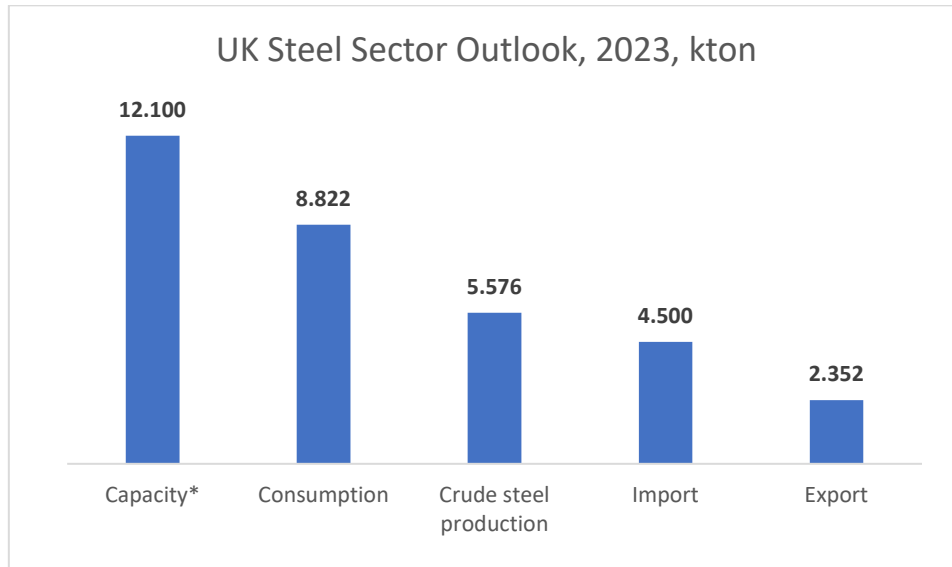


UK Steel Industry Outlook

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 5-6 million tons per year. UK consumption is ~58% more than its production, therefore UK is a net steel importer.

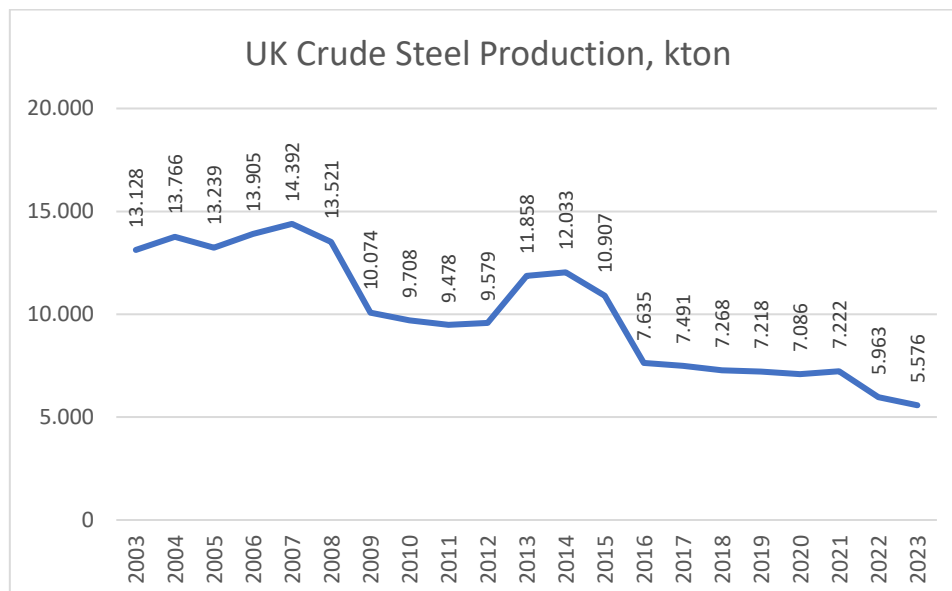


*Includes the trade with the European Union.

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.

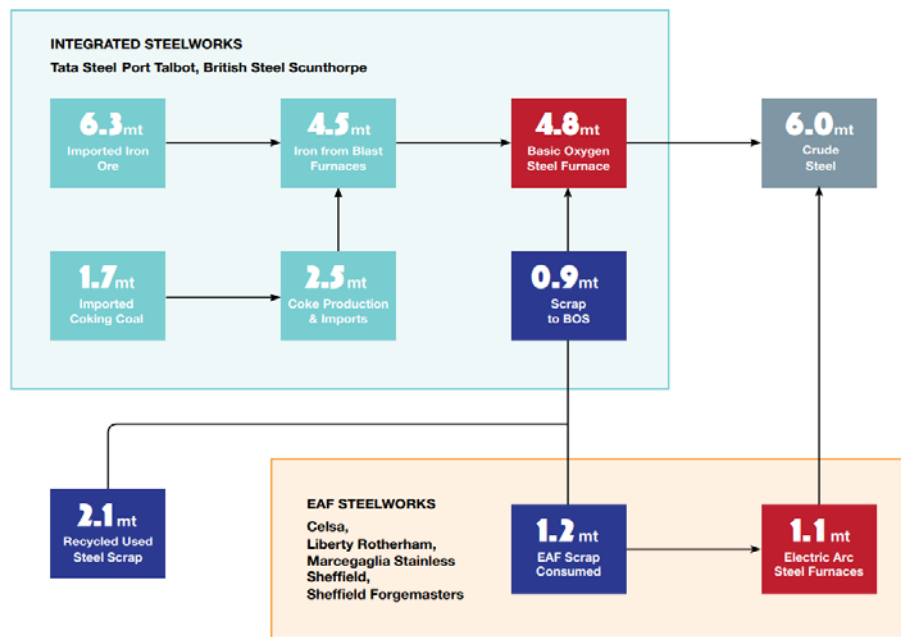
In 2023, annual production is likely to fall to a historic low of 5,6 million tons according to WSA.



4.4 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.

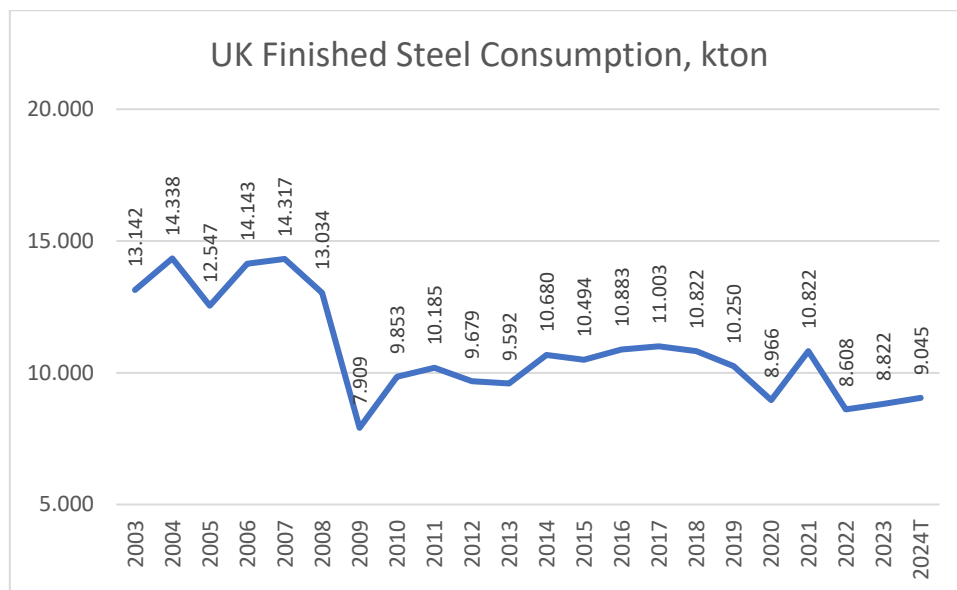
UK steelmaking 2022, Materials & production

UK STEEL KEY STATISTICS 2023



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.



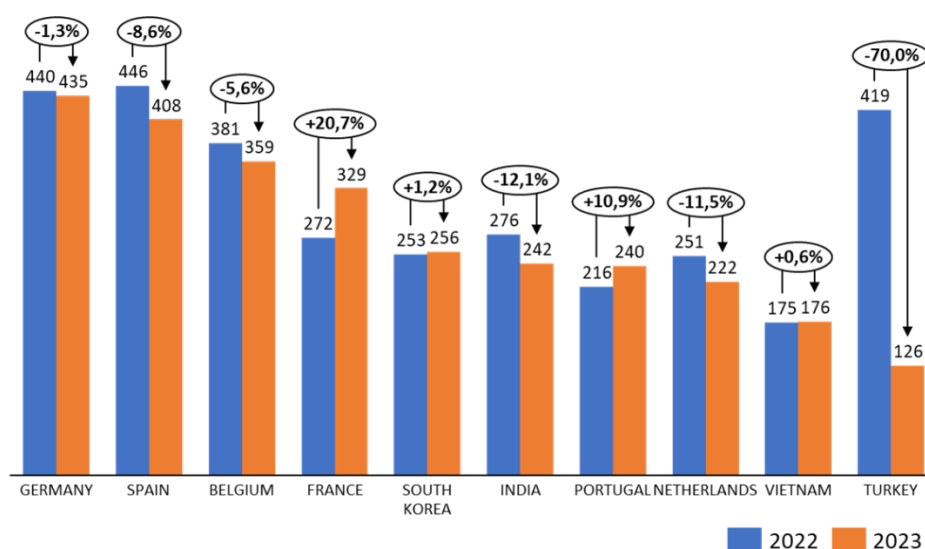
Foreign Trade Outlook

On average, ~70% of UK imports are from EU. While 24% of UK imports originate from Asia, Türkiye's share constitutes only 5%.

Exporter1, kton	2018	2019	2020	2021	2022	2023-11 months
EU	4.478	3.976	2.770	3.275	2.945	2.689
Asia	804	649	620	1.167	1.034	959
TURKIYE	361	374	132	364	433	169
MENA	79	25	17	95	173	162
Africa	23	19	18	21	23	18
CIS	312	323	244	246	56	14
South America	25	62	28	2	16	9
NAFTA	12	8	7	5	8	9
Other Europe	18	12	10	7	9	6
Total	6.112	5.449	3.845	5.182	4.697	4.035

During the first 11 months of 2023, UK imports of finished products have decreased by 16%, where the particular decrease in the imports of Turkish steel was 70%.

UK Finished Steel Import, 2022-2023 11 Months, kton



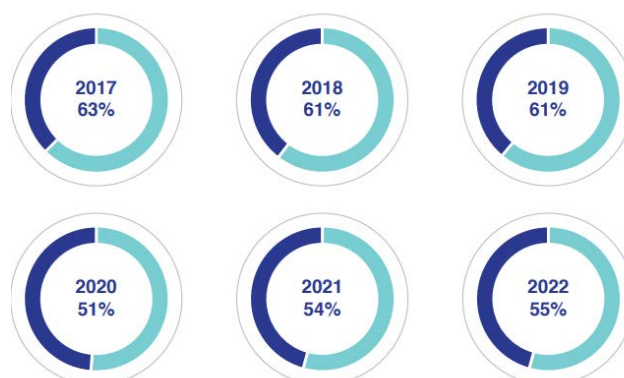
As of 2023, 51% of UK's steel demand was met by imports.

Around 65% of all UK imports are flat steel merchandises. Details on UK flat imports are as follows:

Product Type, ktons	2017	2018	2019	2020	2021	2022	2023-11 months
Flat Steel	4.137	3.923	3.486	2.412	3.205	2.671	2.499
Galvanized	1.819	1.607	1.399	962	1.385	981	865
Hot Rolled	706	809	748	429	612	580	673
Plate	474	503	462	346	375	363	369
Cold Rolled	481	454	333	261	303	236	241
Stainless	243	226	219	176	230	213	172
Pre-painted	184	171	233	158	213	213	109
Tin Mill	129	76	55	49	38	44	33
Other Coated	66	53	33	28	47	35	33
Electrical Steel	34	23	3	3	3	6	4

Long Products	2.036	2.190	1.964	1.433	1.980	2.028	1.602
Rebar, Wire Rod, Wire etc.	1.258	1.256	1.109	882	1.134	1.294	994
Profile	703	853	772	491	772	660	548
Stainless Rebar, Wire Rod, Wire	71	76	79	58	70	63	57
Stainless Profile	4	4	4	3	4	12	3
Total	6.173	6.113	5.450	3.846	5.185	4.699	4.101

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.

