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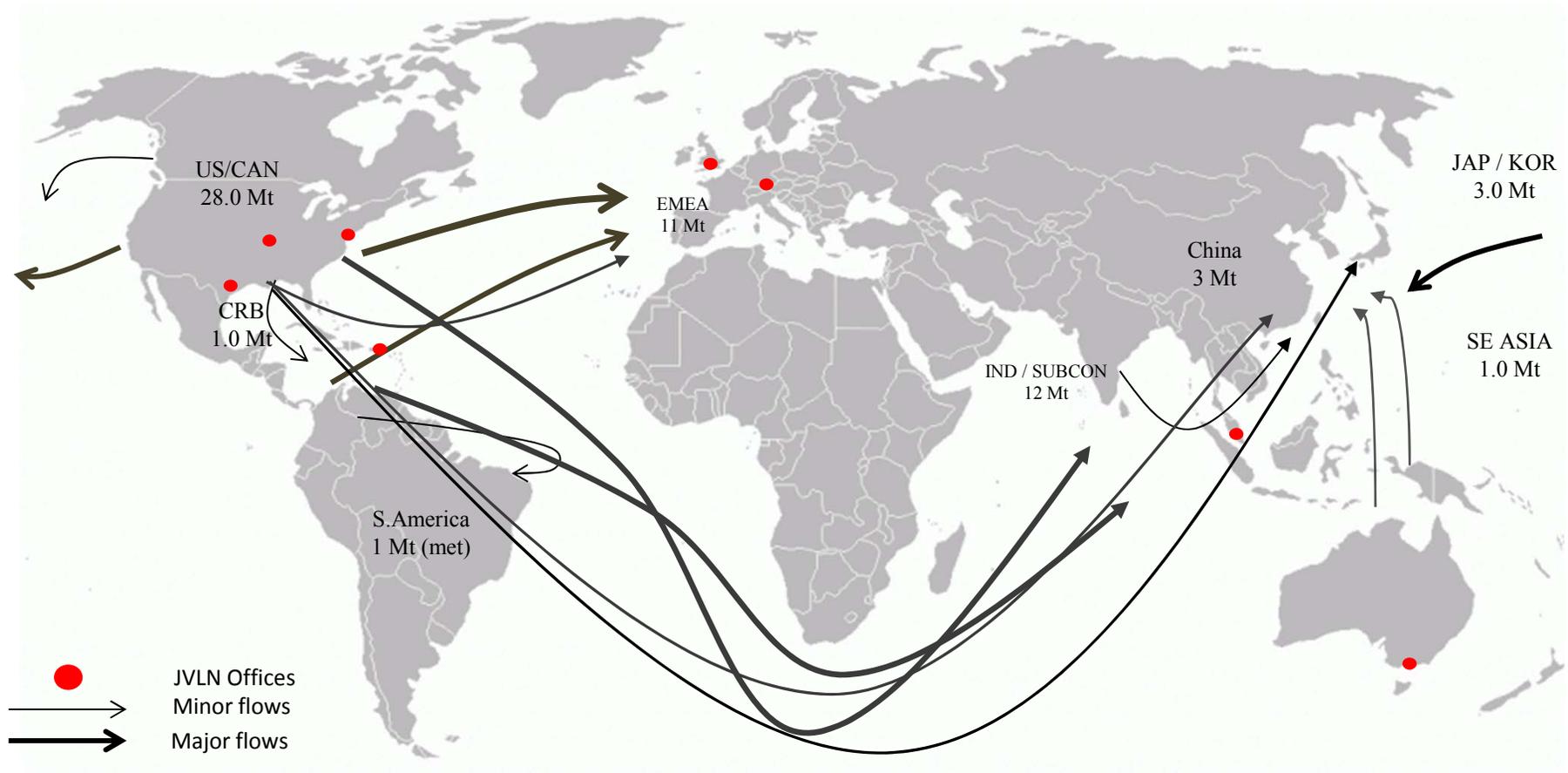
Corporate Overview



- Javelin Global Commodities (“JVLN”) is a global commodities marketing, trading, logistics, financing and advisory company focused on bulk, steel, energy, green carbon, renewable fuels and soft commodities
 - Headquarters: London
 - Offices: New York, St. Louis, Puerto Rico, Zug, Singapore and Melbourne
- JVLN is owned by Management (81%) and Uniper SE (19%)
 - Management has over 150 years collective experience in physical trading and private equity in the commodities space and previously worked at major industry players including Goldman Sachs and utilities
 - Uniper is a \$16 billion publicly listed energy company with over 28 GW of natural gas and coal fired generation in Europe. Uniper generated \$2 billion in 2020 EBITDA
- JVLN has performed well since inception and maintains a robust balance sheet
 - EBITDA: \$78 MM (2017), \$70 MM (2018), \$46 MM (2019), \$47 MM (2020), \$252 MM (2021E)
 - Balance Sheet: >\$370 MM Equity and >\$1.1B Assets
 - Liquidity: >\$500 MM trade finance and margin lines

JVLN was set up at inception with the management team, capital and shareholder support to build a successful multi-commodity trading and investment franchise

2022E Physical Flows



JVLN expects to trade over 60 Mt of bulk commodities in 2022 including bituminous coal, met coal, sub-bituminous coal, iron ore, metallurgical coke, anthracite and petcoke.

itv NEWS



RUSSIA INVADES
UKRAINE



Russia's Invasion of Ukraine:

A New Lease of Life for Blast Furnaces?

EU Steel



- Every tonne of steel produced leads to emissions of 1.85 tonnes of Carbon Dioxide
- Global steel production accounts for 9% of global carbon emissions
 - Customers are demanding lower carbon steel.
 - If customers (voters) want it, politicians will regulate for it
 - The investment community / financial markets are demanding it
- COP26 (Glasgow) – steelmakers committed to target near net zero emission steel by 2030

Countries, including the US, EU, Japan, Republic of Korea and India, have agreed to *“make near-zero emissions steel the preferred choice in global markets by 2030 with efficient use and near-zero emission steel production established and growing in every region by 2030”*.

- Only one CAPEX cycle left before 2030 and two cycles before 2050
- EU Steel Mills have all been pushed down the same strategic pathway as a result of consumer, regulatory and investment pressure

The Steel Conundrum



- How do you remain competitive in a “broadly” unprotected/open market and produce steel without net emissions of CO₂?
- The answer they came up with was a three phased strategy:
 1. “The Transition Stage”:
 - Use HBI (primarily Russian)
 - Reduces coke rate
 - Increases BF productivity
 2. “Heading to Zero”
 - Produce DRI/HBI
 - Use “cheap” Russian Gas as the reductant in the shaft furnace
 - Smelt DRI in EAF using electricity from “cheap” Russian gas
 3. Phase 3 (“Carbon Neutral”)
 - Green Hydrogen produced with Renewable Power
 - Results in net zero steel production

Putin’s invasion of Ukraine has thrown this strategy into turmoil...

February 2022...



- EU mills were on a trajectory of low carbon steel built on the foundations of Russian Raw Materials
- EU Investment Announcements pre-Putin's War:

| Company | Stated Strategy | Implementation Date | Long term |
|----------------|--|---------------------|------------------------|
| SSAB | Net Zero via DRI and EAF (retiring coke/coal BFs) | 2030 | |
| Arcelor Mittal | 30% Carbon reduction by CCS and DRI routes | 2030 | Carbon neutral by 2050 |
| Salzgitter | 30% Carbon reduction by phased implementation of Salcos (Hydrogen from electrolysis) | 2026 | Carbon neutral by 2050 |
| Thyssenkrupp | 30% Carbon reduction through DRI and Hydrogen production | 2030 | Carbon neutral by 2050 |
| Tata Steel | 30% Carbon Reduction through DRI | 2030 | Carbon neutral by 2050 |
| Voestalpine | Zero Carbon Emissions | 2035 | |

- All the major EU steel mills have the same goal and roughly the same implementation time line
- What's the plan now?



What did each Phase rely on?



- EU Steel strategy out to 2050 were heavily reliant on Russian raw materials.
 - Phase 1 - Russian HBI
 - Phase 2 – Russian Natural Gas as reductant
- For the foreseeable future (at least one investment cycle = 15 years) Russian HBI is gone
- Russian Natural Gas is still flowing to Germany, and will continue to do so for the time being because Germany has no other alternative
- Steel making supply of natural gas to Germany will be a second priority
 - What will happen to the “Heading to Zero Phase”?
- Running parallel to the integrated steel strategy was an EAF production strategy in USA and EU:
 - Utilised Russian natural gas to replace coal fired electricity generation (EU)
 - Utilised Russian pig iron to supplement scrap based steel production (EU and USA)
 - Where will EAF get their iron units?
 - Is there enough non Russian pig iron and scrap?
 - What will be the quality (esp Phosphorus) in pig iron?



Phase 1 (Transition)

- Russia did export 3-4mtpa of HBI.
- Abundant natural gas and iron ore had led further announced increases in capacity of HBI production in the coming years.
- This fitted the low emission model of the Europeans well:
 1. Charge HBI to BF's to increase productivity and reduce coke rate
 2. Charge HBI to growing number of EAF furnaces being invested in.
- On March 11th 2022 the EU announced the imposition of sanctions on Russian goods and businesses.
- Although not all Russian HBI is sanctioned currently, it could become sanctioned, and businesses face a moral dilemma about selling steel produced with Russian raw materials
- It is predicted that Phase 1, the Transition Phase will be severely delayed or even cancelled as mills look for alternatives.
 - Libya?
 - Venezuela?
 - Iran?
 - These countries already have various sanction restriction and do not have the capacity



Phase 2 (Heading to Zero)

- Following the transition stage the mills planned to embark on a strategy to zero emissions.
- The first stage of the journey is production of HBI in Europe.
- HBI requires two raw materials:
 - DR Pellets
 - Natural Gas (or Hydrogen)
- There are few producers of high grade DR pellets worldwide, and there are limited ore bodies that lend themselves to DR beneficiation. Either way the energy requirements for DR grade beneficiation are significant
- Russia has developed high quality DR pellets in recent years and was to be a vital source of DR pellets for European DR/HBI production
- Russia was Western Europe's main supply of natural gas to develop the second phase.
 - Is LNG an alternative?
 - Is enough LNG available



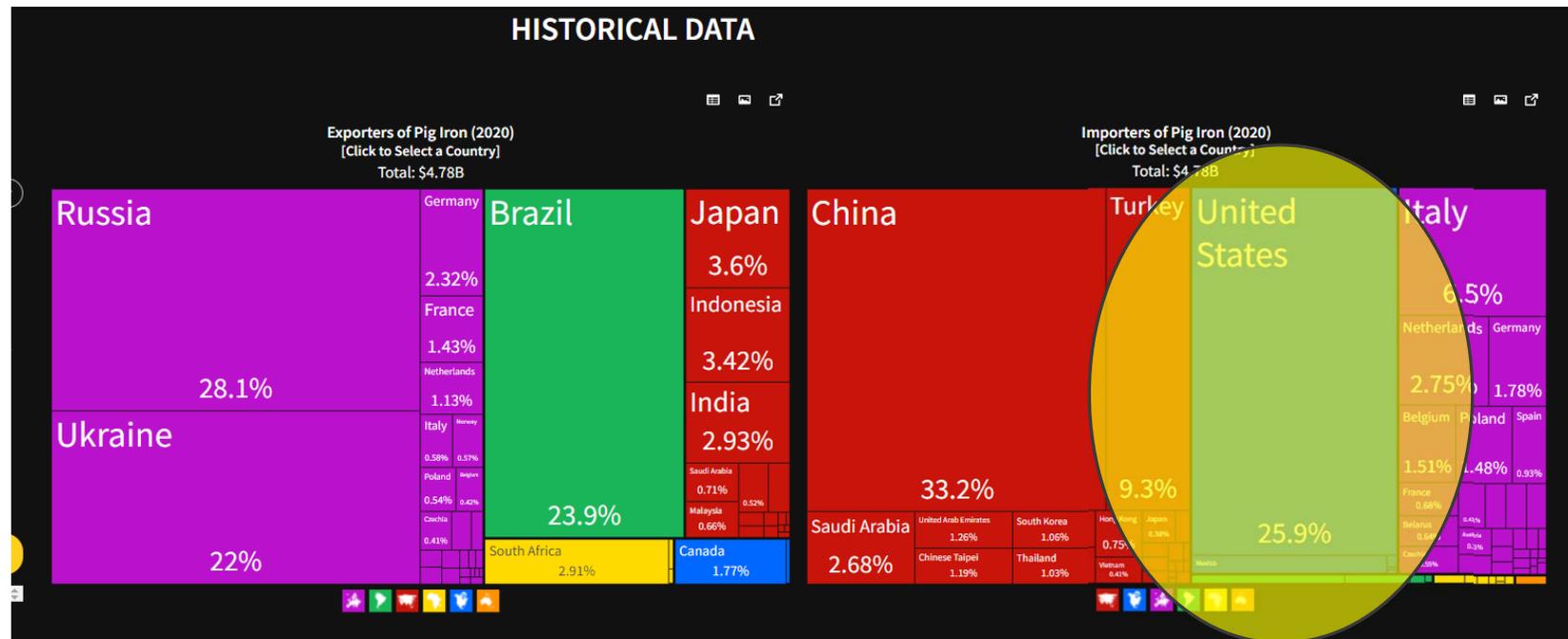
Phase 3 (Carbon Neutral)

- Production of steel from green hydrogen and green DR pellets
- Can Steel mills get to Phase 3 without going through Phase 1 & 2
- What will electrolysis cost and where will the renewable energy capacity come from?
- Will, or even can, this Phase be advanced?

DELAY

Net Result: Adoption of non coke/coal based steel production will be delayed in Europe

Coke and Pig iron in the USA



- Russia and Ukraine supplied 50% of the world's traded pig iron before the invasion
- The USA imported 25% of global flows.
- Where will it come from?
- The blast furnace?

The USA EAF's need Pig Iron. 40% of the global supply has just disappeared

Metallics Requirements USA



- Est. 4 million tons of INCREMENTAL Pig/HBI required to meet the announced capacity expansion in the USA alone

| | | Announced Capacity Expansions to 2025 | Est. Pig Iron/DRI/HBI requirements |
|-----------------------|--------------|---------------------------------------|------------------------------------|
| Nucor | Gallatin, KY | 1.4 | 0.56 |
| | Mason, WV | 3 | 0.75 |
| | Brandenbur | 1.2 | 0.3 |
| Steel Dynamics | Stinton, TX | 3 | 0.75 |
| ArcelorMittal | Calvert, AL | 1.6 | 0.4 |
| US Steel | Big River | 4 | 1 |
| NorthStar | Delta, OH | 0.4 | 0.2 |
| Total | | | 3.96 |

- Is there an additional 4mt of cost competitive scrap?
- Where will the pig/metallics come from?
- Pig iron casters need Blast Furnace hot metal

Steel Mill Capital Deployment



- Steel Mill investments are long-lived capital
- A Steel Mill might have a 50-60 year investment horizon and within that time frame are 3-4 major capital investment cycles
- A Blast Furnace reline is a major investment requiring \$80-150m capex plus the opportunity cost of not producing hot metal for 3 months (so real cost could be >\$1bn).
- A reline lasts 13-15 years (one investment cycle)

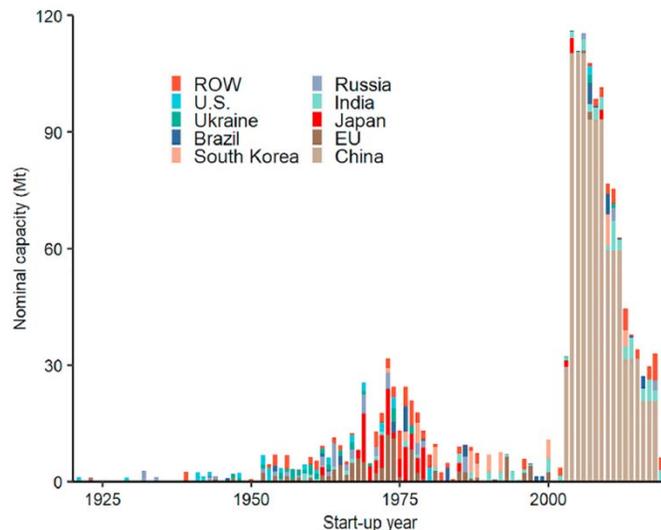


Figure 2. Age structure of currently (2019) operating global blast furnace equipment per country (ROW, rest of the world)

- EU Blast Furnaces are approaching their third cycle of investment decisions (1970/1990/2008/2021)

Mills have to decide whether to employ capital at the alternative technologies or hit the “BF Reline Button”

Coke demand



- Coke batteries in Europe and USA are old. In some cases batteries are in a poor state of repair and producing below capacity nameplate
- The European blast furnaces are addicted to Russian PCI. The ban on Russian coal will push mills to lower quality/lower replacement ratio
 - Resulting in higher furnace coke rates and coke demand in the short to medium term
- Russian anthracite has been the base fuel for pellet plants and sinter plants for 30 years. There are no obvious/easy replacements for this material, which will push up demand for coke breeze in steel and coke fractions in foundry.
 - Some merchant coke making capacity move to make specialty products
 - Reducing overall capacity for BF coke production
- Russian coke exports were 3.2mt
- Is there capacity in the current merchant coke market to make up the loss of 3.2mt of Russian coke?

Conclusions



- Putin's War has the potential to severely derail the global Steel Mill emissions objectives agreed at COP 26
- The 3 phases of migration to low emission steel will be delayed
 - No HBI
 - Reduced DR pellet availability
 - Reduced DR pellet feed availability
 - Expensive and limited natural gas
- Capital deployment in Europe will undergo an additional cycle through blast furnace route production and additional furnace relines will occur
- In the USA the blast furnaces will receive a stay of execution as pig iron production will be required to meet the demands of EAFs and steel markets
- In the seaborne market merchant coke will remain in short supply in the near term:
 - Reduced PCI rates and lower replacement ratio injection coals
 - Disappearance of Russian coke and anthracite products
 - Relatively high coke rates to remain in BFs as HBI will not be coming from Russia

Putin's invasion of Ukraine will disrupt and delay global emission targets prolonging the life of coke based iron production from the blast furnace