

CONFIDENTIAL

Date: December 02, 2025

To,
The Board of Directors,
JSW Steel Limited,
JSW Centre, Sandra Kurla Complex,
Near MMRDA Grounds, Sandra East,
Mumbai 400 051, India

Dear Members of the Board:

I. Engagement Background

We, Axis Capital Limited (Registration No: JNM000012029, Category-I Merchant Banker registered with SEBI) ("We" or "Us") understand that the Board of Directors of JSW Steel Ltd. ("JSW" or the "Transferee Company") and Piombino Steel Ltd. ("PSL" or the "Transferor Company") are considering a merger of PSL into JSW. The proposed merger is to be carried out pursuant to a Scheme of Amalgamation ("Scheme") under the relevant sections of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as may be applicable.

We understand from the management of JSW that, pursuant to the proposed merger, the equity shareholders of PSL, other than JSW, will be issued equity shares in JSW as consideration for their respective shareholding in PSL. The terms and conditions of the proposed merger are more fully set out in Draft Scheme shared with us on 22~ November 2025 ("Draft Scheme"), the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We further understand that the share exchange ratio for the proposed transaction has been arrived at based on the valuation report dated 02 December 2025 prepared by KPMG Valuation Services LLP valuer (the "Valuer"), who has been appointed for this exercise by JSW.

Based on our perusal of the valuation report dated 02 December 2025 prepared by the Valuer, we understand that it has been proposed that pursuant to the amalgamation of PSL into JSW, for every 156 (*One hundred fifty six*) fully paid up equity shares of the face value of INR 10 each held by the shareholders of PSL, other than JSW, JSW shall issue and allot 10 (ten) fully paid up equity shares of the face value of INR 1 each of JSW (hereinafter referred to as the "Share Exchange Ratio")

In connection with the aforesaid, you requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the Share Exchange Ratio, as proposed by the Valuer, from a financial point of view to the shareholders of JSW.

JSW and PSL shall hereinafter be individually referred to "Party" and collectively referred to herein as "Parties".



II. Basis of Opinion

The rationale for the Scheme as shared with us by the JSW's management is based on the amalgamating companies and their respective stakeholders benefiting from the following:

- enhancement of operational, organizational and financial efficiencies, and economies of scale from pooling of resources
- reduction in multiple entities and regulatory compliances will further reduce the overall compliance and overhead costs of the Parties;
- optimizes capital deployment for the Transferee Company. This integrated approach allows for more efficient allocation of capital and improved cash management across the combined entity
- improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent, and vast experience to compete in an increasingly competitive industry

Some key details related to each of the aforesaid companies is as under ~

PSL is incorporated under the Companies Act, 2013, having Corporate Identity Number U27320MH2018PLC374653 and its registered office at 6th Floor, Grande Palladium, 175, CST Road, Kolivery Village MMRDA Area Kalina, Santacruz East, Mumbai – 400 098, Maharashtra, India. It is engaged in the business of buying, selling and otherwise trading or dealing in steel and its allied products, iron ore, coal, coke, brick-earth, ores, minerals and mineral substances, alloys and metal scrap of all kinds.

JSW is a public company, incorporated under the Companies Act, 1956, having Corporate Identity Number L27102MH1994PLC152925 and its registered office at JSW Centre Sandra Kurla Complex, Bandra (East), Mumbai 40005 I, Maharashtra, India. It is primarily engaged in the business of manufacture and sale of iron and steel products. Equity shares of JSW are listed on SSE and NSE.

The key features of the Scheme provided to us through the Draft Scheme are as under:

1. With effect from the Appointed Date (as defined in the Draft Scheme) and upon the scheme becoming effective, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Company shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern
2. As consideration for the merger of PSL into JSW, JSW shall issue and allot equity shares to the equity shareholders of PSL, proportionate to their holding in PSL. It is clarified that no shares will be issued by the Transferee Company in lieu of the shares held by it in the Transferor Company
3. JSW shares to be issued and allotted by JSW in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of JSW and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of JSW
4. Upon the coming into effect of the Scheme, PSL shall stand dissolved without being wound up



5. Share Exchange Ratio is based on the valuation report dated 02 December 2025 submitted by **KPMG Valuation Services LLP**

We have relied upon the Draft Scheme and taken the abovementioned key features (together with other facts and assumptions set forth in section III of this Opinion) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by JSW including the draft valuation report prepared by the Valuer and the Draft Scheme.

In connection with this Opinion, we have:

- (i) reviewed the Draft Scheme and the valuation report dated 02 December 2025 prepared by the Valuer;
- (ii) reviewed certain publicly available historical and operational information with respect to each of the relevant entities available in their respective annual & interim reports and company presentations;
- (iii) reviewed certain historical business and financial information relating to each of the relevant entities, as provided by the respective companies, and sought certain clarifications with respect to the same;
- (iv) considered publicly available research on JSW as available with us as at the date hereof;
- (v) held discussions with the Valuer, in relation to the approach taken to valuation and the details of the various methodologies utilised by them in preparing the valuation report and recommendation;
- (vi) sought various clarifications from the respective senior management teams of the relevant companies;
- (vii) reviewed historical stock prices and trading volumes of JSW's shares on BSE & NSE
- (viii) performed such other financial analysis and considered such other information and factors as we deemed appropriate.

We have been given to understand that the Board of Directors of PSL and Bhushan Power and Steel Limited (Wholly Owned Subsidiary of PSL) propose to enter into an agreement to transfer the business of Bhushan Power and Steel Ltd. by way of a slump sale to a special purpose vehicle to form a 50:50 joint venture with an external investor. The key mechanics of the proposed transaction were shared by the management of JSW with us. We have relied on such details provided to us and factored the same in our workings to opine on fairness of the Share Exchange Ratio arrived at by the Valuer. We have been given to understand that proposed transaction will be consummated basis the key mechanics shared with us.

We have assumed and relied upon the accuracy and completeness of all information and documents provided to us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon the Transferee Company assurances that they are not aware of any facts or circumstances or have held back any material information that would make such information or data incomplete, inaccurate or misleading in any material respect, which, may impact our analysis and Opinion.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the



assets or liabilities of JSW and PSL, and / or their subsidiaries/affiliates. In particular, we do not express any opinion as to the value of any asset of JSW and PSL, and / or their subsidiaries/affiliates, whether at current time or in the future. No investigation of JSW's and PSL's claim to title of assets has been made for the purpose of the exercise and the claim to such rights has been assumed to be fully valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Further, we have not evaluated the solvency or fair value of JSW and / or PSL and / or their subsidiaries/affiliates under any law relating to bankruptcy, insolvency or similar matter.

One should note that valuation is not exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where equity shares of JSW are being issued as consideration to the shareholders of PSL, it is not the absolute per share value that is important for framing an opinion but the relative per share value of JSW vis-a-vis per share value of PSL.

We have assumed, with the Transferee Company's consent, that the scheme will be in compliance with all applicable laws and other requirements and will be implemented on the terms described in the Draft Scheme, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Transferee Company, Transferor Company and / or their relevant subsidiaries/ affiliates and their respective shareholders. We have assumed, at the directions of the Transferee Company that the final scheme will not differ in any material respect from the Draft Scheme. We understand from the Transferee Company's management that the scheme will be given effect to in totality and not in parts.

we express no view or opinion as to any terms or other aspects of the Draft Scheme (other than the Share Exchange Ratio, from a financial point of view) including, without limitation, the form or structure of the proposed transaction. We were not requested to, and we did not, participate in the negotiations for the proposed transaction. Our Opinion is limited to the fairness, from a financial point of view, of the Share Exchange Ratio proposed by the Valuer, to the shareholders of JSW. Our analysis relates to the relative values of JSW and PSL. However, the actual transaction value may be significantly different from the result of our analysis and would depend on a number of factors, including the negotiating ability and motivations of the respective buyer and seller. We express no opinion or view with respect to the financial implications of the proposed transaction for any stakeholders, including creditors of the Transferee and/or the Transferor Company.

We understand, based on the information provided by the management of the Transferee Company and our review of the Draft Scheme, that there will be no change in the terms and conditions of the listed NCDs of JSW pursuant to the Scheme and that the holders of the listed NCDs as on the Effective Date of the Scheme will continue to hold the listed NCDs without any interruption and on the same terms.

We express no view as to, and our Opinion does not address, the underlying business decision of the Transferee Company to effect the proposed transaction, the relative merits of the proposed transaction as compared to any other alternative business strategy, the effect of the proposed transaction on the Transferee Company or its



affiliates, including, without limitation, possible implications on ownership structure, listing format, capital structure or trading price of JSW's shares post completion of the proposed transaction. The Transferee Company remains solely responsible for the commercial assumptions on the basis of which it agrees to proceed with the proposed transaction. Our Opinion is necessarily based only upon information as referred to in this letter. We have relied solely on representations, whether verbal or otherwise, made by the management of JSW and PSL, for areas where the same has been made.

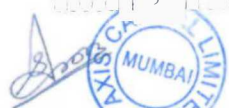
We do not express any Opinion as to any tax or other consequences that might arise from the scheme on JSW, PSL and / or their subsidiaries/affiliates, and their respective shareholders, nor does our Opinion address any legal, tax, regulatory (including all SEBI regulations) or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation or other contingent liabilities to which the Transferee Company, Transferor Company and/or their subsidiaries/affiliates, are/or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us, as of the date hereof. We have not factored, in our analysis, the outcome of any contingent events, other than as represented to us by the Transferee Company or the Transferor Company. It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the scheme other than the fairness, from a financial point of view, of the Share Exchange Ratio proposed by the Valuer, to the shareholders of JSW.

While we have provided our recommendation as to the fairness of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. The final responsibility for the determination of the exchange ratio at which the merger shall take place will be with the Board of Directors of the respective companies who should take into account other factors such as their own assessment of the merger.

We may have in the past provided, and may currently or in the future provide, investment banking services to the Transferee Company, Transferor Company and/or their subsidiaries or their respective affiliates that are unrelated to the proposed scheme, for which services we have received or may receive customary fees. Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the Transferee Company, Transferor Company and/or their subsidiaries or their respective affiliates. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Limited may invest in securities of the Transferee Company, Transferor Company and / or their subsidiaries or group companies, for their own accounts, and for the accounts of their customers subject to compliance of SEBI (Prohibition of Insider Trading)



Regulations and, accordingly, may at any time hold a position in such securities. We will not be responsible to any other person/party for any decision. Our engagement and the Opinion expressed herein are solely for the benefit of the Board of Directors of the Transferee Company (in its capacity as such) in connection with its consideration of the scheme and for none other. Delivery of our Opinion does not create any fiduciary, equitable or contractual duties on Axis Capital Limited (including, without limitation, any duty of trust or confidence). It is hereby notified that any reproduction, copying or otherwise quoting of this document or any part thereof except for the purpose mentioned herein can only be done with our prior permission in writing. Further, our Opinion is being provided only for the limited purpose of complying with the SEBI regulations and the requirement of the stock exchanges on which the Transferee Company is listed or as required under applicable law, and for no other purpose. We have also assumed that all aspects of the proposed merger as contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this Opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Neither Axis Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The Transferee Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the results of the proposed scheme. This Opinion shall be governed by the laws of India and any disputes shall be subject to the jurisdiction of the Courts of Mumbai, India

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such party should vote or act in connection with the scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Share Exchange Ratio, as proposed by the Valuer, is fair to the shareholders of JSW from a financial point of view.

Very truly yours,

For Axis Capital Ltd.



Sumit Arora,
Executive Director, Axis Capital Limited



Aditya Jain
Executive Director, Axis Capital Limited

