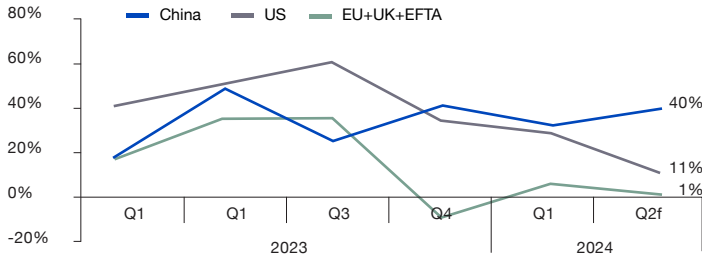


EV SALES CONTINUE TO GROW DESPITE SLOWDOWN IN THE WEST

BEV and PHEV unit sales growth in major EV markets % y-o-y growth



Despite a slower-than-anticipated pace, EV sales are expected to continue growing in 2024, with a projected 33% increase in unit sales.



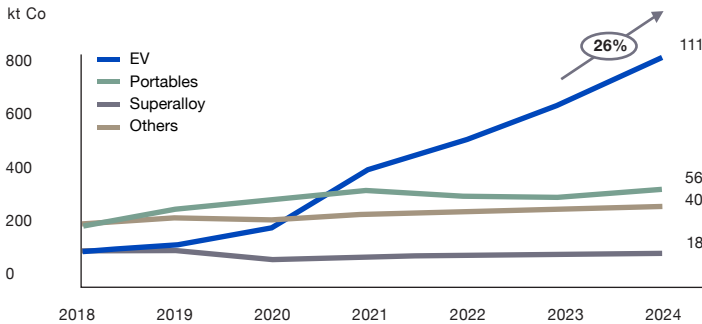
In China, y-o-y sales of passenger BEVs and PHEVs grew 36% in April, while penetration reached a new high of 44%.



Growth in the US and Europe has been steadily slowing since peaking in Q3 2023. US growth is estimated to reach 11% in Q2, while European EV sales are expected to be flat in Q2 2024 compared to 2023.

DEMAND: EV SEGMENT TO CONSUME AN EXTRA 23KT IN 2024

Cobalt Demand by Sector



Note: Chart includes disruption allowance.



Cobalt demand is estimated to rise from 197kt in 2023 to 225kt in 2024. Taking into account the SRB purchase of 10kt, total cobalt demand is expected to increase to 237kt this year.



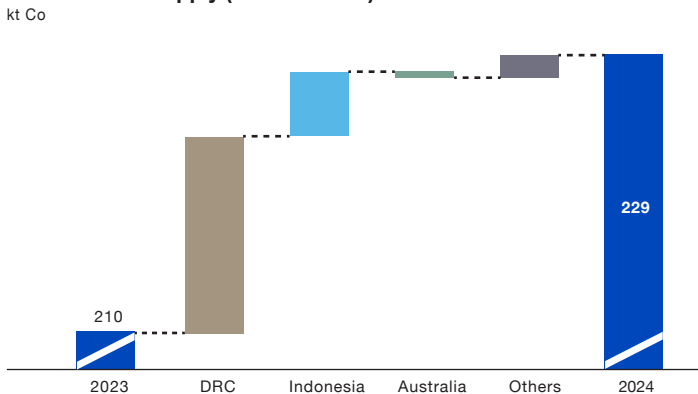
The biggest contributor to demand growth will be the EV segment, where cobalt usage will grow by 23kt (26% y-o-y) – equivalent to 81% of total tonnage increase (not including SRB stockpiling).



The portables market will be somewhat constrained compared with EV demand, at 3.5kt, while other segments such as ESS, superalloys, and other industrial markets will contribute only relatively small volumes to overall growth in 2024.

SUPPLY: GROWTH FROM CMOC AND INDONESIA TO OFFSET DECLINES ELSEWHERE

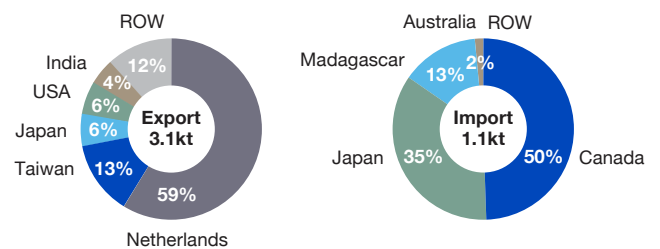
Cobalt Mined Supply (2023 vs. 2024)



Total cobalt supply (primary and secondary) is forecast to reach 245 kt this year, rising 11%.

TRADE: CHINESE COBALT METAL – COUNTRY RETURNS TO NET EXPORTER

Jan-May 2024 China cobalt metal trade destinations



Source: Global Trade Tracker, Benchmark



In Jan-May 2024, China exported 3.1kt of cobalt metal and imported 1.1kt, making it a net exporter. China's net metal trade position has switched as metal production volumes have risen to support SRB purchasing, whilst chemical production has been weaker.



The biggest export destination was the European market, with the Netherlands accounting for 59% of volumes. Taiwan was the second-largest buyer with 13% of volumes.

Please do not hesitate to get in touch if you have any questions:

Market analysis prepared by Benchmark Mineral Intelligence

