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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Presentation by Elemental Battery Metals Sp. z o.o.(agenda item 2) at the Working Party on Competitiveness and Growth (High Level) on 29 January 2026

Delegations will find attached a presentation by Elemental Battery Metals Sp. z o.o., with a view to the discussion by the Working Party on Competitiveness and Growth (High Level) at its meeting on 29 January 2026.

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Elemental Holding at a glance

Largest recycler of PGMs globally and of upstream e-waste in Europe

Current operations		Ongoing downstream and BEV metals expansion		Project Polvolt	
PGMs	**E-waste / non-ferrous**	**PGM smelter and refinery**	**Battery recycling**	**E-waste / Cu smelter and refinery**	**Black mass refinery**
Global	*Global*				
✓ Leading global recycler of PGMs from spent autocatalysts ("SACs") ✓ Among largest global sourcing networks of SACs ✓ Producing PGM monolith	✓ Leading European recycler of E-waste ✓ US platform through Colt acquisition ✓ Large European non-ferrous business focussed on aluminium, copper, and lead ✓ Producing copper / gold concentrate	✓ Ramping-up a low-emission, high-tech PGM smelter / refinery ✓ Powered by renewable energy ✓ Processing Elemental PGM monolith as raw material	✓ Developing largest European LiB recycling platform in Poland (with shredders globally) ✓ Battery throughput: >50kt shredding ✓ Ramping-up capacity in Poland and FEED stage project in Germany	✓ Green secondary copper and precious metals smelter / refinery ✓ Fully devoted to processing Elemental E-waste as raw material ✓ Powered by renewable energy	✓ NMC and LFP black mass refinery ✓ Captive feedstock from Elemental's subsidiaries, partners and broader network ✓ Powered by renewable energy
					

Elemental's strong financial position

Elemental Holding Financials (US$m)

	2022	2023	2024
Revenue	**1,533**	**948**	**983**
EBITDA	**98**	**34**	**92**
EBITDA margin	*6%*	*4%*	*9%*
CAPEX	**19**	**91**	**33**

Source: Company information

Established customer base & trading partners

GLENCORE · TANAKA · JX Nippon Mining & Metals · DOWA · Sumitomo Corporation · ASCEND ELEMENTS · AURAMET · BASF · Mitsubishi Corporation

Transforming the metals recycling industry

Largest ever equity raise in metals recycling	US$400m
Substantial grants awarded (Europe and PL)	
Largest recycler of PGMs globally	>0.5 Moz
Strongest M&A track record in the sector	20 deals
Clear path to becoming a large copper producer	>50 kt

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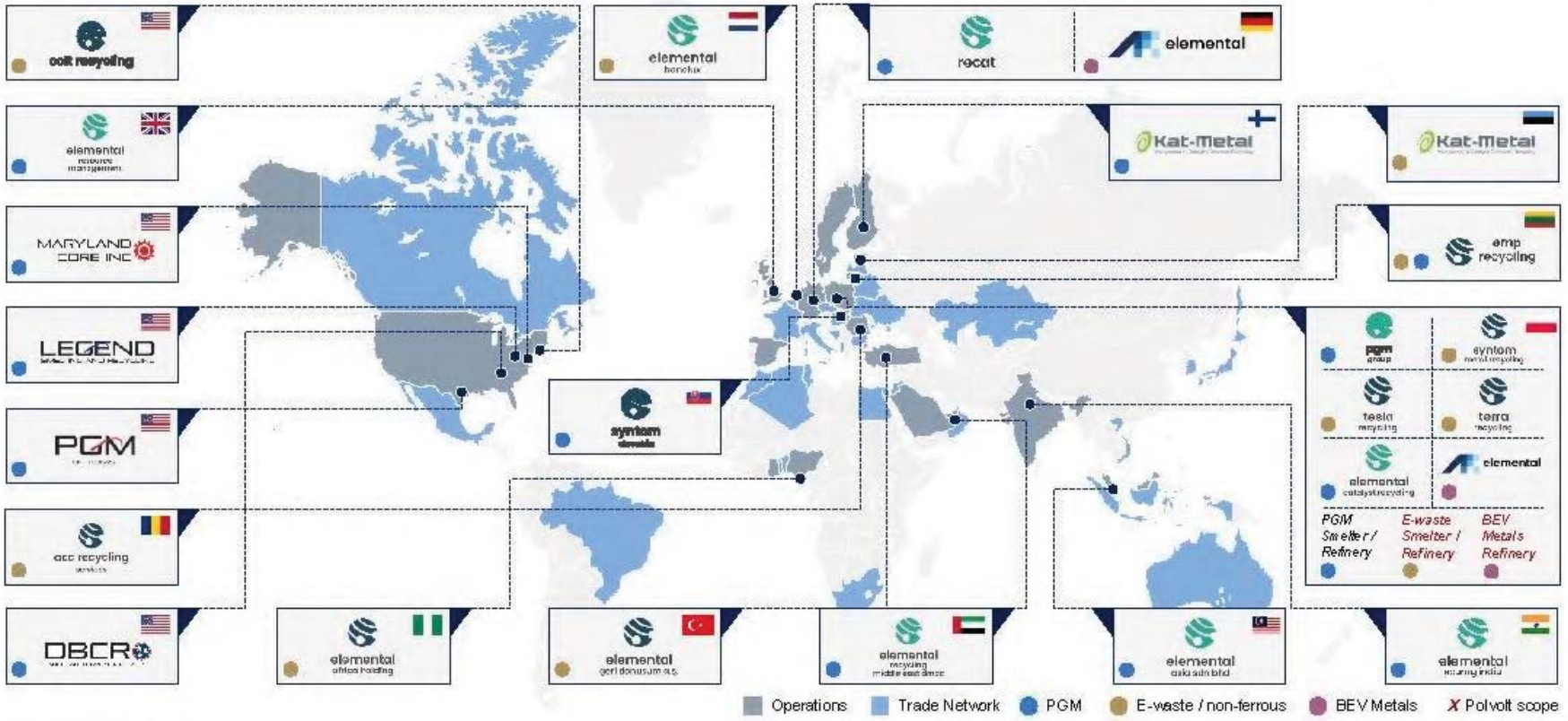
Elemental has a unique global footprint in metals recycling

"Urban Mine" with ~80 collection and processing locations globally, 20 acquisitions, 5000 suppliers, present in 35 countries



Source : Company Information
Note: AE Elemental is a JV between Ascend and Elemental, facility in Germany is at an early development stage

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Accelerated development from an urban miner into a large-scale integrated recycler

Experienced project developer, building and commissioning a EUR200m PGM smelter / refinery, black mass shredder and solar PV farm on time and on budget at Elemental's Zawiercie site in Southern Poland

Equity capital raised	Strategic partnership established	Execution of M&A pipeline	Demonstrated project delivery expertise
• Total **US$400m equity capital raised** from four institutional investors • **IFC (World Bank), EBRD, PFR and Silk Road Fund** together own a minority stake	• **Strategic partnerships** and **joint ventures** across broader PGM value chain (Mitsubishi Corp) and battery recycling (Ascend Elements)(1) • Partners will **accelerate Elemental's growth**	• Number of **complementary M&A transactions executed** across PGM and e-waste recycling • **Significantly strengthened US footprint**	• c.EUR200m PGM smelter / refinery built and commissioned in Poland **on budget and within 11 months** • Black mass shredder and solar PV farm also **built on time and on budget** • **Demonstrated knowledge** of Polish permitting and planning procedures
US$400MM Largest metals recycling raise ever	Mitsubishi Corporation ASCEND ELEMENTS	MARYLAND CORE INC DBCR colt recycling LEGEND SMELTING AND RECYCLING acc recycling	**10ktpa** smelting **2Moz** refining

Source: Company information
Note: (1) Collaboration with Ascend Elements on battery recycling does not extend to Polioit. As such, Ascend Elements has no pre-emptive rights towards Polioit

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Elemental completed in 2023 CRM project - PGM smelter&refinery and first battery shredder in 2024

Collection and processing of spent autocatalysts into PGM monolith – Strong track record demonstrated by Elemental's PGM smelter / refinery constructed on time and budget in 2024 and successfully ramped up

Elemental has built a state-of-the-art PGM smelter & refinery in Europe

- Grant funded in 2020 and financed with EBRD project debt;
- "Green" low emission smelting of monolith supplied by Elemental and other wastes containing PGM;
- Refining of PGM and extraction of green metals in the form of sponge and investment ingots;
- The facility powered by renewable energy from a PV farm on site as well as through renewable energy PPAs;
- Industrial wastewater treatment based on innovative reduced pressure distillation and electrochemical technologies;
- 100% of monolith feed procured internally by Elemental.

EUR72m	Q4 2022	Ramp-up
EU grant	Start of construction	Status

Location	• Situated in Zawiercie, Poland, within the Special Economic Zone, benefitting from existing infrastructure and utilities
Status	• Construction commenced in Q4 2022 and completed on schedule in Q1 2024 • Successful ramp up of smelter and refinery over the course of 2024
Capacity	• Smelting 10 ktpa PGM monolith • Refining 2 Moz PGMs
Development CAPEX	• ~US$200m (including battery shredding and solar power)
Funding Mix	• NCBR grant, EBRD loan and equity
Key Partners	AFC-D, INPROTEC Industrial Process Technologies, METC

Source : Company Information

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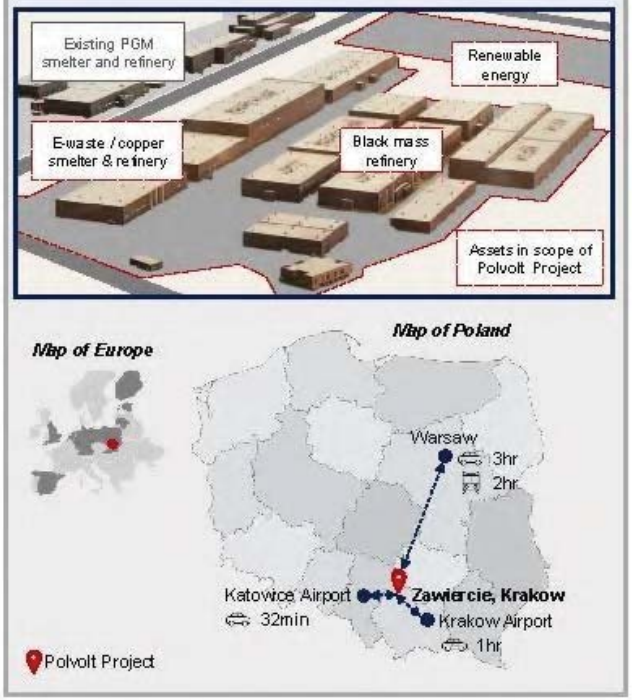
Overview of Project Polvolt

Polvolt Project combines a large-scale black mass refinery, and an integrated e-waste smelter with feedstock secured from Elemental subsidiaries

- 1 of 47 EU strategic projects under the CRMA and one of only two in Poland
- ensuring local access to critical raw materials: battery metals, Ag, Pd, Cu
- recycling EoI batteries & battery scrap and e-waste as main feedstock
- investment value – approximately EUR 700 million
- strong grant support: TCTF Polish grant EUR M 238; EU Innovation Fund grant EUR M 150,6 M
- over 250 new jobs in an innovative, future-oriented industry in a region affected by the impact of economic transformation

Map of on-site operations



Source: Company information

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Overview of Project Polvolt

Existing battery shredder & PGM smeter&refinery

Facility after realization of Polvolt

Source: Company information

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High-Level: Industrial Policy Paradox

- European companies struggle to compete with Asian firms.
- European regulations (ETS, ESG, BAT, REACH, OELs) significantly raise operating costs compared to other regions.
- Absence of customs and market barriers means open competition with nations having lower costs and standards.
- **Consequence:** Even with 100% capital expenditure subsidies, investments remain unprofitable, resulting in a shortage of black mass and PCAM refineries in Europe.

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General Business: Cash Flow Challenges in CRM Sector

- CRM projects face long conversion cycles and require high working capital and inventory levels.
- Key issues:
- Conversion cycles are longer due to CRM's specialized, non-commodity nature, impacting logistics and accumulation.
- Geopolitical risks disrupt supply chains.
- Market volatility risk is high due to limited hedging options.
- **Result:** Working capital requirements often exceed what developers can manage with banks.
- **Solution:** Implement public tools or guarantees to facilitate access to working capital for CRM projects.

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Industry-Specific Issue: Cross-Border Movement of EoL Batteries, Black Mass, and E-Waste

- Strict export regulations (mainly targeting non-OECD countries) hinder intra-EU movement of CRM-containing materials, classified as hazardous.
- EU companies often wait 9–12 months for approval to import basic feedstock from another EU country.
- **Consequences:**
- Chemically active and fire-prone materials are stored for months awaiting clearance.
- Exporting black mass to Japan/Korea is easier than shipping within the EU.
- EU recyclers face capacity underutilization and financial losses due to prolonged stockpiling.
- **Solution:** Restrict CRM-containing waste exports and **streamline intra-EU** transfers among licensed operators—using mechanisms like the “green list” or equivalent.

Industry-Specific Issue feedstock leakage to Asia

- CRM-containing waste (black mass, e-waste, Cu/Al scrap) leaks to Asia, incentivized by lower processing costs abroad.
- **Recommended Action:** Enact export restrictions on CRM-containing waste and metal scraps to keep materials within Europe.

General Conclusion

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- Europe's high regulatory costs and open competition undermine the profitability and sustainability of strategic investments in the CRM and battery materials sector.
- Without protective industrial policies, increased operational costs will cause project failures.
- **Key Requirements:**
- Release (ETS, ESG, BAT, REACH, OELs) related cost and/or adopt market protection tools against Asian low cost markets
- Adopt working capital support tools.
- Streamline procedures for intra-EU CRM waste transfers.
- Restrict exports of CRM-containing waste, scrap, and e-waste as part of broader industrial policy reforms.