ASX RELEASE

Date: 26 February 2026

BlueScope responds to SGH and Steel Dynamics on revised takeover proposal

BlueScope today provided a letter to the consortium comprising SGH Limited (ASX:SGH) and Steel Dynamics, Inc. (NASDAQ: STLD) in response to its revised non-binding indicative proposal received on 18 February 2026.

The letter sets out the Board's assessment of the revised proposal and the basis on which the Board would be prepared to consider further engagement with the consortium.

A copy of the letter is attached to this release.

BlueScope shareholders do not need to take any action in relation to the revised proposal.

BlueScope will continue to keep the market informed in accordance with its continuous disclosure obligations.

Authorised for release by: The Board of BlueScope Steel Limited

For further information about BlueScope:

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26 February 2026

Ryan Stokes AO
Managing Director & CEO
SGH Limited
Level 30, 175 Liverpool Street
Sydney NSW 2000

Mark D. Millett
Co-Founder, Chairman and CEO
Steel Dynamics, Inc.
7575 West Jefferson Boulevard
Fort Wayne, Indiana 46804

Dear Ryan and Mark,

Revised non-binding indicative proposal from SGH Limited and Steel Dynamics Inc.

We refer to the revised non-binding indicative proposal (the **Revised Proposal**) from the consortium of SGH Limited (**SGH**) and Steel Dynamics, Inc. (**SDI**) (together **the Consortium**) dated 18 February 2026, proposing to acquire all of the shares in BlueScope Steel Limited (**BlueScope,** the **Company**).

The Board has carefully considered the Revised Proposal, including obtaining input from management, seeking external advice and speaking to a number of the Company's shareholders. This letter sets out the Board's assessment of your Revised Proposal and the basis on which the Board is prepared to engage further with the Consortium.

1. Offer price

The Board notes that your headline offer price of A$34.00 per share includes A$1.65 per share in dividends that BlueScope has already announced and which shareholders are entitled to receive irrespective of the Revised Proposal. These comprise the A$1.00 per share special dividend declared in early January 2026 and already paid to shareholders, and the A$0.65 per share interim dividend declared as part of BlueScope's 1H FY2026 results on 16 February 2026.

Accordingly, the offer price proposed by the Consortium is A$32.35 per share, less any further dividends paid as detailed in the conditions to the Revised Proposal.

As you are aware, BlueScope also announced on 16 February 2026 that it plans to distribute A$3.00 per share in calendar year 2026 (comprising the A$1.65 per share referred to above, together with a further A$1.35 of distributions) as part of its revised capital management framework. On this basis, the Board has assessed that the scheme consideration would be only A$31.00 per share given that no transaction with the Consortium could be completed prior to the payment of the further distributions already announced by BlueScope.

If a transaction completed in calendar year 2027, that would cause a further reduction in the offer price below A$31.00 per share.

Can you please confirm that the Board's assessment of the structure of the proposed scheme consideration is correct?

If our assessment is correct, it would appear that the Consortium is proposing to retain the benefit of all the cash flow of BlueScope effectively from 1 July 2025, for a business it would be acquiring in late 2026 at the earliest and possibly well into 2027. These adjustments represent a material sum that would be transferred to the Consortium thus diminishing the cash consideration to our shareholders as presented in the Revised Proposal.

2. Valuation

You are aware that the Board previously rejected a proposal from SDI, in which SDI stated an implied value of A$33.00 per share for BlueScope. We have also said your initial A$30.00 per share proposal dated 12 December 2025 very significantly undervalued the Company. The Board maintains its view on the fundamental value of BlueScope. The Revised Proposal does not adequately address our valuation concerns. Consequently, the offer price is not sufficient for the Board to recommend a scheme of arrangement to its shareholders.

Notwithstanding your *"best and final"* statement, we consider that there are various ways to increase the value that BlueScope shareholders could receive.

The Board remains open to a transaction at a price that reflects the fair value of BlueScope.

In an effort to reconcile the continuing difference of views on value, if you are willing to provide us with some of the more important assumptions which are relevant to the Revised Proposal, such as HRC spreads, FX rates, property value, and cash flows, we will provide you feedback on these assumptions.

3. Onerous conditions of your Revised Proposal

Your Revised Proposal has onerous conditions attached to it, including:

- Your requirement for "hard" exclusivity (covering no-shop, no-talk, no-due-diligence and notification and matching rights) from the date of any process and exclusivity deed, extending for 30 days after the Consortium has been granted access to a substantially populated data room, and
- Your requirement for the Board to confirm its intention to unanimously recommend the Revised Proposal, prior to you commencing due diligence.

The Board considers these requirements to be inappropriate given the nature of the Revised Proposal, which remains non-binding, indicative, conditional on your due diligence and arranging debt finance and does not address the Board's valuation concerns. The Board cannot agree to what you have proposed given the Consortium is asking the Board to recommend a transaction to shareholders before the Consortium itself has decided whether to proceed with it.

Notably the Takeovers Panel has dealt with these issues previously and its guidance indicates that hard exclusivity at the non-binding indicative proposal stage should only be granted in exceptional circumstances (see Guidance Note 7 discussion on "hard exclusivity"). The Board does not consider that such circumstances exist here.

If the Board were to engage further with the Consortium, it would be on a non-exclusive basis. The Board has a fiduciary obligation to consider any proposal that may be in the interests of shareholders and is not prepared to constrain its ability to do so at this stage.

Moreover, it is common for a Board to form a recommendation only after a bidder has completed its due diligence and the parties have agreed binding terms, including value. The Board cannot reasonably be expected to indicate support for a transaction when it has no visibility on the Consortium's final position on value, conditions, financing commitments or other material terms.

4. Value attribution between BlueScope's North America operations and its Rest of World operations

The Revised Proposal continues to involve a structure under which SGH would acquire BlueScope and on-sell the North American operations to SDI.

I have previously requested the Consortium's value attribution between BlueScope's North American operations and its Rest of World operations both on our call following receipt of your initial indicative proposal (dated 12 December 2025), and again last Wednesday when I raised this with both of you. On both occasions, you have declined to provide this information.

We consider this information to be of significant importance to both the Board and BlueScope shareholders in assessing your proposal to acquire BlueScope for two reasons.

Firstly, by choosing to make the offer price under your Revised Proposal *"best and final"* in the absence of a superior competing proposal for *"all or a material part of [the Company]"*, we consider that you need to disclose the on-sale price for BlueScope's North American operations so that the market is efficient, competitive and informed, as required by the legislation. For example, when would a separate proposal to acquire BlueScope's North American operations for a particular specified price be 'superior'? Without knowing the value SDI currently attributes to BlueScope's North American operations, neither the Board nor the BlueScope shareholders can objectively determine how the exception to the *"best and final"* statement operates and therefore appraise the ability or possibility of SGH and SDI increasing the offer price under the Revised Proposal.

Secondly, it is evident that an on-sale price has been agreed. This will need to be disclosed to all of our respective shareholders including to BlueScope's shareholders as part of the scheme of arrangement documentation if the transaction proceeds. In the context of you seeking Board support for your Revised Proposal, it is important for the Board to understand this value attribution, and we reiterate our request that you disclose this information.

5. Transaction structure and on-sale of BlueScope's North America operations

The Revised Proposal outlines that *"post-closing of the scheme of arrangement, the North American businesses, assets, employees and liabilities of [BlueScope] will be sold to SDI"*.

The Revised Proposal is not clear on whether the proposed acquisition of BlueScope by SGH is conditional on the on-sale of BlueScope's North American operations to SDI. This would have a material impact on the expected timeframe and execution risks associated with transaction completion.

Accordingly, the Board requests that you clarify whether the conditions of the on-sale of BlueScope's North America operations by SGH to SDI are also conditions of the proposed scheme of arrangement to be put to BlueScope's shareholders. The terms and conditions of the on-sale are material to the Board's assessment of your Revised Proposal.

6. Conditional financing

The Revised Proposal is stated to be *"not subject to a financing condition"*.

However, the letters you attached from J.P. Morgan and ANZ are non-binding and highly conditional. Given your proposal is essentially completely debt-funded and subject to due diligence, the Board requests further detail from you about how you see this operating (including how the proposed transaction will be funded by SGH given the on-sale of BlueScope's North American operations to SDI per section 5 above) and the steps you will need to take for those commitments to become binding and unconditional.

7. Basis for further engagement

If you are able to address the matters we have raised in this letter including, importantly, increasing the value of your proposal for all BlueScope shareholders, the Board is open to further engagement with you, including providing some due diligence information.

We look forward to your response.

Yours sincerely,

[redacted]

Jane McAloon, AM
Chair
BlueScope Steel Limited