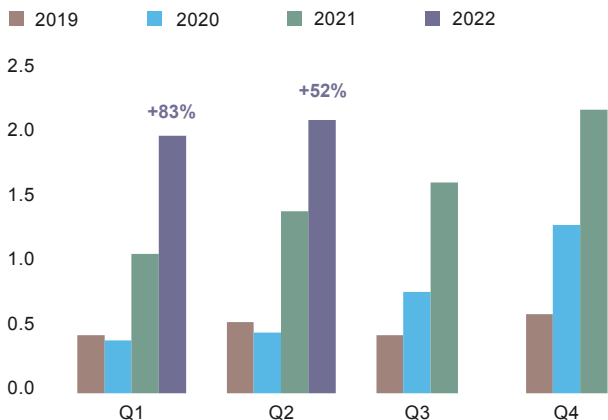


NEV DEMAND FIGHTING AGAINST BROADER AUTOMOTIVE HEADWINDS

Quarterly NEV sales in China, Western Europe & North America, million units



The global automotive market is facing rising pressure:



ongoing semiconductor shortages



supply chain constraints



inflation and Covid-19 lockdowns in China



the war in Ukraine



Sales from the major markets +6% q/q and +52% y/y.

NEV demand has maintained momentum but headwinds are slowing growth rates. Chinese sales rose 7% q/q despite Covid-19 lockdown measures; Western European sales fell -1%.



China +7% q/q

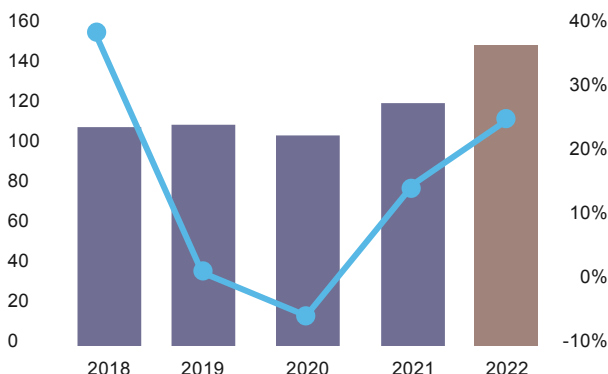


Western Europe -1% q/q



DRC SUPPLY STRENGTHENS & CHINESE METAL OUTPUT RETURNS

LHS: Mined supply in the DRC, '000 tonnes Co RHS: y/y growth, %



Mined supply growth in the DRC is expected to be even stronger than expected

2022 ↑↑ +26% y/y VS 2021 ↑ +12% y/y



Supply chain constraints remain and are slowing exports from the DRC to China.



Weaker chemical demand and margins in China



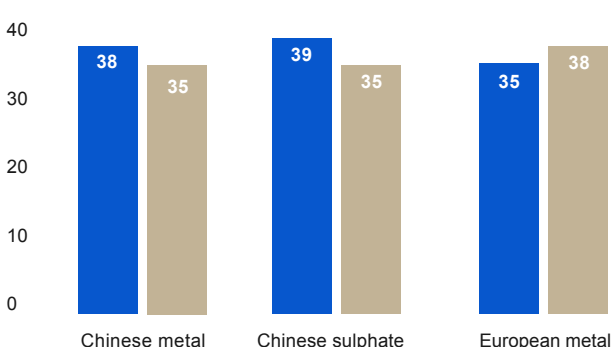
Return to metal production

Metal output is expected to rebound

2022 ↑ +38% y/y VS 2021 ↓ -35% y/y

PRICES FALL AS DEMAND SOFTENS IN CHINA FROM COVID-19 LOCKDOWNS

Average quarterly cobalt prices in 2022, \$/lb



Weakness from extended Covid-19 lockdowns in Shanghai



Chinese metal prices fell steadily for most of Q2



End of June, Chinese metal prices ~\$25 /lb, \$10 below the European level.



European prices are lagging China and remain significantly higher.

Prices are expected to adjust down towards Chinese prices. This is likely to continue until there is a clear stabilisation or consistent recovery in Chinese end use demand.

DATA: CRU's Cobalt Market Outlook, CAAM, ACEA, ANL.