

**SCOTTISH GOVERNMENT NOTE OF ONLINE MEETING BETWEEN IVAN
MCKEE AND SANJEEV GUPTA – GFG ALLIANCE
7 October 2022, 09:00-09:30, MICROSOFT TEAMS**

Attendees:

SG

Ivan McKee, Minister for Business, Trade, Tourism and Enterprise
[REDACTED], Deputy Director, Manufacturing and Industries Division
[REDACTED], Team Leader, Industrial Sectors and Projects
[REDACTED], Senior Policy Officer, Industrial Sectors and Projects
[REDACTED], Business Resilience Lead, Strategic Commercial Assets Division
[REDACTED], Business Resilience Lead, Strategic Commercial Assets Division
[REDACTED], Special Advisor
[REDACTED]
[REDACTED]

GFG

Sanjeev Gupta, Executive Chairman, GFG Alliance
Jeffrey Kabel, Chief Transformation Officer, LIBERTY Steel Group
[REDACTED], Legal, GFG Alliance
[REDACTED], Head of Government Relations, GFG Alliance

Summary of points made in discussion:

Introductory remarks

Mr McKee welcomed Mr Gupta acknowledging that GFG had continued to meet its Guarantee fee payments to the Scottish Government and the PPA payments due to the Bondholders. Mr McKee noted that the focus of the meeting would be on the [REDACTED] but indicated that Mr Gupta might begin with an update on GFG's global refinancing and restructuring.

Mr Gupta said that since he last spoke with Mr McKee he [REDACTED]. The steel sector is facing a particularly difficult time – any business that is relying on energy and consumer demand is suffering. The hope is the picture will improve after Christmas.

Mr Gupta reflected the two main issues of inflation and high energy costs are impacting production. Mr Gupta stated that most of GFG's plants in Europe are [REDACTED]. In recent weeks, Europe was seeing gas prices come down from their recent peak which has been helpful.

[REDACTED] Elsewhere, Mr Gupta advised that steel demand in US is [REDACTED] but GFG's [REDACTED] businesses continue to perform well.

Refinancing and restructuring

The [REDACTED] remains GFG's and the creditors' [REDACTED] [REDACTED] the refinancing. There have been long discussions between GFG and creditors with Mr Gupta noting that he is spending the majority of his time on refinancing. He further

noted that GFG and its creditors have spent [REDACTED] believing that it will conclude well.

On a question of what refinancing means for other businesses Mr Gupta said he would hope it would allow some [REDACTED] in [REDACTED] and the [REDACTED].

Mr Kabel commented that compliance with emissions targets would also impact business heavily by 2035 when compliance is expected.

Mr McKee asked about the impact of the weakened pound and Mr Gupta indicated that on balance the strength of the dollar has [REDACTED].

[REDACTED]

Mr McKee acknowledged where GFG is in relation to [REDACTED] and the broader context. Mr McKee advised that he is keen to [REDACTED]. Mr Gupta thanked Mr McKee for confirming the [REDACTED].

Impact of Insolvency Cases

Mr McKee asked Mr Gupta about any potential impact on [REDACTED] from the English court proceedings.

Mr Gupta responded that, as part of [REDACTED] [REDACTED]. [REDACTED].

[REDACTED]

Mr McKee asked about the issue with the [REDACTED] at Dalzell. Mr McKee wanted to understand when GFG will [REDACTED].

Any other business

[REDACTED] advised that the quarterly Lochaber Guarantee Management Meeting would be taking place later that day with GFG. For assurance purposes, SG needs to update internal stakeholders on the insolvency cases involving GFG entities and [REDACTED]. He asked Mr Gupta to [REDACTED].

Mr Gupta responded that [REDACTED] Mr Gupta asked Mr Kabel to update on current plans for Scotland/UK.

Mr Kabel advised that markets are constraining on the steel businesses at [REDACTED]. The other GFG entities are facing a challenge. There was lots of other work that GFG was pushing forward such as [REDACTED]. He also mentioned developments to come with [REDACTED]. The attention of Group executives had unfortunately been occupied on other things but they remained determined to push these ideas forward.

Concluding remarks

Mr McKee thanked Mr Gupta for his time and the update.

Meeting ended

Actions:

- 1) SG to [REDACTED];
- 2) JK to provide details on the [REDACTED] English businesses currently subject to winding-up orders in England.