent company financial statements of 7 Steel UK (Holdings) Limited (formerly known as Celsa UK (Holdings) Limited) (the "company") and its subsidiaries (the "group") for the year ended 31 December 2024.

Principal activity

The group's principal activity during the year is the manufacture and sale of low carbon steel long products.

The company's principal activity during the year was as the holding company for the 7 Steel UK group of companies, which consist of a manufacturing facility in South Wales and a number of circular hubs and fabricators covering the UK and NI.

Results and dividends

The group total operating loss for the year amounted to £811 thousand (2023: profit of £11,362 thousand).

2024 has been a challenging year with continued slowdown in the steel market caused by market volatility, brought by inflationary pressures and geopolitical tensions. Market prices have been lower than 2023, reducing revenue, despite higher volumes sold. High inflation and interest rates are continuing to impact overhead and interest costs.

The directors do not recommend a dividend (2023: £Nil).

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.

Following the change of ownership discussed in note 33, the 7 Steel UK group has amended its Term loan and Asset Based lending facility, with both remaining committed to June 2028. The main financial covenants linked to the 7 Steel UK debt facilities are debt leverage, interest coverage and a fixed charge cover ratio. Both the 'base case' forecast, and 'downside' scenario prepared as part of the going concern analysis demonstrate compliance with all debt and covenant requirements. The directors have also considered the expectations beyond the going concern period and expect an increase in profitability from 2026/27 due to forecasted UK construction projects and operational improvements following recent capital investments. Management has several mitigating actions available to them if demand were to decline which include reducing non-essential costs and delaying non-critical capital expenditure.

The directors have considered the change in the immediate and ultimate shareholders of the 7 Steel UK group as disclosed in note 32 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 the 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. Accordingly, they continue to adopt the going concern basis in preparing the annual report.

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Directors

The directors who served during the year were:

H Arnold

A Fort

M L 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)

Environmental matters

The company and group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to minimise any harm that might be caused by the group's activities. The company and group operates an Environmental Management System that is certified to ISO 14001. In 2024, the Environmental Management System was recertified to ISO 14001, which has now been maintained for the 19th consecutive year.

Future developments

The group 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 during 2024 has invested in multiple energy efficiencies projects, such as a scrap shredder machine, transformer and interceptors, as part of its environmental and net zero strategy.

The group 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.

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.

In June 2025 the Group completed a £23m full scheme pension buy-in of the ROM Group Pension & Life Assurance Scheme, sponsored by ROM Limited. The transaction insures the benefits of all 249 members, 124 deferred and 125 pensioners.

Research and development

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

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Capital investment

During 2024 there have been capital investments totalling £21.1 million which is lower than prior years. The group continues to invest in capital projects with a focus on automation and energy efficiency, as well as investment relating to its decarbonisation plans. 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 group, company and departmental goals and targets, productive performance, 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 and the group's performance such as production, productivity, environmental and trading performance, and capital investment are discussed, 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.

The company and group operate a Safety Management System that is certified to ISO 45001. The full commitment to the Health, Safety and Wellbeing policy is a priority for all employees across the company and the group.

Engagement with suppliers, customers and others

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

Disabled and protected employees

The company and group 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 group 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 and the group'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 group will make adjustments to accommodate where possible and reasonable.

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Greenhouse gas emissions, energy consumption and energy efficiency action

The group's greenhouse gas emissions and energy consumption for the year are 173,876 tCO₂e (2023: 170,268 tCO₂e) and 832,953 mWh (2023: 827,464 mWh).

The chosen intensity measurement ratio is the total gross emissions in metric tonnes (CO₂e) per tonne of steel produced. The metric was 0.21 (2023: 0.22).

	2024	2023
Annual UK energy use (mWh)	832,953	827,464
Greenhouse gas emission (tCO ₂ e)	173,876	170,268
Emissions intensity ratio (CO ₂ e/tonne of steel)	0.21	0.22

7 Steel (UK) Holdings Limited have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. 7 Steel (UK) Holdings Limited have used the 2024 UK Government's Conversion Factors for company Reporting and used an operational approach to define our boundary and scopes. The primary source for all energy consumption is supplier invoices and purchasing records.

The numbers reported above are different from those included in the MCD KPI table due to the scope and methodology used in each reporting framework. SECR includes Scope 1 (gas, fuel), Scope 2 (electricity), and selected Scope 3 emissions (business travel, electricity transmission & distribution losses), as well as emissions from 7 Steel Steel Services (7SS). In contrast, MCD focuses solely on manufacturing operations, reporting Scope 1 emissions aligned with UK ETS (including all direct fuel combustion) and Scope 2 electricity use, but excluding Scope 3 and CSS emissions.

7 Steel UK continues to increase its efforts in optimising the efficiency of our steel making process. Challenging targets were set across all three production units regarding their use of electricity and gas usage, in addition to others, which has helped increase awareness and focus on energy consumption and carbon emissions.

In 2024, we continued to implement efficiency projects initiated in 2023 within our Melt Shop operations, driving further process improvements. This included optimising ladle furnace gas pre-heaters with the use of oxy-gas, achieving a 15% reduction in oxygen consumption, and refining the melting process through chemical optimisation and charge carbon reduction. Despite the integration of the pre-heater oxy-gas system, we maintained the lowest total oxygen consumption, ensuring ongoing operational efficiencies and sustainability gains.

During 2024, the rolling mills focused on optimising ratios between gas and air in heating zones and hot charging where possible. Hot charging is the use of hotter input materials that already hold heat from the melt process, this reduces the load on the rolling stands motors and subsequently the electricity needed to power them.

Future Focus Areas:

- 7 Steel UK continues to progress and develop its Decarbonisation Pathway. The project teams continue to progress with the development of the overall pathway identifying new projects and fine tuning current operations through operational efficiencies and investments.
- 7 Steel UK will focus on exploring opportunities to reduce natural gas with hydrogen which will allow significant progress towards achieving our decarbonisation targets.

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

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Future Focus Areas (continued)

- 7 Steel UK is proudly part of an industrial partnership with Net Zero Industry Wales, a network for all industries interested in decarbonisation and circular economy. :
- 7 Steel UK continues its partnerships with the University of Cambridge, Materials Processing Institute and key players in the supply industry on a major £6.5m project to develop the world's first zero emission cement on an industrial scale.

7 Steel UK is committed to setting ambitious targets to continuously improve environmental performance. Objectives and targets are set on an annual basis to ensure sustained improvement in operations and drive effort in all units towards our goal of producing net zero carbon steel.

More information can be found within the Sustainability Statement 2024 published on the company's website.

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.

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 and the group's auditor is 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 and the group'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 by:



C Rovira Caroz
Director

Date: **22 September 2025**

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulation.

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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' report may differ from legislation in other jurisdictions.

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

Opinion

We have audited the financial statements of 7 Steel UK (Holdings) Limited (formerly known as Celsa UK (Holdings) Limited) ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise consolidated profit and loss account, consolidated statement of comprehensive income, the consolidated and company balance sheet, consolidated statement of cash flows and the group and parent statement of changes in equity and the related notes 1 to 33, 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 group's and of the parent company's affairs as at 31 December 2024 and of the group's loss 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 group 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 group'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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) 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 group and the parent 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 parent company 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 18, 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 group's and the parent 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 group or the parent 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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) 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.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and 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 group and company has to comply with operational and employment laws and regulations, including health & safety, and general data protection regulation (GDPR),
- We understood how the group and company is complying with those frameworks by making enquiries with management and those charged with governance to understand how the group and 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 group and 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, the valuation of provisions and accruals due to the judgements and estimates involved in calculating these liabilities and future cash flows as it entails high estimation uncertainty and subjectivity.
 - In performing our work over revenue, we considered there to be specific risks relating to manual journals throughout the period. We used data analytics and used a lower testing threshold to test manual journals posted throughout the period. 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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED) (continued)

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

- In performing our work relating to valuation of provisions and accruals, we performed analytical review procedures to identify any unexpected fluctuations, used a lower testing threshold in performing our detailed testing, obtained management's assessment of the liabilities, and challenged and validated the assumptions used in the calculations.
- In performing our work relating to future cash flows, we assessed the reasonableness and reliability of the cash flow forecast by comparing to historic results and performing budget versus actual analysis. We tested the key assumptions and performed sensitivity analysis over the future cash flows.
- 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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED)
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Turnover	4	588,404	662,151
Change in stocks of finished goods and in work in progress		(14,918)	(14,243)
Raw materials and consumables		(350,344)	(391,715)
Other operating and external charges		(123,688)	(146,285)
Staff costs	7	(75,163)	(73,959)
Amortisation	14,16	(1,979)	(1,984)
Depreciation	15	(22,869)	(23,142)
Gross (loss)/profit		(557)	10,823
Share of operating profit in associate	16	578	1,089
Exceptional other operating expenses	5	(832)	(689)
Profit on disposal of tangible assets		–	139
Operating (loss)/profit	6	(811)	11,362
Interest receivable and similar income	9	179	35
Interest payable and similar expenses	10	(10,976)	(10,935)
Amortisation of financing costs	21	(1,378)	(3,619)
Loss before taxation		(12,986)	(3,157)
Tax charge on loss	11	(1,147)	(2,036)
Loss for the year		(14,133)	(5,193)
Loss for the year attributable to:			
Non-controlling interests		3,155	6,686
Owners of the parent company		(17,288)	(11,879)
		(14,133)	(5,193)

The notes on pages 31 to 59 form part of these financial statements.

7 STEEL UK (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Loss for the year		(14,133)	(5,193)
Other comprehensive income			
Actuarial loss on defined benefit schemes	28	(461)	(309)
Deferred tax gain relating to actuarial losses	28	115	73
Deferred tax movement on revaluation of assets		768	817
Foreign exchange loss on retranslation of associate investments	16	(145)	(131)
Other comprehensive income for the year		277	450
Total comprehensive expense for the year		(13,856)	(4,743)

The notes on pages 31 to 59 form part of these financial statements.

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

REGISTERED NUMBER: 04578086

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	14	8,175	9,942
Tangible assets	15	201,775	204,267
Investments	16	6,046	6,508
		215,996	220,717
Current assets			
Stock	17	117,109	108,092
Debtors	18	102,389	122,062
Cash at bank and in hand		22,074	28,294
		241,572	258,448
Creditors: amounts falling due within one year	19	(190,049)	(182,565)
Net current assets		51,523	75,883
Total assets less current liabilities		267,519	296,600
Creditors: amounts falling due after more than one year	20	(139,692)	(159,558)
Pension asset	28	-	-
Deferred tax liability		(4,641)	-
Net assets		123,186	137,042
Capital and reserves			
Called up share capital and share premium	25, 26	158,067	158,067
Revaluation reserve		15,661	18,064
Foreign exchange reserve		(309)	(164)
Profit and loss account		(87,968)	(73,505)
Shareholders' funds		85,451	102,462
Non-controlling interests		37,735	34,580
		123,186	137,042

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 31 to 59 form part of these financial statements.

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

REGISTERED NUMBER: 04578086

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Investments	16	103,635	103,635
Current assets			
Debtors	18	55,516	59,946
Cash at bank and in hand		44	44
		55,560	59,990
Creditors: amounts falling due within one year	19	(31,268)	(30,865)
Net current assets		24,292	29,125
Total assets less current liabilities		127,927	132,760
Capital and reserves			
Called up share capital	25	130,429	130,429
Share premium account	26	27,638	27,638
Profit and loss account		(30,140)	(25,307)
		127,927	132,760

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 31 to 59 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Foreign exchange reserve £'000	Profit and loss account £'000	NCI £'000	Total equity £'000
At 1 January 2023	130,429	27,638	20,612	(33)	(64,755)	27,894	141,785
Loss for the year	-	-	-	-	(11,879)	6,686	(5,193)
Actuarial losses on pension scheme	-	-	-	-	(236)	-	(236)
Deferred tax movement on revaluation of assets	-	-	817	-	-	-	817
Transfer in respect of depreciation on revalued assets	-	-	(3,365)	-	3,365	-	-
Loss on retranslation of investments	-	-	-	(131)	-	-	(131)
At 31 December 2023 and 1 January 2024	130,429	27,638	18,064	(164)	(73,505)	34,580	137,042
Loss for the year	-	-	-	-	(17,288)	3,155	(14,133)
Actuarial losses on pension scheme	-	-	-	-	(346)	-	(346)
Deferred tax movement on revaluation of assets	-	-	768	-	-	-	768
Transfer in respect of depreciation on revalued assets	-	-	(3,171)	-	3,171	-	-
Loss on retranslation of investments	-	-	-	(145)	-	-	(145)
At 31 December 2024	130,429	27,638	15,661	(309)	(87,968)	37,735	123,186

The notes on pages 31 to 59 form part of these financial statements.

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2023	130,429	27,638	(19,944)	138,123
Loss for the year	–	–	(5,363)	(5,363)
At 31 December 2023 and 1 January 2024	130,429	27,638	(25,307)	132,760
Loss for the year	–	–	(4,833)	(4,833)
At 31 December 2024	130,429	27,638	(30,140)	127,927

The notes on pages 31 to 59 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss for the year	(14,133)	(5,193)
Adjustments for:		
Taxation charge	1,147	2,036
Amortisation of financing costs	1,378	3,619
Net interest expense	10,797	10,900
Exceptional costs	832	689
Share of operating profit in associate	(578)	(1,089)
Depreciation	22,869	23,141
Amortisation	1,979	1,984
Profit on disposal of tangible assets	–	(139)
Difference between pension charge and contributions	–	(236)
(Increase)/decrease in stocks	(9,017)	17,091
Decrease in debtors	12,040	21,757
Increase/(decrease) in creditors	14,938	(40,465)
Corporation tax received/(paid)	4,204	(4,046)
Net cash generated from operating activities	46,456	30,049
Cash flow from investing activities		
Purchase of tangible fixed assets	(21,064)	(28,003)
Dividends received from associate	596	2,167
Net cash used in investing activities	(20,468)	(25,836)
Cash flow from financing activities		
Repayment of term loans	(3,500)	(34,498)
Interest paid	(10,797)	(10,376)
(Repayment)/drawdown of Asset Based Lending Facility	(17,911)	35,759
Net cash used in financing activities	(32,208)	(9,115)
Net decrease in cash and cash equivalents	(6,220)	(4,902)
Cash and cash equivalents at the beginning of the year	28,294	33,196
Cash and cash equivalents at the end of the year	22,074	28,294
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	22,074	28,294

7 STEEL UK (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Net debt reconciliation

	At 1 January 2024 £'000	Cash flows £'000	Other movements £'000	At 31 December 2024 £'000
Cash at bank and in hand	28,294	(6,220)	–	22,074
Secured loans due within 1 year	(3,500)	3,500	(3,500)	(3,500)
Secured loans due after 1 year	(137,346)	17,911	2,122	(117,313)
Net debt	(112,552)	15,191	(1,378)	(98,739)

The notes on pages 31 to 59 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 General information

7 Steel UK (Holdings) Limited (formerly known as Celsa UK (Holdings) Limited) (the "company") is a private company limited by shares incorporated in 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. In measuring our performance, the financial measures that we use include those which have been derived from our reported results. These are considered non-GAAP financial measures. We believe this information, along with comparable GAAP measurements, is useful to stakeholders in providing a basis for measuring our operational performance.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

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).

2.3 Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings (the "group") together with the group's share of the results of associates made up to 31 December.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.4 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.

Following the change of ownership discussed in note 33, the 7 Steel UK group has amended its Term loan and Asset Based lending facility, with both remaining committed to June 2028. The main financial covenants linked to the 7 Steel UK debt facilities are debt leverage, interest coverage and a fixed charge cover ratio. Both the 'base case' forecast, and 'downside' scenario prepared as part of the going concern analysis demonstrate compliance with all debt and covenant requirements. The directors have also considered the expectations beyond the going concern period and expect an increase in profitability from 2026/27 due to forecasted UK construction projects and operational improvements following recent capital investments. Management has several mitigating actions available to them if demand were to decline which include reducing non-essential costs and delaying non-critical capital expenditure.

The directors have considered the change in the immediate and ultimate shareholders of the 7 Steel UK group as disclosed in note 32 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 the 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. Accordingly, they continue to adopt the going concern basis in preparing the annual report.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.6 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and non-UK group companies and is attributable to the manufacture and sale of steel products. Turnover is recognised upon shipment.

Products are often 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 discount are assessed based on anticipated annual purchases.

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

2.7 Operating leases

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

2.8 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.

2.9 Government grants

Grants are accounted 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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.10 Current and deferred 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 and the group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment for goodwill and other intangible assets. 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	–	10 - 50 years
Leasehold buildings	–	10 - 50 years
Plant and machinery	–	3 - 30 years
Fixtures and fittings	–	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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.13 Tangible assets (continued)

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

2.14 Revaluation of tangible fixed assets

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from the revaluation reserve to retained earnings. 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.

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.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the investment is determined and an impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.16 Investments in associated undertakings

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets.

2.17 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 (HOLDINGS) LIMITED (FORMERLY KNOWN AS CELSA UK (HOLDINGS) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the group 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 group 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.

2.19 Pensions

The group operates a defined contribution pension scheme for certain employees. Any contributions made by the relevant company are charged to operating costs as incurred.

Rom Group Limited is a subsidiary of 7 Steel (UK) Holdings Limited. Rom Limited, a wholly owned subsidiary of Rom Group Limited, operates a defined benefit pension scheme as described below:

Rom Limited operates a contracted-out funded defined benefit pension scheme for employees. The scheme funds are administered by the trustees and are independent of the company's finances. Employees from other companies within the ROM group participate in the scheme.

Pension scheme assets are measured at fair values and liabilities on an actuarial basis using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The increase in the present value of the liabilities expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension schemes' surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

A surplus is considered recoverable to the extent the company can recover that surplus through reduced contributions in the future or through refunds from the plan.

The defined benefit pension scheme was closed to future accrual with effect from 30th June 2012 and replaced by a defined contribution scheme to which the company contributes. The amount charged against profits represents the contributions payable by the company in respect of the accounting period for both schemes.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Accounting policies (continued)

2.20 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.

2.21 Deferred financing costs

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

2.22 Basic financial instruments

(i) Financial assets

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

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 loan amounts due to 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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements in applying the group's accounting policies:

Deferred tax asset recoverability

Deferred tax asset recoverability is estimated based on the future forecasted profits, capital allowances and loss utilisation of the company.

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.

Valuation of defined benefit pension schemes' liabilities

Management use third party specialist pension consultants to value the future liability for the defined benefit pension scheme.

Impairment of assets

Assets are reviewed periodically for signs of impairment and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Accruals and provisions

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

The group has numerous provision and accruals which require judgment and estimations. These balances are reviewed and updated periodically during the normal course of business, and in accordance with accounting standards. During 2024, upon reassessment of certain energy related provisions, the 2024 performance has benefited from a credit to the profit and loss totalling £1.6m (2023: £2.9m credit). In addition, the company has re-assessed its level of biproducts on site and any corresponding potentially liability, making an assessment of the quantity that can potentially be recycled and reused in other onsite and offsite operations. Based on the latest estimates the 2024 profit and loss has suffered from a debit of £1m relating to biproducts (2023: £1.3m credit).

Useful life of tangible assets

Management have determined the useful life of tangible assets based on the estimated life of the asset using historical experience of asset replacement. The assets' 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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and non-UK group companies and is attributable to the manufacture and sale of steel products.

Analysis of turnover by country of destination:

	2024	2023
	£'000	£'000
United Kingdom	495,840	555,736
Rest of the world	92,564	106,415
	588,404	662,151

5 Exceptional items

	2024	2023
	£'000	£'000
Exceptional operating costs	832	689

The exceptional costs in the current year directly relate to the change of ownership of the group's ultimate and controlling party and site closure costs. The prior year exceptional operating costs are consultancy costs directly related to the change of ownership of the group's ultimate and controlling party.

6 Operating (loss)/profit

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

	2024	2023
	£'000	£'000
Net foreign exchange (gains)/losses	(149)	366
Operating lease rentals	6,010	3,042
Amortisation of intangible fixed assets and associate goodwill (note 14 and 16)	1,979	1,984
Depreciation of tangible assets (note 15)	22,869	23,142
Auditors' remuneration - audit of financial statements	51	48
Auditors' remuneration - audit of subsidiaries	510	487
Auditors' remuneration - other assurance services	5	53

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Employees

Staff costs were as follows:

	2024	- 2023
	£'000	£'000
Wages and salaries	66,655	65,326
Social security costs	6,025	6,134
Cost of defined contribution scheme	2,483	2,499
	75,163	73,959

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

	2024	2023
	Number	Number
Administration	363	446
Manufacturing	1,317	1,344
	1,680	1,790

8 Directors' remuneration

7 Steel (UK) Holdings Limited has paid remuneration to all the directors of the group (Holdings and fellow subsidiaries).

The amount apportioned for the directors giving service to this group add up to £173,339 (2023: £152,960).

The total paid to directors of the group and its subsidiaries was £584,746 (2023: £532,127). The highest paid director received £229,830 (2023: £234,299). Payments made into directors' pension funds by the group add up to £30,214 (2023: £5,775).

9 Interest receivable and similar income

	2024	2023
	£'000	£'000
Bank interest and similar income	179	35

10 Interest payable and similar expenses

	2024	2023
	£'000	£'000
Secured loans	10,976	10,935

The interest payable charge of £10,976 thousand includes £nil (2023: £521 thousand) of accrued capitalised interest.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Taxation

	2024 £'000	2023 £'000
Current tax		
Corporation tax on loss for the year	170	(12)
Adjustments in respect of prior years	(658)	(2,921)
Total current tax credit	(488)	(2,933)
Deferred tax		
Deferred tax charge for the year	3,518	3,987
Adjustment in respect of previous periods	(1,883)	982
Total deferred tax charge	1,635	4,969
Tax charge on profit on ordinary activities	1,147	2,036

Factors affecting tax charge for the year

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

	2024 £'000	2023 £'000
Loss before taxation	(12,986)	(3,157)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023: 23.52%)	(3,247)	(743)
Effects of:		
Expenses not deductible for tax purposes	1,718	1,033
Depreciation on assets ineligible for capital allowances	1,175	1,229
Deferred tax not provided	3,515	2,638
Changes in tax rates	(8)	(25)
Adjustments to tax charge in respect of prior periods	(2,618)	(1,938)
Temporary differences not recognised in the computation	(271)	(18)
Non-taxable income	–	(140)
Deferred tax charged directly to equity	883	–
Total tax charge for the year	1,147	2,036

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%).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Deferred taxation

Group

	2024	2023
	£'000	£'000
At beginning of the year	7,419	11,498
Charged to profit and loss account	(1,635)	(4,969)
Credited to other comprehensive income	768	817
Deferred tax credit related to actuarial losses	115	73
At the end of the year	6,667	7,419

	2024	2023
	£'000	£'000
Deferred tax asset	11,308	7,419
Deferred tax liability	(4,641)	–
	6,667	7,419

The deferred tax balance is made up as follows:

	2024	2023
	£'000	£'000
Capital allowances in advance of depreciation	(19,478)	(14,853)
Revaluation of assets	(3,124)	(4,516)
Tax losses carried forward	28,929	26,641
Other timing differences	340	147
	6,667	7,419

13 Loss attributable to members of the parent company

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the year was £4,833 thousand (2023: loss £5,363 thousand).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Intangible assets

Group

	Product development & licence costs £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2024	6,436	35,464	41,900
At 31 December 2024	6,436	35,464	41,900
Amortisation			
At 1 January 2024	6,436	25,522	31,958
Charge for the year	–	1,767	1,767
At 31 December 2024	6,436	27,289	33,725
Net book value			
At 31 December 2024	–	8,175	8,175
At 31 December 2023	–	9,942	9,942

Product development costs have been written off in equal annual instalments over the estimated economic life of 5 years. Product development amortisation begins on the commencement of the sale of the relevant products.

Goodwill relates to the acquisition of BRC Limited, Rom Group Limited and Express Reinforcements Limited. Goodwill is being amortised over the directors' estimate of its useful economic life of twenty years.

Goodwill is impaired when its carrying amount is higher than its recoverable amount. The directors have assessed whether the goodwill is showing any indicators of impairment based on their knowledge and actual information of the performance of the companies within the group. No indicators were identified and therefore no impairment test was required in 2024 with no impairment recognised (2023: £Nil).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Tangible assets

Group

	Freehold land and buildings £'000	Plant and machinery £'000	Leasehold buildings £'000	Assets in course of construction £'000	Total £'000
Cost					
At 1 January 2024	72,916	321,365	4,695	25,614	424,590
Additions	677	12,555	–	7,831	21,063
Disposals	–	(988)	–	–	(988)
Transfers between classes	–	8,226	–	(8,226)	–
At 31 December 2024	73,593	341,158	4,695	25,219	444,665
Accumulated depreciation					
At 1 January 2024	21,532	195,487	3,304	–	220,323
Charge for the year	1,568	21,077	224	–	22,869
Disposals	–	(302)	–	–	(302)
At 31 December 2024	23,100	216,262	3,528	–	242,890
Net book value					
At 31 December 2024	50,493	124,896	1,167	25,219	201,775
At 31 December 2023	51,384	125,878	1,391	25,614	204,267

The net book value of tangible fixed assets above includes £1,744 thousand (2023: £1,994 thousand) in respect of capitalised finance costs.

The group applied the transitional arrangements of Section 35 of FRS 102 and the fair value valuation as the deemed cost for some tangible fixed assets owned by a subsidiary company. 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.

As part of the transitional arrangements to FRS 102, tangible fixed assets in one subsidiary (7 Steel Manufacturing (UK) Ltd) were independently revalued on the basis of open market value by Intervalor Consultancy Group SA in December 2015, which was the date of the last full valuation.

Analysis of the tangible assets valued at the date of transition to FRS 102 using the deemed cost exemption:

	2024 £'000	2023 £'000
Historical cost equivalent	183,443	182,764
Revaluation	18,332	21,503
	201,775	204,267

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Investments

Group

	Investments in associates £'000	Goodwill £'000	Total £'000
Cost or valuation			
At 1 January 2024	5,394	1,332	6,726
Foreign exchange movement	(88)	(57)	(145)
Share of profit before tax	578	–	578
Share of tax on profit	(86)	–	(86)
Dividends received	(596)	–	(596)
At 31 December 2024	5,202	1,275	6,477
Goodwill amortisation			
At 1 January 2024	–	218	218
Charge for the year	–	213	213
At 31 December 2024	–	431	431
Net book value			
At 31 December 2024	5,202	844	6,046
At 31 December 2023	5,394	1,114	6,508

Goodwill is being amortised over the directors' estimate of its useful economic life of twenty years.

Company

	Subsidiary companies £'000
Cost or valuation	
At 1 January 2024	103,635
At 31 December 2024	103,635
Net book value	
At 31 December 2024	103,635
At 31 December 2023	103,635

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
7 Steel (UK) Limited (formerly known as Celsa Steel (UK) Limited)	Building 58, East Moors Road, Cardiff, CF24 5NN	Sale of steel products	Ordinary	100 %
7 Steel Manufacturing (UK) Limited (formerly known as Celsa Manufacturing (UK) Limited)	Building 58, East Moors Road, Cardiff, CF24 5NN	Manufacture and re-rolling of steel products	Ordinary	100 %
7 Steel (Wales) Limited (formerly known as Celsa (Wales) Limited)	Building 58, East Moors Road, Cardiff, CF24 5NN	Manufacture and sale of steel product	Ordinary	100 %
7 Steel Service (UK) Limited (formerly known as Celsa Steel Service (UK) Limited)	Building 58, East Moors Road, Cardiff, CF24 5NN	Manufacture and sale of steel product	Ordinary	100 %

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings (direct subsidiary undertakings of 7 Steel Steel Service (UK) Limited):

Name	Registered office	Principal activity	Class of shares	Holding
BRC Limited	Corporation Road, Newport, Gwent, NP19 4RD	Reinforcement solutions for the construction industry	Ordinary	71.3%
Express Reinforcements Limited	Eaglesbush Works, Milland Road, Neath, West Glamorgan, SA 11 1NJ	Manufacture and supply of cut and bent reinforcement bar, pre- fabrication, rollmat, mesh and a comprehensive range of accessories	Ordinary	71.3%
Rom Group Limited	Building 58, East Moors Road, Cardiff, CF24 SNN	Holding company	Ordinary	71.3%
Rom Limited*	Building 58, East Moors Road, Cardiff, CF24 5NN	Supply of steel reinforcements and accessory products to the civil engineering and construction industry	Ordinary	71.3%
Romtech Limited*	Building 58, East Moors Road, Cardiff, CF24 5NN	Manufacture and supply of products to the piling, groundworks, geotechnical and tunnelling sectors	Ordinary	71.3%
RFA-Tech Limited*	Building 58, East Moors Road, Cardiff, CF24 5NN	Manufacture and supply of accessory products to the civil engineering and construction industry	Ordinary	71.3%

*These companies are 100% owned subsidiaries of Rom Group Limited.

Indirect subsidiary undertakings (continued)

Following the successful sale of 7 Steel (UK) Holdings, 7 Steel Steel Service (UK) Limited owns 100% of the above indirect subsidiaries from 11th April 2025.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Investments (continued)

Associates

The following were associates of the company:

Name	Registered office	Principal activity	Class of shares	Holding
BRC McMahon Reinforcements Limited	Rosanna Road, Tipperary Town, Co. Tipperary, Ireland	Manufacture and sale of steel product	Ordinary	35.7%
BAT Metalwork Limited*	Rosanna Road, Tipperary Town, Co. Tipperary, Ireland	Manufacture and sale of steel product	Ordinary	35.7%
Wire Mesh Limited*	Rosanna Road, Tipperary Town, Co. Tipperary, Ireland	Manufacture and sale of steel product	Ordinary	35.7%

*These companies are 100% owned subsidiaries of BRC McMahon Reinforcements Limited.

All of the above associates are incorporated in the Republic of Ireland.

Following the successful sale of 7 Steel (UK) Holdings, 7 Steel Steel Service (UK) Limited holds 50% of the shares in the above associates from 11th April 2025.

17 Stocks

	Group 2024 £'000	Group 2023 £'000
Raw materials and consumables	31,383	21,691
Finished goods	85,726	86,401
	117,109	108,092

Reversal of impairment losses totalling £15,692 thousand (2023: impairment losses of £2,497 thousand) were recognised in profit and loss relating primarily to the market value for the stocks.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Debtors

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Amounts falling due after more than one year				
Amounts owed by group undertakings	–	–	25,496	–
Amounts falling due within one year				
Trade debtors	64,906	84,942	–	–
Amounts owed by group undertakings	–	–	30,020	59,795
Amounts owed by associated undertakings	11,087	13,667	–	–
Prepayments and accrued income	12,498	9,418	–	–
Corporation tax debtor	22	3,575	–	151
VAT recoverable	2,568	3,041	–	–
Deferred taxation (note 12)	11,308	7,419	–	–
	102,389	122,062	30,020	59,946
	102,389	122,062	55,516	59,946

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

Amounts falling due after more than one year included above are:

	Group 2024 £'000	Group 2023 £'000
Deferred tax	11,308	7,419

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Secured loans (note 21)	3,500	3,500	–	–
Trade creditors	146,056	143,988	–	688
Amounts owed to group undertakings	–	–	30,596	29,962
Amounts owed to associated undertakings	21,712	9,292	–	–
Other taxation and social security	1,615	4,824	67	55
Other creditors	1,173	2,069	–	–
Deferred income	988	2,540	–	–
Accruals and provisions (note 23)	15,005	16,352	605	160
	190,049	182,565	31,268	30,865

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

The group has numerous provisions and accruals which require judgement and estimations. During 2024, upon reassessment on certain energy and biproduct related provisions included within other creditors, the 2024 performance has been impacted by a credit of £0.6m (2023: £4.2m).

20 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000
Secured loans (note 21)	117,313	137,346
Amounts owed to associated undertakings	9,053	8,677
Pension scheme expenses accrual	1,939	1,955
Dilapidation provision	3,075	3,102
Accruals and deferred income	8,312	8,478
	139,692	159,558

Amounts owed to associated undertakings for 2024 are non-interest bearing and are repayable by 30 June 2028.

There have been no additions of the dilapidation provision and a utilisation of £27 thousand.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Secured loans

	Group 2024 £'000	Group 2023 £'000
Amounts falling due:		
Within one year	3,500	3,500
In less than five years	122,308	143,256
	125,808	146,756
Less: deferred financing costs	(4,995)	(5,910)
	120,813	140,846

The total limits made available to the 7 Steel UK Group (7 Steel (UK) Holdings Limited) as at 31 December 2024 are as follows:

Term Loan Facilities	£27.1m
Asset Based Lending Working Capital Facilities	£200.0m

The above secured loans include the following:

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.

The 7 Steel UK Group Asset Based Lending (ABL) Facility with a facility limit of £200 million at December 2024, 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 secured loans are amortised over the life of the secured loan and recognised in the profit and loss account. There is an amount of £1,378 thousand recognised in 2024 (2023: £3,619 thousand).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Deferred income

	2024	2023
	£'000	£'000
Government grants		
At 1 January	8,543	5,382
Amounts received during the year	1,627	4,019
Amounts recognised in profit and loss account	(894)	(858)
At 31 December	9,276	8,543

23 Provisions for liabilities and charges

	2024	2023
	£'000	£'000
At 1 January	16,352	32,146
Amounts utilised	(4,149)	(16,304)
Increase to provision	2,802	510
	15,005	16,352

24 Financial instruments

The group has the following financial instruments:

	2024	2023
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost		
Debtors	102,389	122,062
Cash at bank and in hand	22,074	28,294
	124,463	150,356
	2024	2023
	£'000	£'000
Financial liabilities measured at amortised cost		
Trade and other payables	208,928	201,277
Bank loans	120,813	140,846
	329,741	342,123

The fair value of the financial assets and liabilities have been determined with reference to market prices where these are available.

The group has entered into a non-recourse supplier financing line up to a value of £5million. As of 31 December 2024, this facility was not utilised. The supplier line is not material in amount or nature and will be used during the normal course of trading. The nature and size of the facility does not change the risks identified within the strategic report.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

25 Share capital

	2024 £'000	2023 £'000
Allotted, called up and fully paid		
130,428,501 (2023: 130,428,501) Ordinary shares of £1 (2023: £1) each	130,429	130,429

The Ordinary share confers on the holder all the rights of an Ordinary share to participate at general meetings, in dividends and on the distribution of available assets on a return of capital of the company.

26 Share premium

	2024 £'000	2023 £'000
Share premium	27,638	27,638

A long-term group loan was converted into a single £1 Ordinary share on 30 June 2020 along with the creation of a share premium account.

27 Contingent liabilities

The bank loans and secured loans of all companies within the group are secured by means of a cross guarantee by fixed and floating charges over all the assets of the group.

As at 31 December 2024, the group bank loans and secured loans amounted to £16,320 thousand (2023: £15,182 thousand).

28 Pension commitments

The group operates a defined benefit pension scheme. This scheme was closed to future accrual of benefits with effect from 30th June 2012.

Contributions paid into the defined benefit pension scheme in 2024 amounted to £557 thousand (2023: £464 thousand). The company expects contributions to be paid into the scheme, for the next accounting period to amount to £33 thousand.

The amounts in the financial statements for the year ended 31 December 2024, relating to pensions, are based on a full actuarial valuation dated 31 October 2023. A full actuarial review was carried out as at 31 October 2023 and updated to 31 December 2024 by a qualified independent actuary.

The directors have considered the impact of the Virgin Media Limited v NTL Pension Trustees II Limited Ruling and confirmed that the Rom Group Pension and Life Assurance Scheme was contracted out of the state second pension during the period 1997-2016. Changes were made during this period to the scheme, with the valid s.37 confirmations in place (after the acquisition date of Rom Group by 7 Steel UK). As the directors are not aware of the full history of plan amendments, and ultimately this being a legal issue for the Trustees and their legal advisors, the directors are not in a position to assess whether the scheme will be impacted, or to quantify any impact, and therefore are not proposing any further action at this point in time. The group will continue to engage with the Trustees and their legal advisors.

In June 2025, the Group completed a de-risking exercise of its defined benefit pension scheme. Further details are provided in the post balance sheet events note 33 in the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

28 Pension commitments (continued)

Reconciliation of scheme liabilities:

	2024	2023
	£'000	£'000
Movement in schemes' liabilities		
Present value of defined benefit obligation at end of prior year	23,956	23,464
Interest on pension scheme	1,131	1,152
Benefits paid	(792)	(872)
Remeasurements effect of change in assumptions	(3,271)	52
Remeasurements effect of experience adjustments	(1,722)	160
Present value of defined benefit obligation at end of year	19,302	23,956

Reconciliation of scheme assets:

	2024	2023
	£'000	£'000
Movement in schemes' assets		
Fair value of plan assets at end of prior year	25,446	25,093
Interest income	1,213	1,241
Contributions paid	557	464
Benefits paid	(792)	(872)
Administrative expenses paid	(106)	(163)
Remeasurements return on plan assets	(2,981)	(317)
Fair value of plan assets at end of year	23,337	25,446

Composition of plan assets:

	2024	2023
	£'000	£'000
Fair value of plan assets at end of year		
Corporate bonds	10,546	5,838
Cash	127	12
Diversified growth assets	7,299	7,846
Property	–	1,560
Liability driven investments	5,365	10,190
Total plan assets	23,337	25,446

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

28 Pension commitments (continued)

	2024	2023
	£'000	£'000
Amount recognised in Balance Sheet		
Fair value of plan assets	23,337	25,446
Present value of plan liabilities	(19,302)	(23,956)
Net pension scheme surplus	4,035	1,490
Unrecognised pension scheme surplus	(4,035)	(1,490)
Net defined benefit asset not recognised	-	-

The net pension surplus of £4,035 thousand has not been recognised as the company cannot recover the pension scheme surplus.

The amounts recognised in profit or loss account are as follows:

	2024	2023
	£'000	£'000
Expenses	106	163
Net interest income	(10)	(8)
Total	96	155

	2024	2023
	£'000	£'000
Amount recognised in statement of comprehensive income (SOI)		
Return on plan assets (excluding amounts included in the net interest cost)	2,981	317
Experience losses arising on the plan liabilities	(1,722)	160
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	(3,271)	52
Effect of changes in the amount of surplus that is not recoverable	2,473	(220)
Scheme actuarial losses recognised in SOI	461	309
Deferred tax movement relating to scheme actuarial losses	(115)	(73)
Total actuarial losses recognised in SOI	346	236

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

28 Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2024	2023
Discount rate	5.60 %	4.80 %
Inflation (RPI)	3.10 %	3.00 %
Inflation (CPI)	2.60 %	2.40 %
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.60 %	2.40 %
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.90 %	2.88 %
Mortality rates		
- for a male aged 65 now	19.70	21.30
- at 65 for a male aged 45 now	22.20	22.50
- for a female aged 65 now	20.90	23.20
- at 65 for a female aged 45 now	23.70	24.70

29 Commitments under operating leases

At 31 December 2024 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£'000	£'000
Not later than 1 year	5,660	5,108
Later than 1 year and not later than 5 years	13,889	11,775
Later than 5 years	9,843	10,594
	29,392	27,477

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

30 Non-GAAP financial measure

'Adjusted cash net income', as disclosed in the business review and financial key performance indicators section of the strategic report, is a non-GAAP financial measure. 'Adjusted cash net income' is the profit/(loss) on ordinary activities before taxation adjusted by the non-cash charges included in the profit and loss account, including amortisation, depreciation, amortisation of financing costs and accrued capitalised interest, as summarised in the following reconciliation:

	2024	2023
	£'000	£'000
Loss on ordinary activities before taxation	(12,986)	(3,157)
Amortisation of financing costs	1,378	3,619
Accrued capitalised interest	–	521
Depreciation	22,869	23,142
Amortisation	1,979	1,984
Adjusted cash net income	13,240	26,109

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

	2024	2023
	£'000	£'000
Gross (loss)/profit	(557)	10,823
Depreciation	22,869	23,142
Amortisation	1,979	1,984
EBITDA	24,291	35,949

31 Related party transactions

The company and group has outstanding balances with related parties which are disclosed separately in notes 18, 19 and 20.

The company and group is exempt from disclosing the nature and information about transactions with related parties that are wholly owned within the group.

During the year the group 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	2023
	£'000	£'000
Sales to related parties	16,739	21,870
Purchases from related parties	284	137
Amounts owed from related parties	1,969	3,745
Amounts owed to related parties	141	35

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

31 Related party transactions (continued)

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).

32 Controlling party

As at 31 December 2024, 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.

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 Group on 11 April 2025, the immediate parent undertaking is Sev.en Steel UK Ltd, a company registered in England & Wales.

The ultimate parent & controlling party is Tilia Fundatia, a foundation domiciled in Vaduz, Principality of Liechtenstein.

33 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.

In June 2025 the Group completed a £23m full scheme pension buy-in of the ROM Group Pension & Life Assurance Scheme, sponsored by ROM Limited. The transaction insures the benefits of all 249 members, 124 deferred and 125 pensioners.