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ASX Announcement

30 September 2022

INVESTOR WEBINAR

Cobalt Blue Holdings Limited (ASX: COB) is pleased to announce a live online investor webinar with Investor Relations Manager Mr Joel Crane and Rho Motion Senior Research Analyst Mr William Roberts.

TOPIC: Update on cobalt market developments and legislative implications for the EV markets.

Date: Wednesday 5 October 2022
Time: 5:00 PM AEST
Format: Presentation update followed by Q&A
Duration: 45 minutes

Please register in advance for this free webinar:

https://us06web.zoom.us/webinar/register/WN_x5lqmnCeQLKl6TTqIfPmBA

After registering, you will receive a confirmation email containing information about joining the webinar.

For enquiries, please email allysia.robinson@cobaltblueholdings.com

Questions may be submitted ahead of time at registration or during the event using the webinar software.

A copy of the Presentation follows.

This announcement has been authorised for release by the Company's board of directors.

Danny Morgan
Company Secretary
(02) 8287 0660

5 October 2022

COB & Rho Motion Webinar

ASX: COB



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Events and
magazine

Single client
consultancy and
advisory

Multi-client
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reports

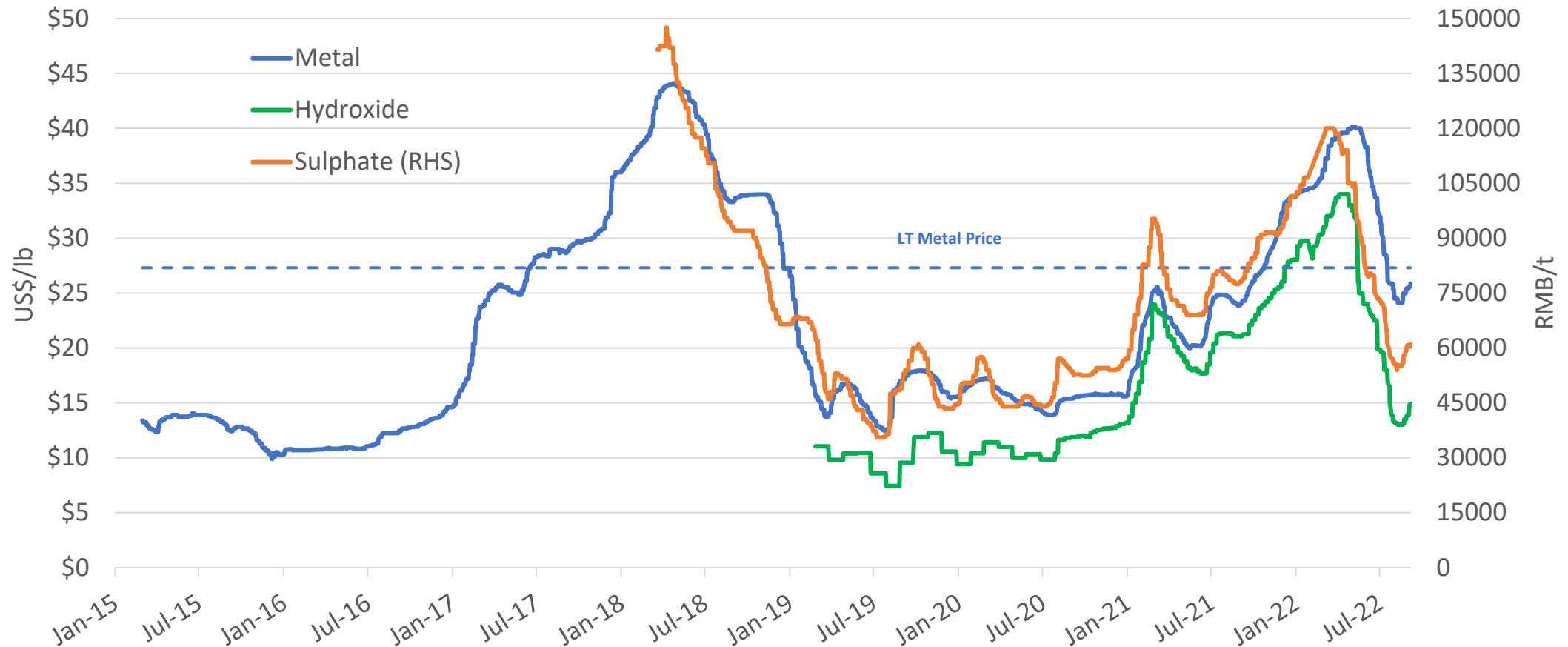
Membership

ABOUT RHO MOTION

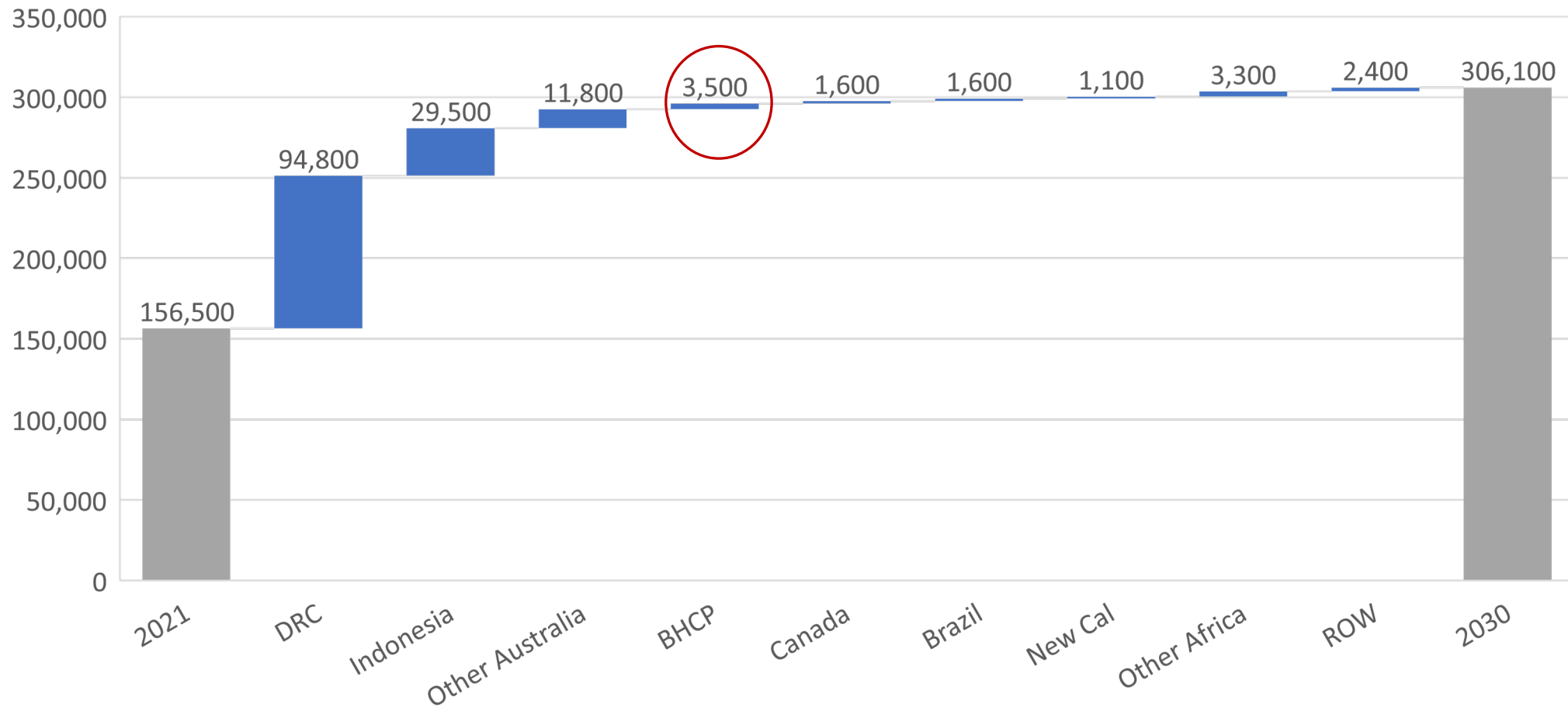
**Rho Motion offers the
most comprehensive
and well-informed
forecasts and analysis
for the energy transition**

Prices stabilising after 3Q slide

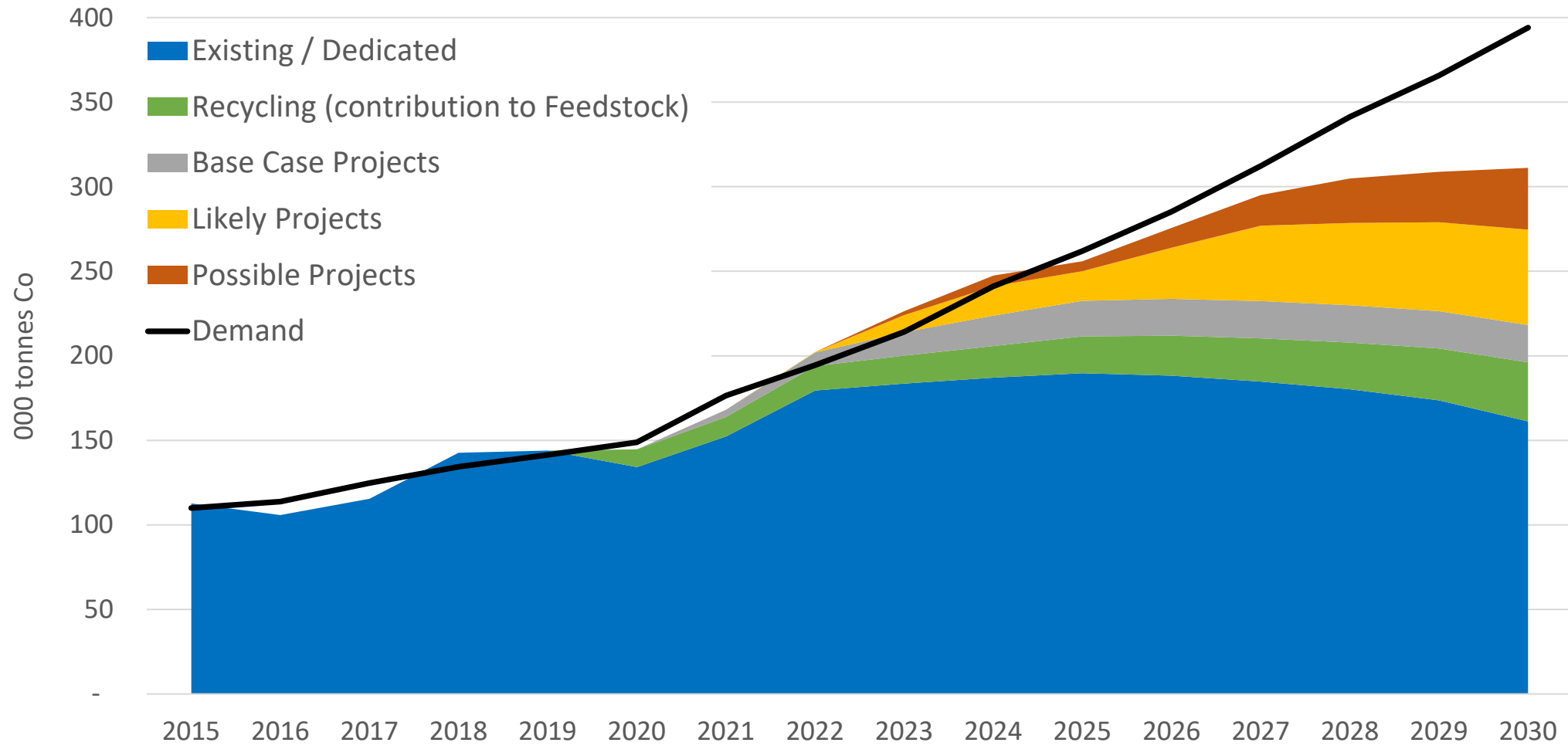
Cobalt Metal, Hydroxide & Sulphate Prices



Contributors to supply growth



Demand growth to outpace supply



Legislation will create new partnerships

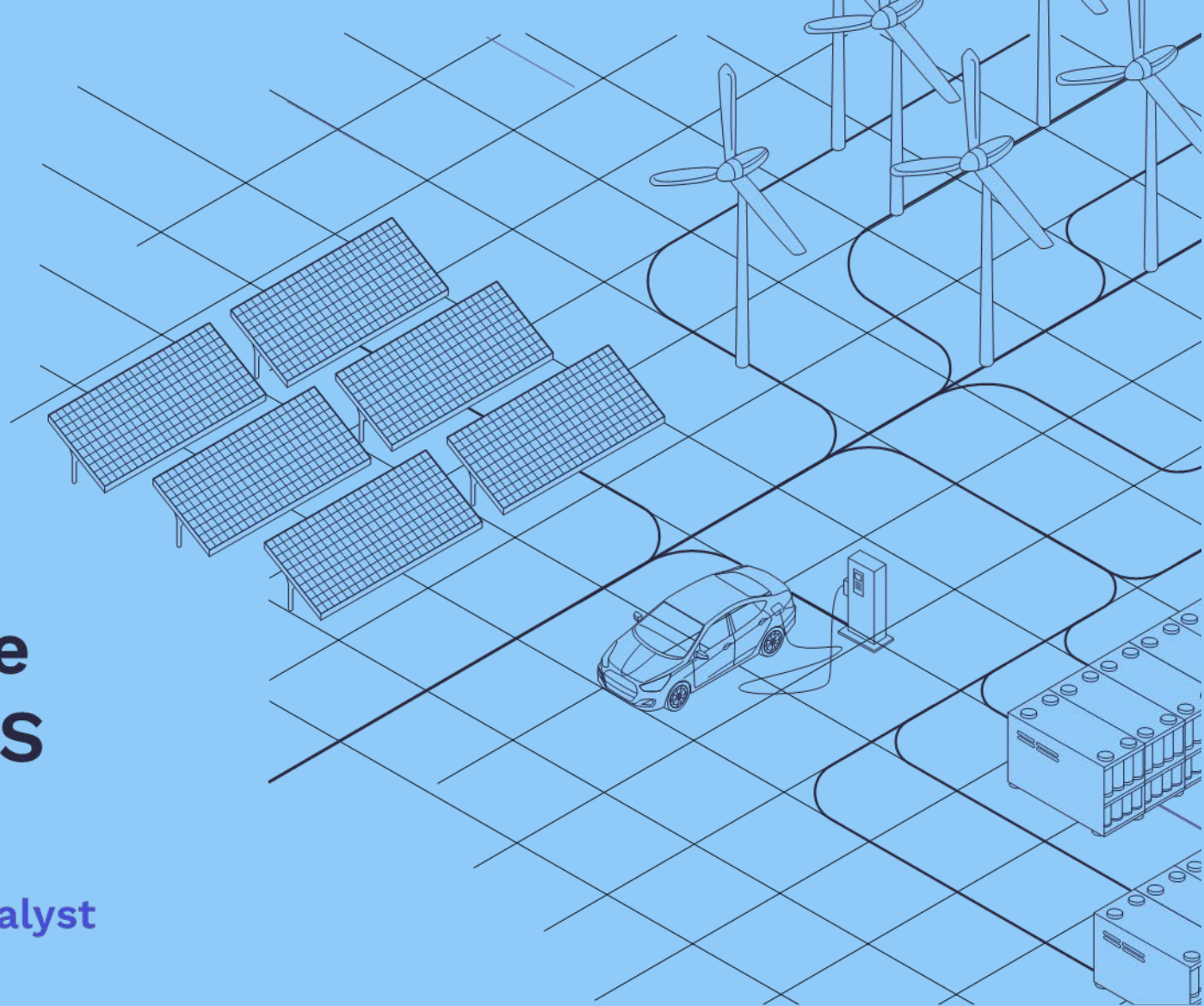
- **All Party Parliamentary Group (APPG) for Critical Minerals:** Australia–UK (2020)
- **US–Canada Joint Action Plan for Critical Minerals** (2021)
- **Canada and EU Critical Mineral alliance** (2021)
- **US–Australia** (2022)
- **Minerals Security Partnership (MSP):** Australia, Canada, Finland, France, Germany, Japan, the Republic of Korea, Sweden, the United Kingdom, the United States, and the European Commission (2022)





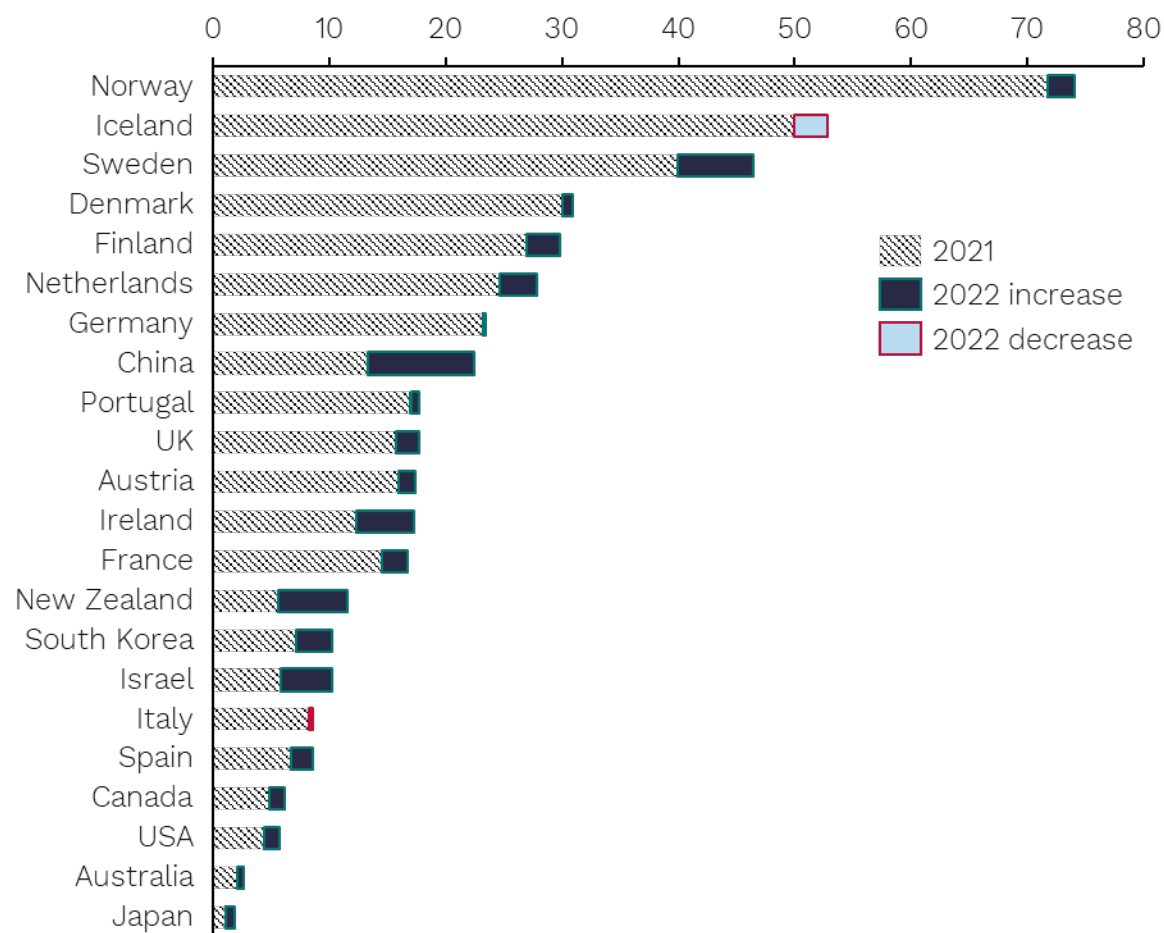
Legislative implications for the EV Market in the US and Europe

Will Roberts, Senior Research Analyst
COB & Rho Motion Webinar
5th October 2022

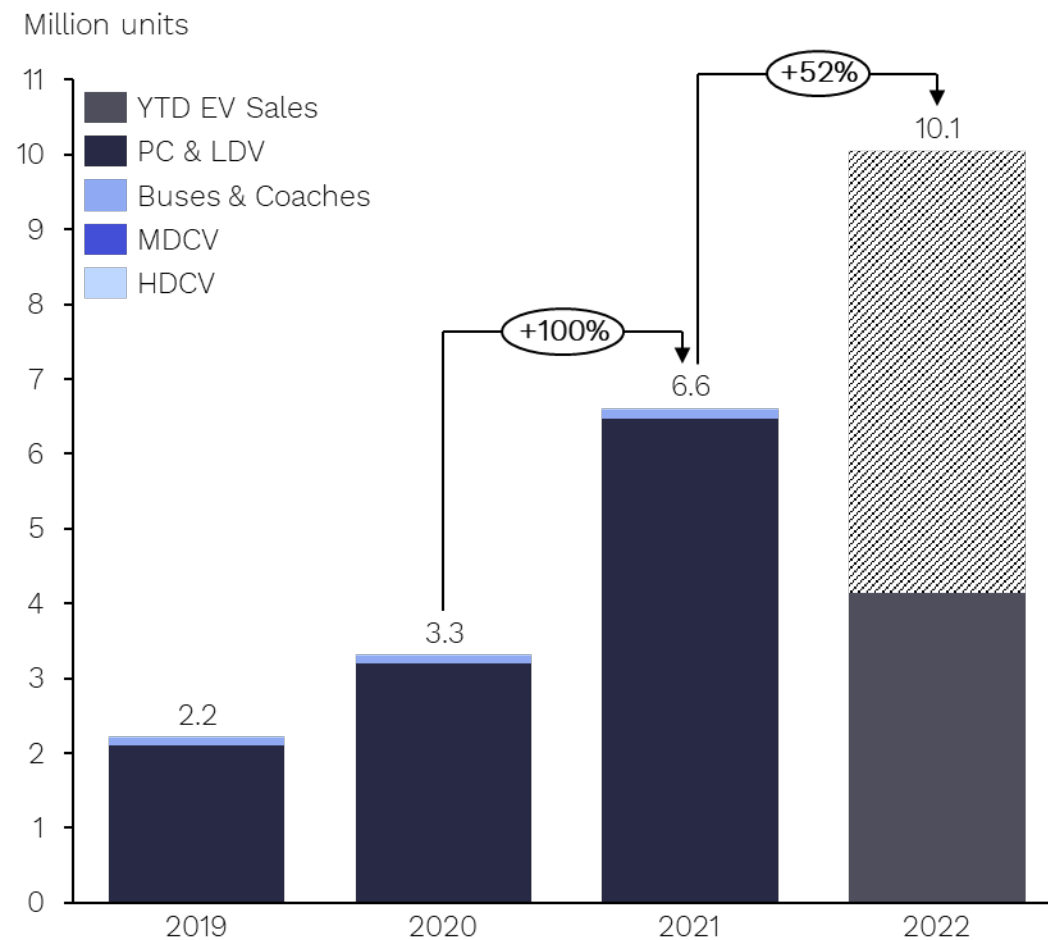


Despite setbacks growth continues in 2022

EV PC & LDV penetration rates, %, 2021 vs 2022



EV sales outlook by vehicle class



Inflation Reduction Act – The numbers



Following months of failed negotiations for the Build Back Better Bill, a reduced and reworked budget reconciliation bill named the Inflation Reduction Act of 2022 passed in August 2022.

- The bill is very broad, and the list of provisions includes a number of different sources of revenue (USD737 billion), as well as spending (USD437 billion) and deficit reduction (USD300 billion).
- For the energy transition, the new bill will invest **USD369 billion** in Energy Security and Climate Change programs over the next 10 years and is projected to have a significant impact on helping the US meet its climate goals with wide-ranging support for several clean technologies.

TOTAL REVENUE RAISED		USD737 billion
15% Corporate Minimum Tax		222 billion
Prescription Drug Pricing Reform		265 billion
IRS Tax Enforcement		124 billion
1% Stock Buybacks Fee		74 billion
Loss Limitation extension		52 billion
TOTAL INVESTMENTS		USD437 billion
Energy Security and Climate Change		369 billion
Affordable Care Act Extension		64 billion
Western Drought Resiliency		4 billion
TOTAL DEFICIT REDUCTION		USD300+ billion

Inflation Reduction Act - Key points



**Manufacturer limit of
200,000 removed**

**\$7,500
(split into 2x \$3,750)**

**'Battery Components'
rules of origin to be met**

**'Critical Materials'
rules of origin to be met**

**MSRP restrictions:
\$55,000 for Cars
\$80,000 for SUV/Pickup**

**Income Limits:
\$150,000 (single filer)
\$300,000 (joint filers)**

**Can be used as down
payment – previously
tax credit only**

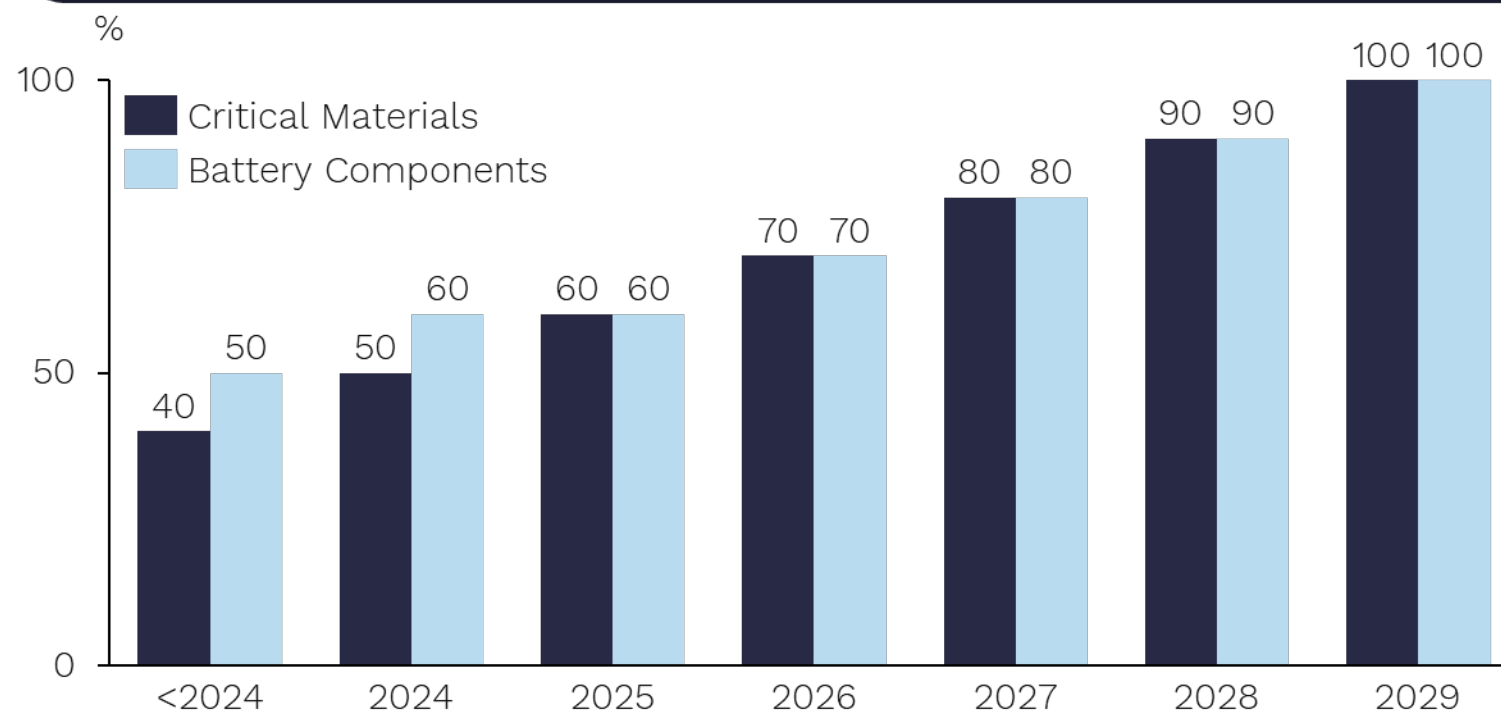
**Advanced
manufacturing credit
for battery cells and
modules**

Inflation Reduction Act – Rules of Origin



New Rules of Origin Stipulations (Section 45X):

- The **car** must be manufactured in North America
- A specified % of the value of **Critical Materials** must be extracted, processed, or recycled in the US (or any country that the US has a free trade agreement with) to access 50% of the credit
- A specified % of the value of **Battery Components** must be manufactured or assembled in North America to access 50% of the credit.



Countries which the US has free trade agreements in force with:

- Australia
- Bahrain
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican R.
- El Salvador
- Guatemala
- Honduras
- Israel
- Jordan
- S. Korea
- Mexico
- Morocco
- Nicaragua
- Oman
- Panama
- Peru
- Singapore

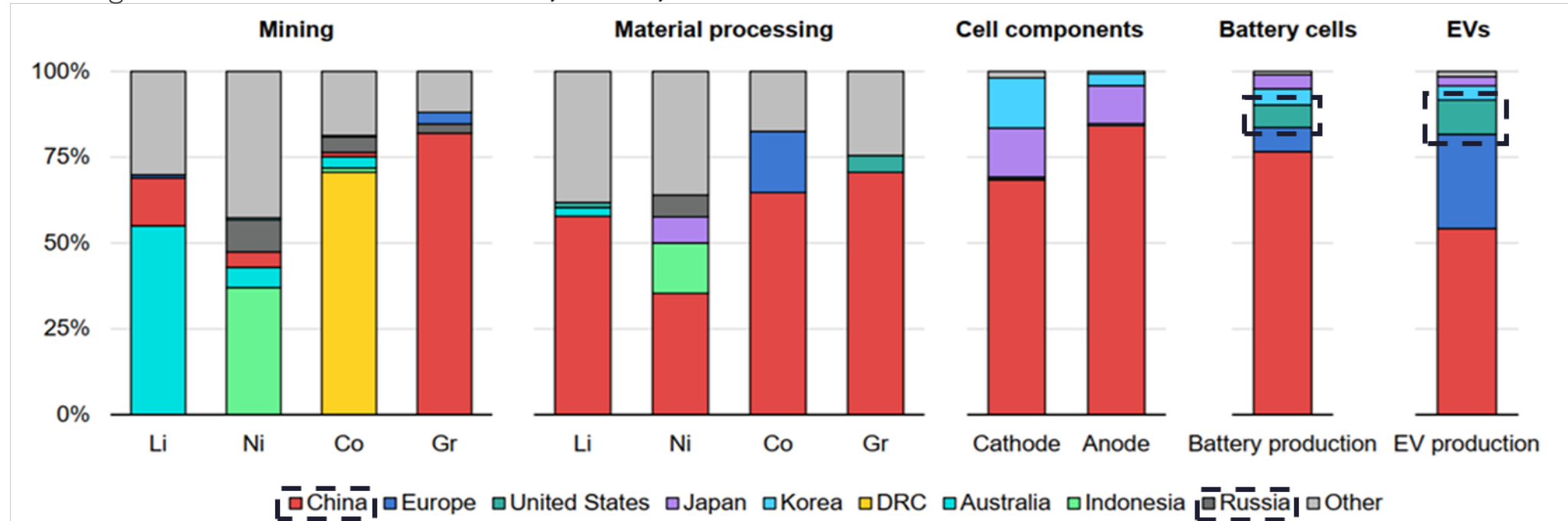
Inflation Reduction Act – Foreign Entities of Concern



A further provision in the bill **excludes cars from being eligible** if:

- From 2024 battery components are manufactured or assembled in a foreign entity of concern
- From 2025 critical minerals in the battery are extracted, processed or recycled by a foreign entity of concern

The four foreign entities of concern are: **China, Russia, North Korea and Iran.**



Most preferential treatment:

US/FTA

US/FTA

US

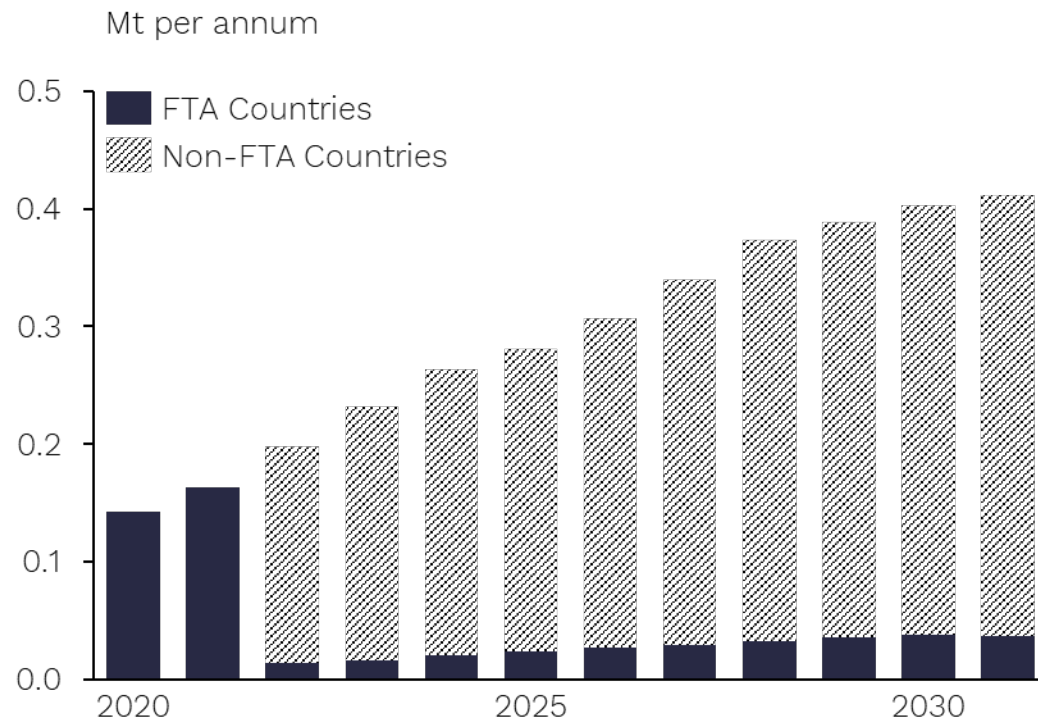
N. America

To be eligible to receive vehicle credits the FTA sourced supply of Cobalt will be sought after



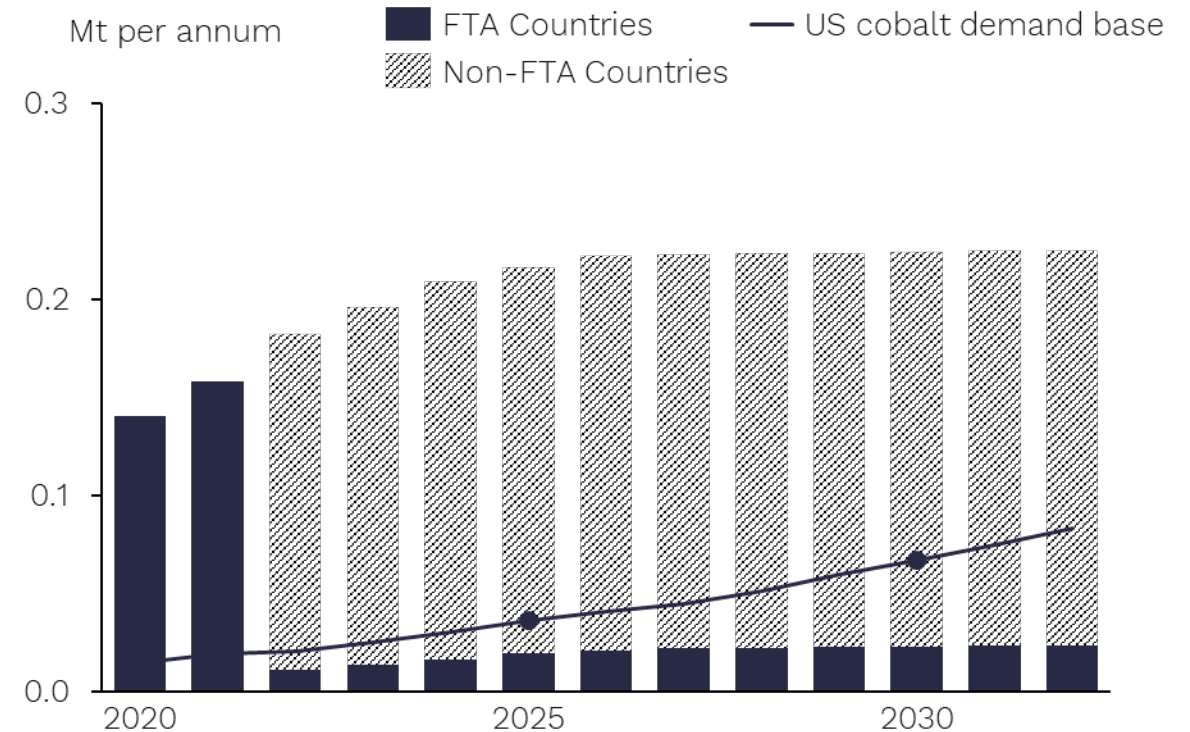
Here, we present the base case supply of cobalt for US FTA versus non-FTA partners assuming the IRA 2022 is enacted. As illustrated, non-FTA overwhelmingly dominates both cobalt mining and midstream cobalt refining

Supply gap to US – Mined Cobalt



*Total global supply gap assumes the US would be competing with RoW markets for cobalt supply, thus not guaranteed

Supply gap to US – Refined Cobalt*



Source: Benchmark Mineral Intelligence, Rho Motion Analysis

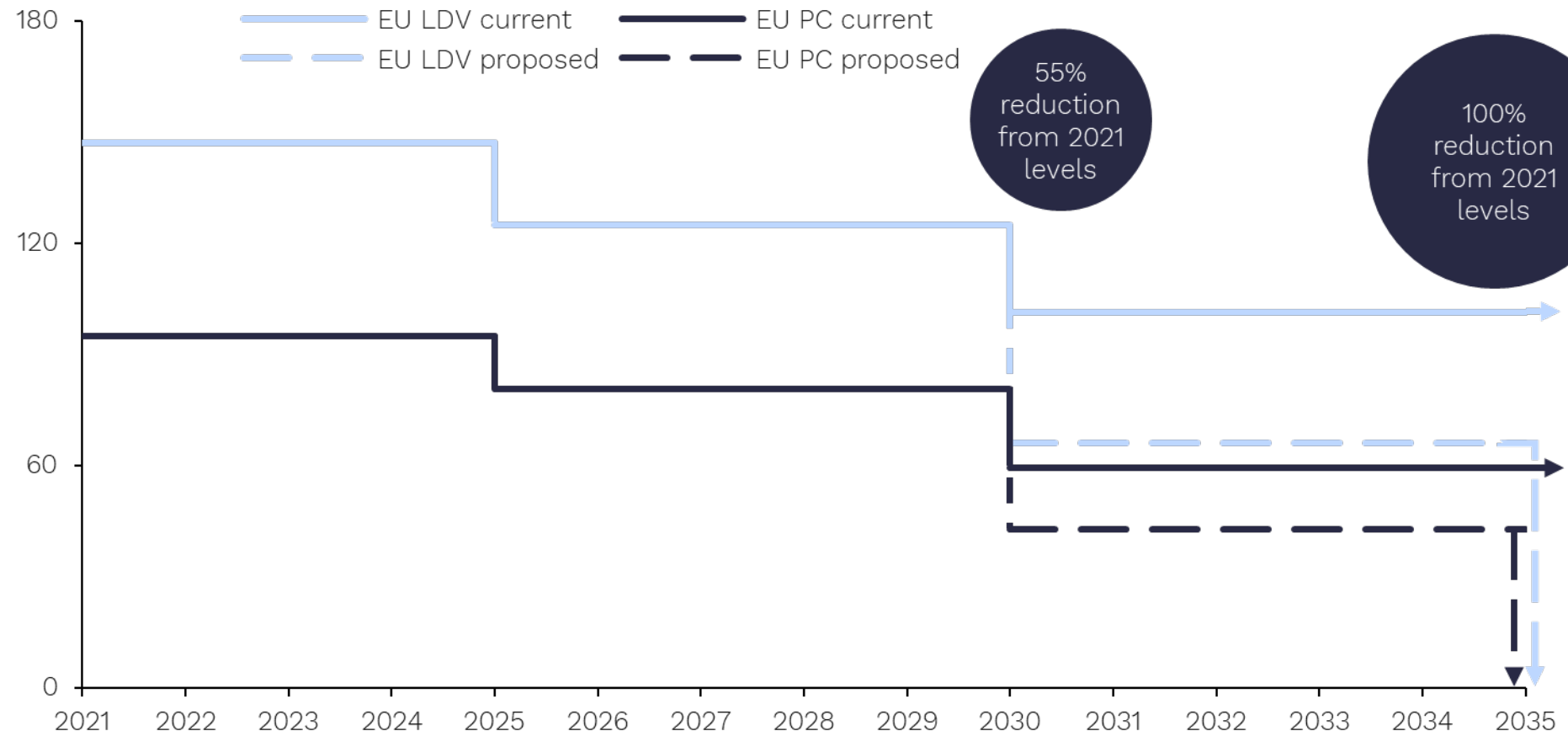
Proposed new standards in the EU would effectively ban ICE vehicles by 2035



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Current and proposed EU fleet average CO₂ emission standards

Fleet average emissions CO₂ g per km



All OEMs managed to comply with CO₂ regulations in 2021

European Commission delay the adoption date for Euro 7/VII for a second time

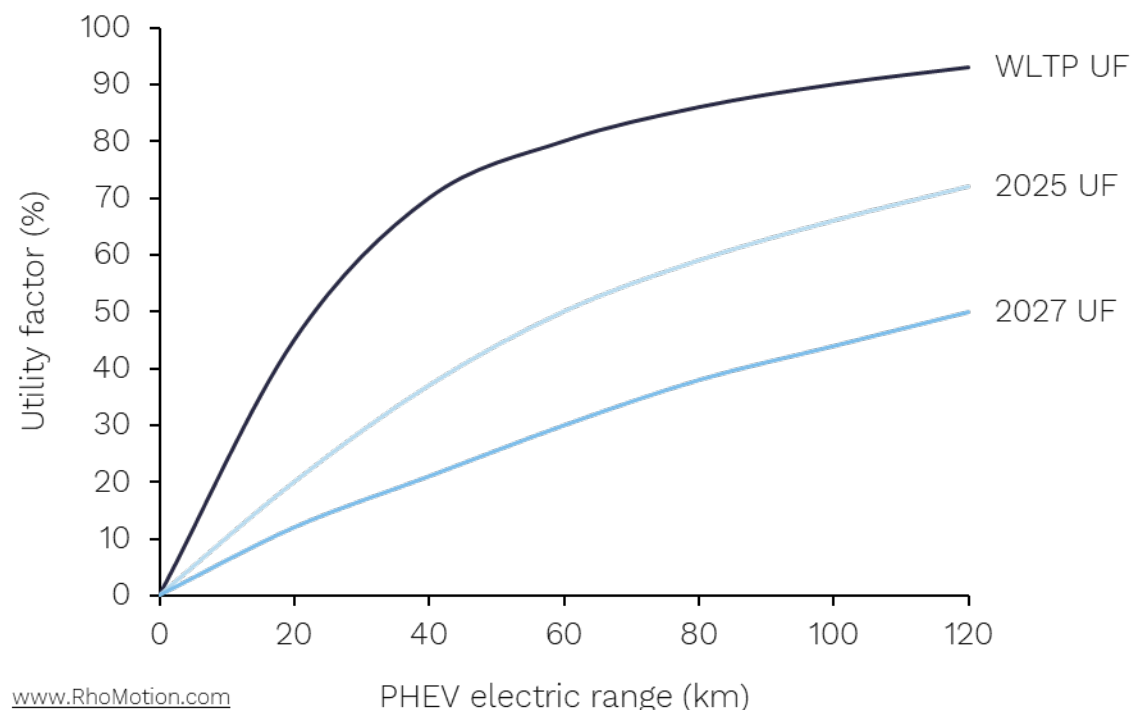
EU PHEV emission rating could be up for a drastic change, limiting its future



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- PHEV emission ratings are calculated using a utility factor (UF) - the assumed share of electric driving done.
- Current utility factor results in 44g/km CO₂ for PHEVs, compared to 130g/km for an average ICE vehicle.
- In July 2022, the EU agreed it will assess the emissions of PHEVs based on real world driving. PHEV UF will be decreased, firstly in 2025, and then further in 2027 to be fully aligned with real world driving.

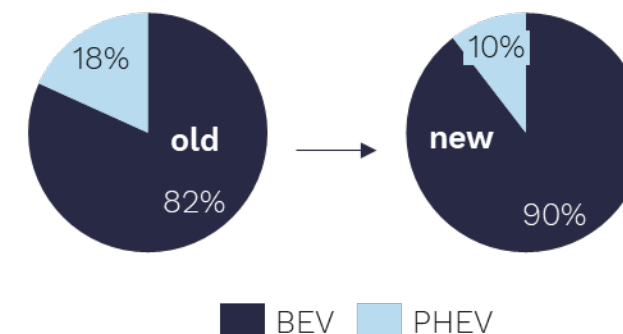
Current WLTP and EU Commission proposed 2025 and 2027 utility factor



Double whammy for PHEVs

PHEV average CO ₂ emissions (NEDC)	
2022	44 g/km
2025	86 g/km
2027	125 g/km

2030 BEV/PHEV split



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