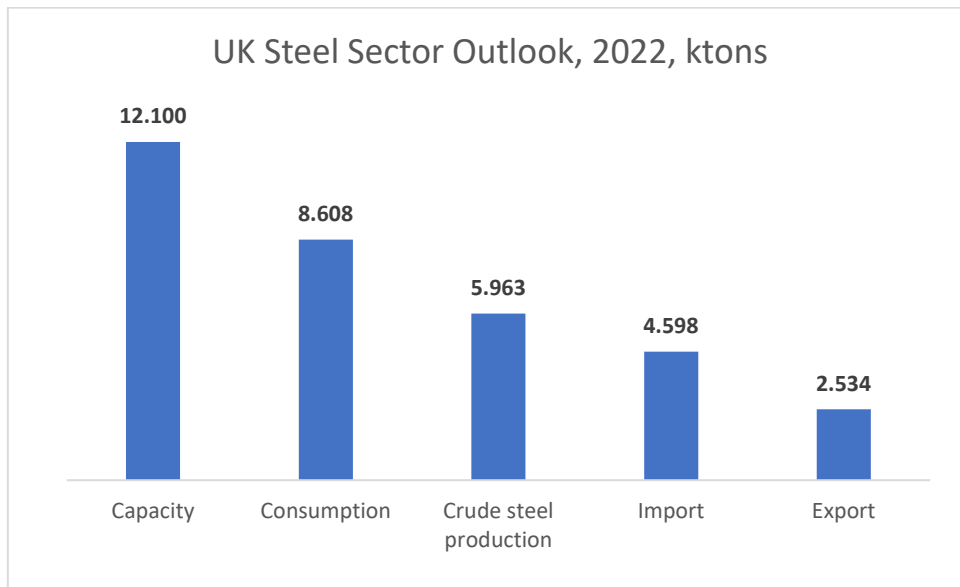


UK Steel Industry Outlook

To our best of our knowledge UK has an annual steel production capacity of 12,100 ktons. However, the actual crude steel production average is 6 million tons per year. UK consumption is ~45% more than its production, therefore UK is a net steel importer.

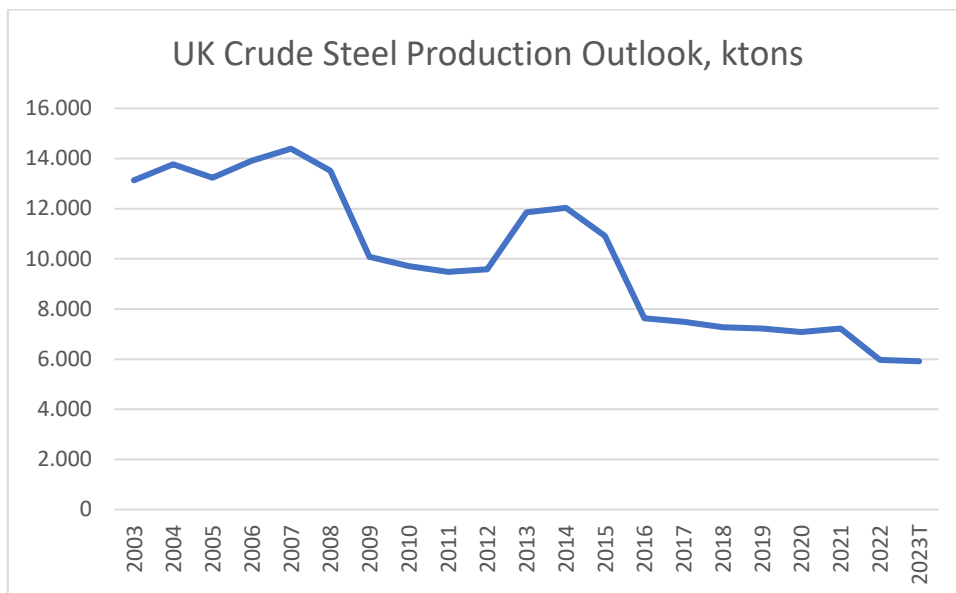


**Includes the trade with the European Union.*

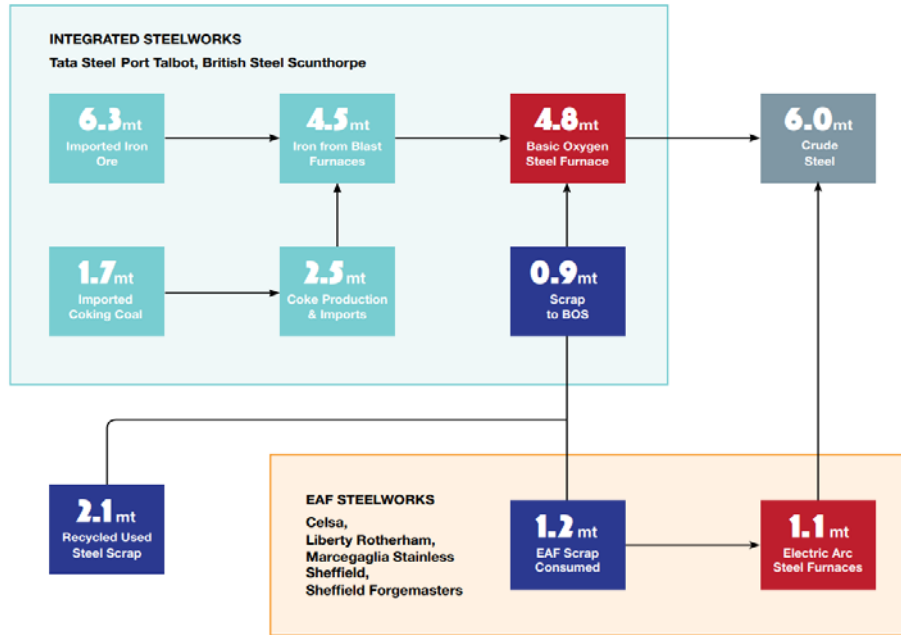
Crude Steel Production Outlook

Between 2003-2015, the average of annual crude steel production was 12 million tons. Between 2016-2023, annual production declined to an average of 7 million tons.

In 2022-2023, annual production is likely to fall to a historic low of 6 million tons, where 2023 full year production is preceded upon 9-months actual data.

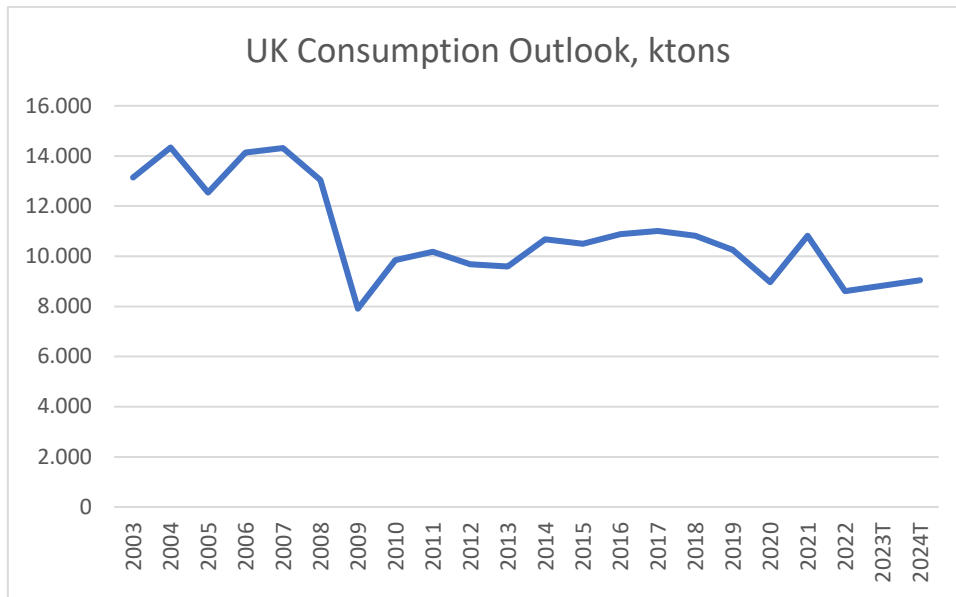


4.8 million tons of crude steel is manufactured by integrated Basic Oxygen Furnace (BOF) producers, which are Tata Steel and British Steel. Please note that BOF produces steel by smelting iron ore. Electric Arc Furnace (EAF) manufacturers who produce from scrap are Celsa Steel, Liberty Steel and Marcegaglia Stainless. Please note that EAF produces steel by melting the recycled steel scrap.



Consumption Outlook

For the past 15 years, UK final steel consumption has been around 10 million tons on average. For the past 2 years, it has been an average of 8.7 million tons. 2023-2024 forecasts are obtained from Worldsteel Association.



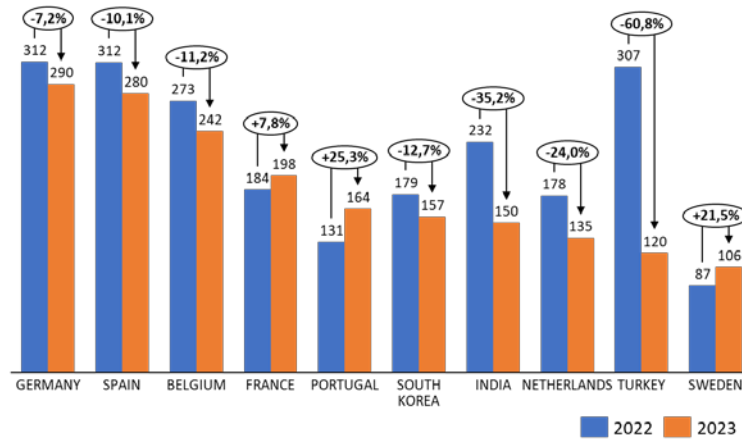
Foreign Trade Outlook

On average, 70% of UK steel imports are from EU. While 20% of UK imports originate from Asia, Turkey's share constitutes only 5%.

During the first 7 months of 2023, UK imports of finished products have decreased by 14%, where the particular decrease in the imports of Turkish steel was 61%.

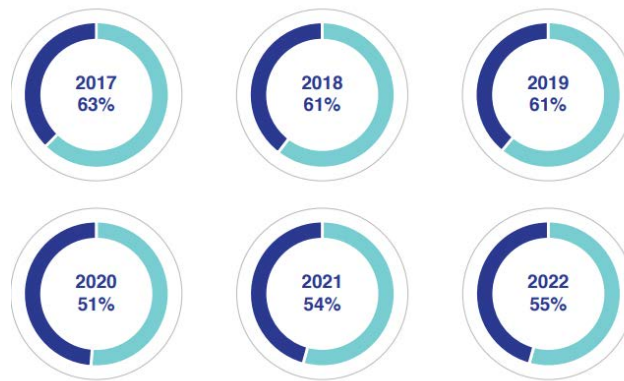
NON-CONFIDENTIAL

UK Finished Steel Import, 2022-2023 7 Months, kton



As of 2022, 55% of UK's steel demand was met by imports. Around 65% of all UK imports are flat steel mechanisdes. Details on UK flat imports are as follows:

Share of UK demand met through imports



As the UK steel consumption continues to grow, a reasonable level of imports will contribute to UK economy, especially when upcoming energy crisis and the Russian invasion of Ukraine. We are in the opinion that Turkiye is particular, is a crucial trading partner of UK, where Turkish exporters traditionally conform to fair trade practices and do not disturb UK steel market balances.

Domestic Producers (To our best of our knowledge)

Tata Steel

BOF producer. / Annual production capacity: 5 million tons.

Tata is the largest steel producer in the UK. The company produces hot rolled flat, cold rolled flat, coated flat, packaging steel, electroplated steel and silicon steel. It supplies to automotive, general manufacturing, construction, packaging and energy industries. Tata Steel supplies almost 50% of the flat steel requirements of car manufacturers in the UK. The company playing an important role in the transition to electric vehicles. It supplies around ~1.3 million tons of steel to the construction industry.



British Steel

BOF producer / Annual production capacity: 3 million tons
British Steel manufactures wire rod, profiles, special profiles, rails and semi-finished products. It supplies to rail sector, construction and automotive industry.



Celsa Steel

EAF producer. / Annual production capacity: 1,1 million tons
Celsa Steel manufactures steel reinforcing bar, wire rod, commercial rebar, commercial bar, angles and flat round bars. It supplies to construction industry and general engineering sector.



Liberty Steel

EAF producer. / Annual production capacity: 1.2 million tons
Liberty Steel manufactures hot rolled and cold worked bar, commercial profile, rebar, billet, bloom, ingot, sheet, hot rolled coil, cold rolled coil, narrow strip, precision strip, hollow sections, pipe, semi-finished products and powdered metals. It supplies to aviation, construction, infrastructure, oil & gas, energy, automotive, shipbuilding and white goods industries.



Marcegaglia Stainless Sheffield

EAF producer. / Annual production capacity: 450 thousand tons
Marcegaglia produces various stainless steel specifications in wire rods, bars, billets, blooms, ingots and sheets. It supplies to aerospace, automotive, construction, energy, packaging, household appliance industries.

