

Q3 2024 Earnings & Business Update Call

Investor Presentation
November 7, 2024



Closed Upsized \$475 Million Loan Facility with U.S. DOE

Loan Facility of up to \$475 million

an increase of \$100 million from the original conditional commitment through the Department of Energy (DOE) Loan Programs Office's (LPO) Advanced Technology Vehicles Manufacturing (ATVM) program

Significant milestone for Li-Cycle

and critical step towards the goal of restarting construction at the Rochester Hub

Strong vote of confidence

in Li-Cycle's patented and sustainable recycling technology and its important role in the U.S. battery materials supply chain

First DOE loan to be finalized for a battery resource recovery

facility and sustainable lithium-ion battery materials company

Follows detailed DOE technical, market, financial and legal due diligence

Attractive loan terms

relative to other third-party financing alternatives



Li-Cycle



U.S. DEPARTMENT OF
ENERGY

DOE Loan Facility: Attractive Commercial Terms

\$ Loan Facility Amount of up to \$475 million

- Principal of up to \$445 million
- Capitalized interest during the construction period of up to \$30 million

% Interest Rate:

Interest rates fixed from the date of each advance to the maturity date of the loan at the applicable long-dated U.S. Treasury Rate with 0% spread

📅 Maturity Date and Tenor:

Final maturity of March 15, 2040, for an approximately 15-year term

🕒 Grace Period:

- Grace period on scheduled principal repayments until June 15, 2027
- Interest during the construction period can be capitalized (up to \$30 million), instead of being paid in cash

📄 Other Key Terms:

Customary covenants and events of defaults for a project finance loan facility

CRITICAL MATERIALS | ADVANCED TECHNOLOGY VEHICLES MANUFACTURING

LI-CYCLE

ROCHESTER, NEW YORK

With a first-of-a-kind lithium-ion battery recycling facility, Li-Cycle is supporting a circular economy for critical materials.

FINANCED BY THE U.S. DEPARTMENT OF ENERGY

📋 Conditions Precedent to First Advance⁽¹⁾:

- Satisfaction or waiver of certain conditions and requirements to complete the base equity contribution (“BEC”), including:
- Settlement of commitments related to the project for costs of ~\$92 million that were incurred but not yet paid⁽²⁾
- Fund reserve account requirements of ~\$173 million⁽³⁾ (of which up to ~\$97 million can be satisfied through letters of credit)

Note: For additional details on the DOE loan commercial terms, please refer to the Form 8-K filed with the SEC and available on the investor relations section of the Li-Cycle website; (1) First Advance shall occur on or prior to November 7, 2025. The amounts represent a significant portion of the remaining BEC, are based on current estimates, may change prior to First Advance, and are among other components of the BEC that will need to be satisfied prior to First Advance; (2) Commitments as of September 30, 2024; (3) The DOE Loan Facility reserve accounts required for First Advance includes reserves for project construction, project ramp-up, and Spoke capital expenditures. Funding of these reserve accounts does not constitute capital expenditure on the project and the requirement to fund these reserve accounts is in addition to the total capital cost of the Rochester Hub project through to mechanical completion. The majority of these reserve account funds are expected to be released to the Company on or before the completion of the Rochester Hub project.

Li-Cycle's Go-Forward Strategy: Key Objectives

Key Objectives

Closing of the U.S. DOE Loan

Secure Additional Financing Alternatives

Complete Comprehensive Review

Optimize Spoke Network and Maximize Value

Current Status

✓ Closed agreement for loan facility of up to \$475 million, \$100 million more than the original conditional commitment

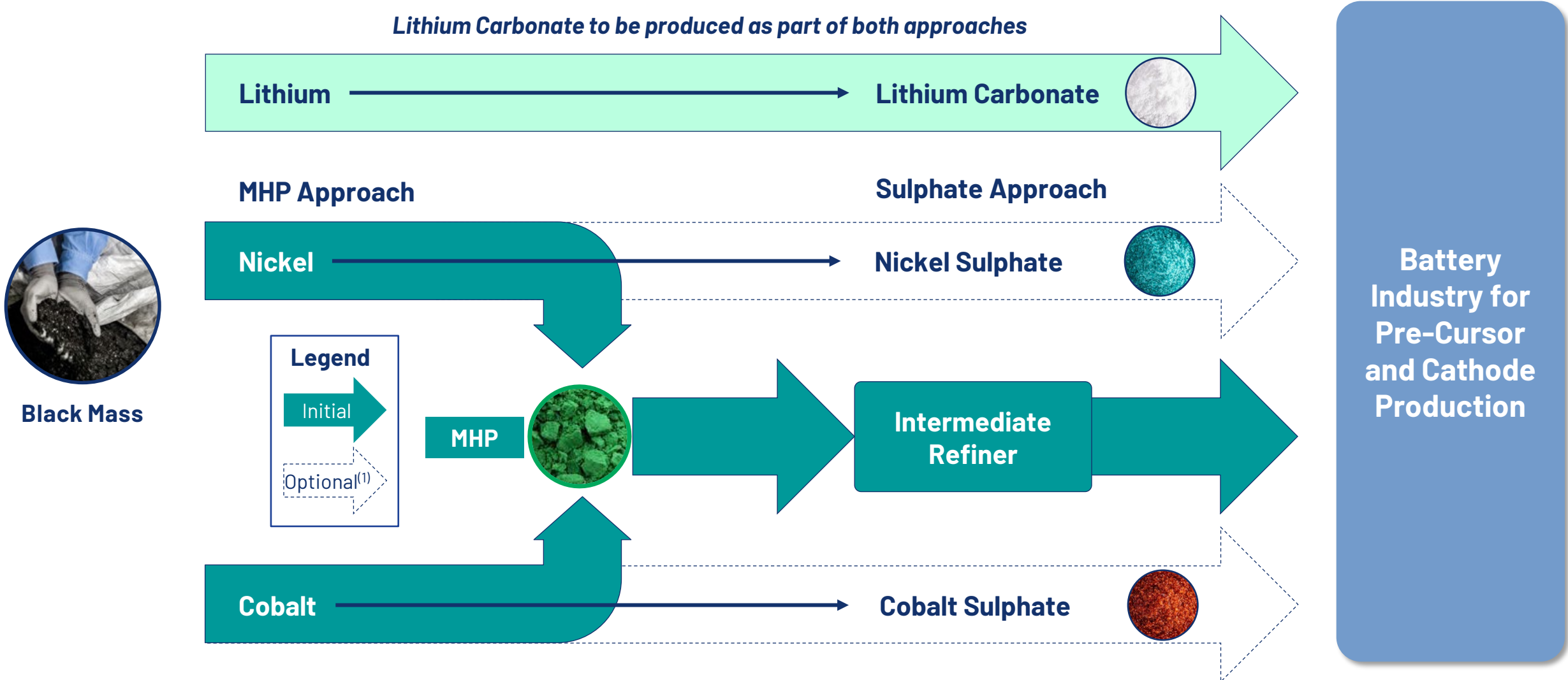
- Continuing to explore additional financing and strategic options for full funding package needed to restart construction of the Rochester Hub

- ✓ Completed internal technical review of Rochester Hub MHP scope
- ✓ Secured off-take agreement with Glencore for 100% of MHP production at the Rochester Hub
- Completion of comprehensive review and updated final investment decision (FID) to restart construction at the Rochester Hub will be underpinned by the full funding package

- ✓ Prioritizing a self-sufficient and financially accretive Spoke business by focusing on optimizing Generation 3 Spokes
- ✓ Consistent with the focus on the Generation 3 Spokes, curtailed operations at New York Spoke and continuing closure activities at Ontario Spoke

Note: Updated final investment decision for the Rochester Hub to follow post full financing package

Rochester Hub: Technical Review Confirmed the Technical Viability of the MHP Process



Black Mass

(1) Optional construction reflects the production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub. There are no current plans that include production of nickel sulphate and cobalt sulphate.

Rochester Hub Project: Completed Technical Review, Established Commercial Framework for Products

Completed Technical Review for MHP Scope

- Total project cost estimate to mechanical completion remains at ~\$960 million⁽¹⁾, of which the remaining cost to complete the project is estimated at ~\$487 million⁽²⁾
- Expected annual production of up to ~8,250 tonnes of battery-grade lithium carbonate and up to ~72,000 tonnes of MHP⁽²⁾
- Expected nameplate processing capacity remains at 35,000 tonnes of black mass annually

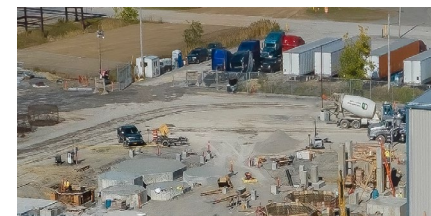
Established Commercial Framework for Rochester Hub Products

- Secured off-take agreement with Glencore for 100% of MHP production on market terms
- Glencore's and Traxys' existing off-take rights covering lithium carbonate production from the Rochester Hub are not affected by these amendments

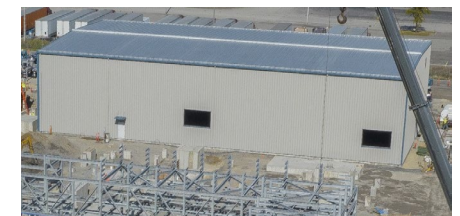
Construction Site as of Mid-October 2023 Prior to Pause



WAREHOUSE BUILDING



LITHIUM PROCESS AREA FOUNDATION



FINAL PRODUCTS AREA

Note: The construction site image reflects the production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub. There are no current plans that include production of nickel sulphate and cobalt sulphate; (1) Total project cost estimates through to mechanical completion excludes costs for project commissioning, ramp-up, working capital or financing. (2) Remaining cost to complete of ~\$487 million includes commitments related to project for costs incurred but not yet paid of ~\$92 million as of September 30, 2024; (2) MHP production of up to 72ktpa on a wet basis



Rochester Hub: Revenue Inflection Upon Operationalization

1. Spokes Produce Black Mass



Spokes produce **black mass** by sustainably recycling all types of lithium-ion battery materials, regardless of chemistry and form factors

2. Rochester Hub expected to process up to **35,000 tonnes** of black mass per year and produce:

Lithium Carbonate <i>(tonnes/year)</i>		Mixed Hydroxide Precipitate (MHP) <i>(tonnes/year)</i>	
	Up to ~8,250 t/y		Up to ~72,000⁽¹⁾ t/y
Metal Equivalent (consistent with originally planned Hub sulphates approach)			
Lithium Carbonate		Nickel	Cobalt
Up to ~8,250 t/y		Up to ~11,300 t/y	Up to ~1,600 t/y

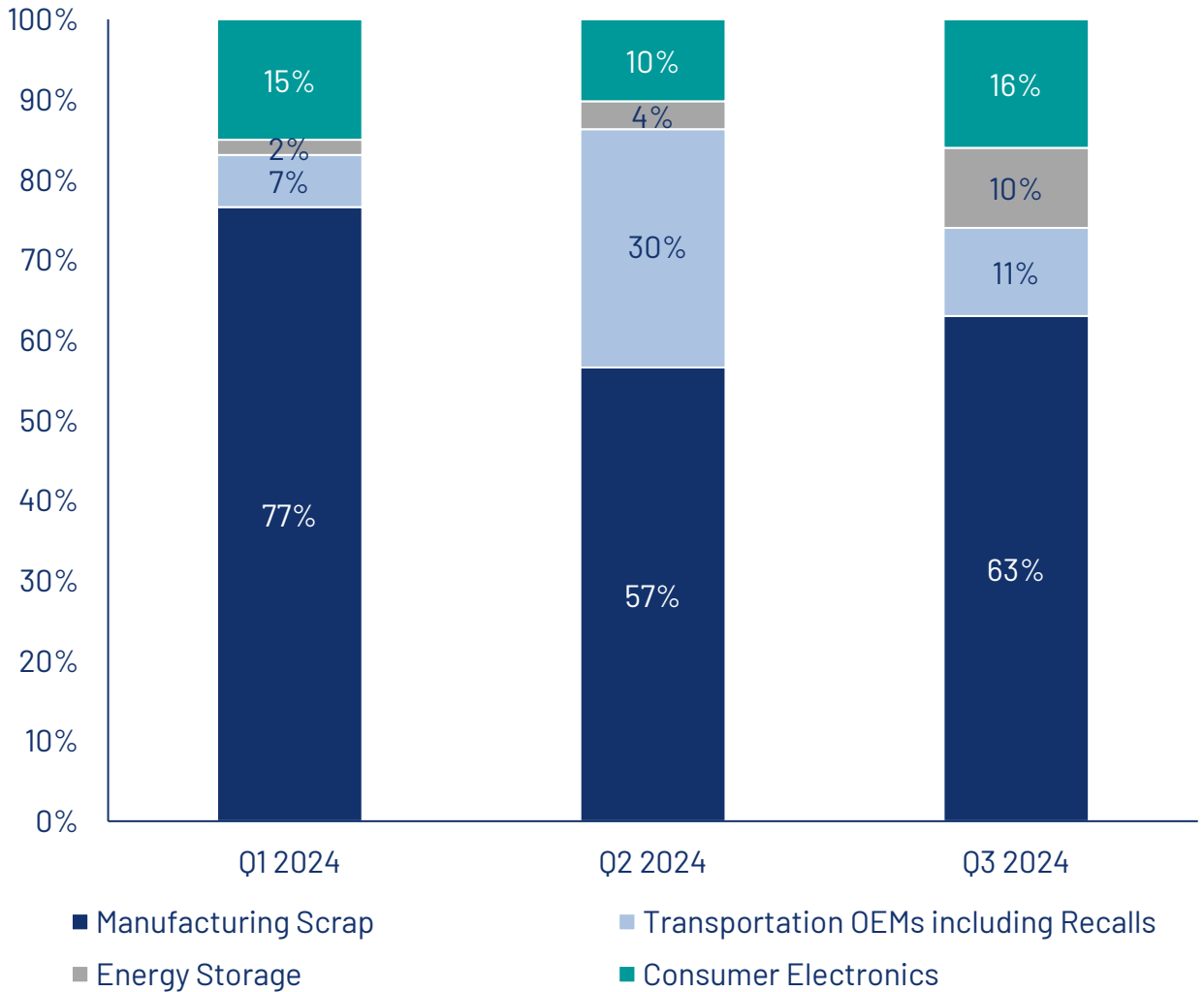
End-Product or Relevant Metal Prices (\$/tonne) ⁽²⁾			
Projected	Lithium Carbonate	Nickel	Cobalt
December 2024	\$12,225	\$16,997	\$27,577
December 2025	\$9,750	\$17,213	\$25,629
December 2026	\$12,250	\$17,625	\$28,798

(1) MHP production of up to 72ktpa on a wet basis; (2) Based on BMI estimates as of September 2024.

Continued Commercial Traction in Q3 2024

- Largest customer source of revenue was a leading U.S.-headquartered vertically integrated EV and battery manufacturer with a substantial global EV market share
- Four of top five global customers are EV OEMs, and top five comprise ~70% of global battery feed intake
- ~40% of total global battery input processed were EV battery packs
- Expanded agreement with one of the largest EV OEMs in Europe and added new customers in North America
 - Li-Cycle now has recycling contracts with four of the largest EV OEMs in Europe
- Continued to widen commercial footprint across Europe for feedstock for Germany Spoke

Battery Input Feed by Type



Spoke: Remain Focused on Optimization to Support Customers and Improve Cash Flow

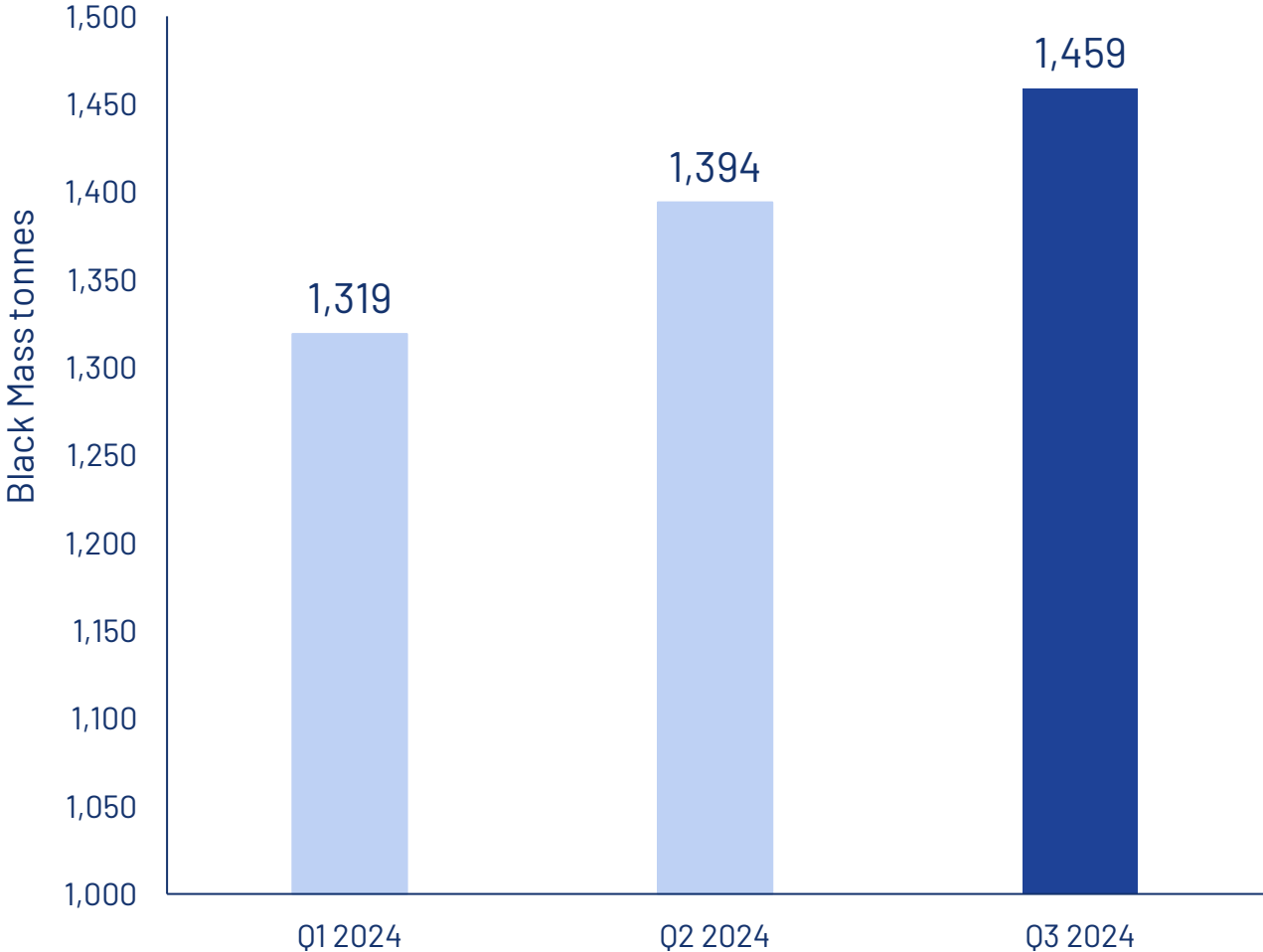
Increasing Quarterly Spoke Production in 2024

- **1,459 tonnes** of black mass & equivalents⁽¹⁾ produced in Q3 2024, higher than Q1 & Q2 2024

Work to Establish a Self-Sufficient and Financially Accretive Spoke Business

- Spoke optimization goals: increasing throughput and recoveries, reducing costs, and improving quality of black mass
- Focused on Generation 3 Spokes in Arizona, Alabama and Germany
- Continuing closure activities at Ontario Spoke, and curtailing operations at the New York Spoke

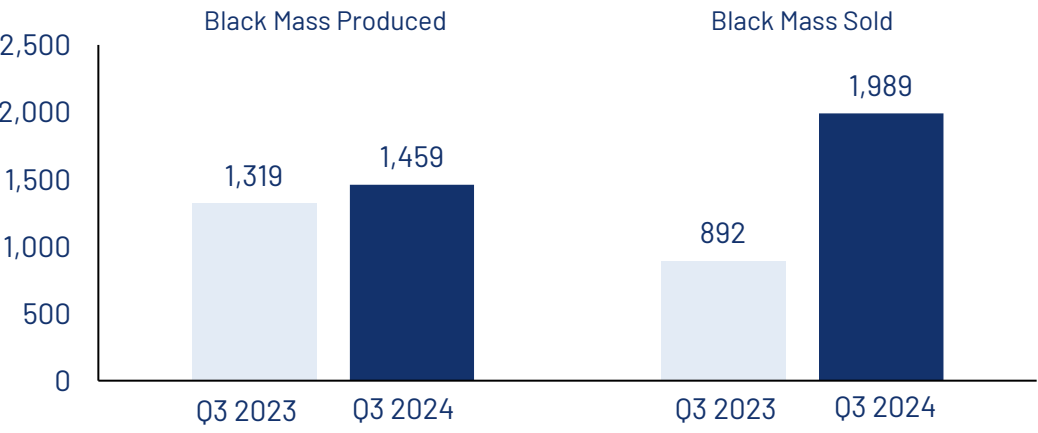
Black Mass Production by Quarter in 2024



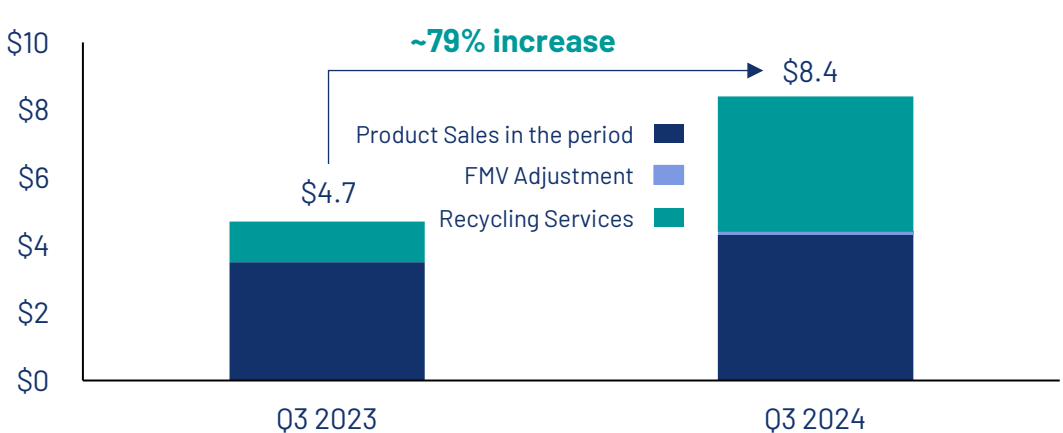
(1) Unless otherwise stated, in this presentation "black mass" refers to "black mass & equivalents," which includes black mass and products analogous to black mass that have a similar metal content.

Financial Results: Strong Quarterly Revenue Growth and Lower Operating Costs

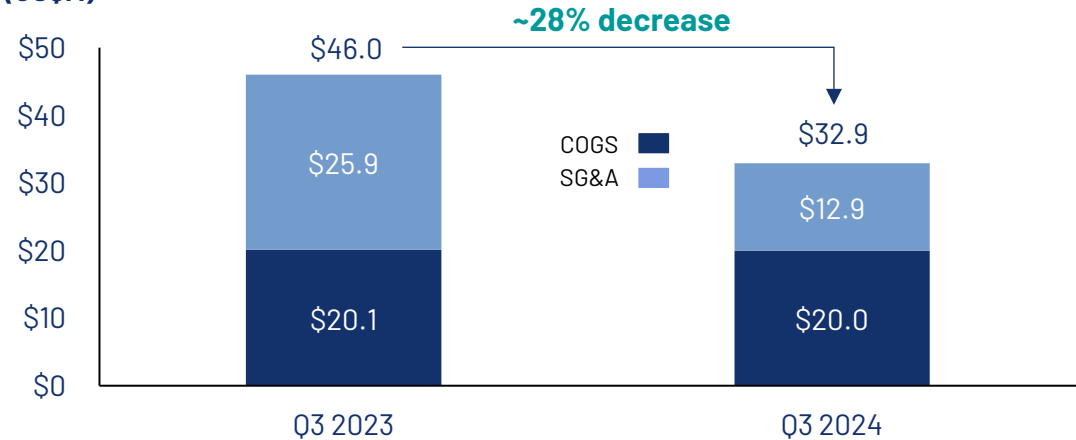
Higher Black Mass⁽¹⁾ Production and Sales
Tonnes



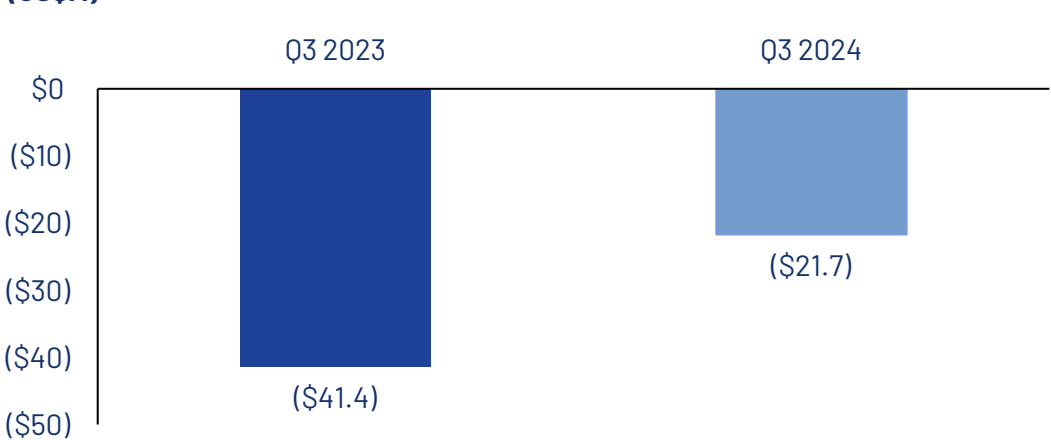
Increased Revenue⁽²⁾
(US\$M)



Lower Costs – COGS + SG&A
(US\$M)



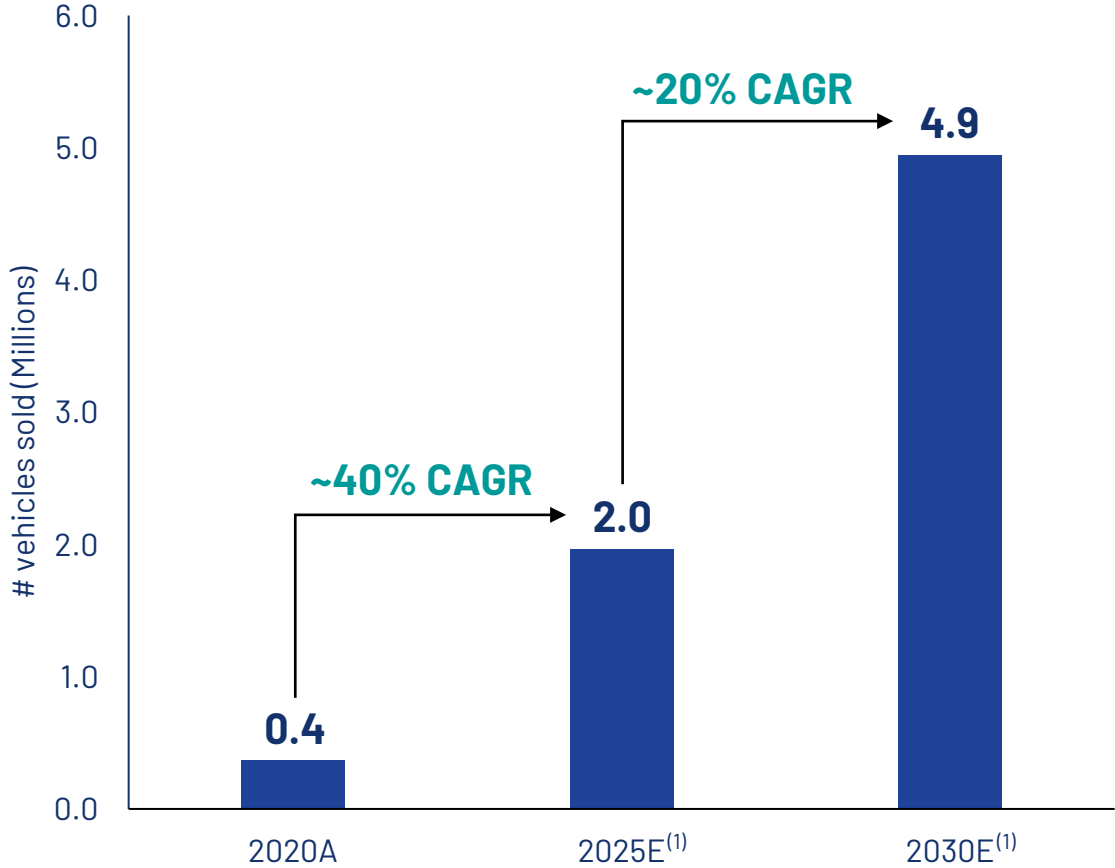
Improved Adjusted EBITDA⁽³⁾
(US\$M)



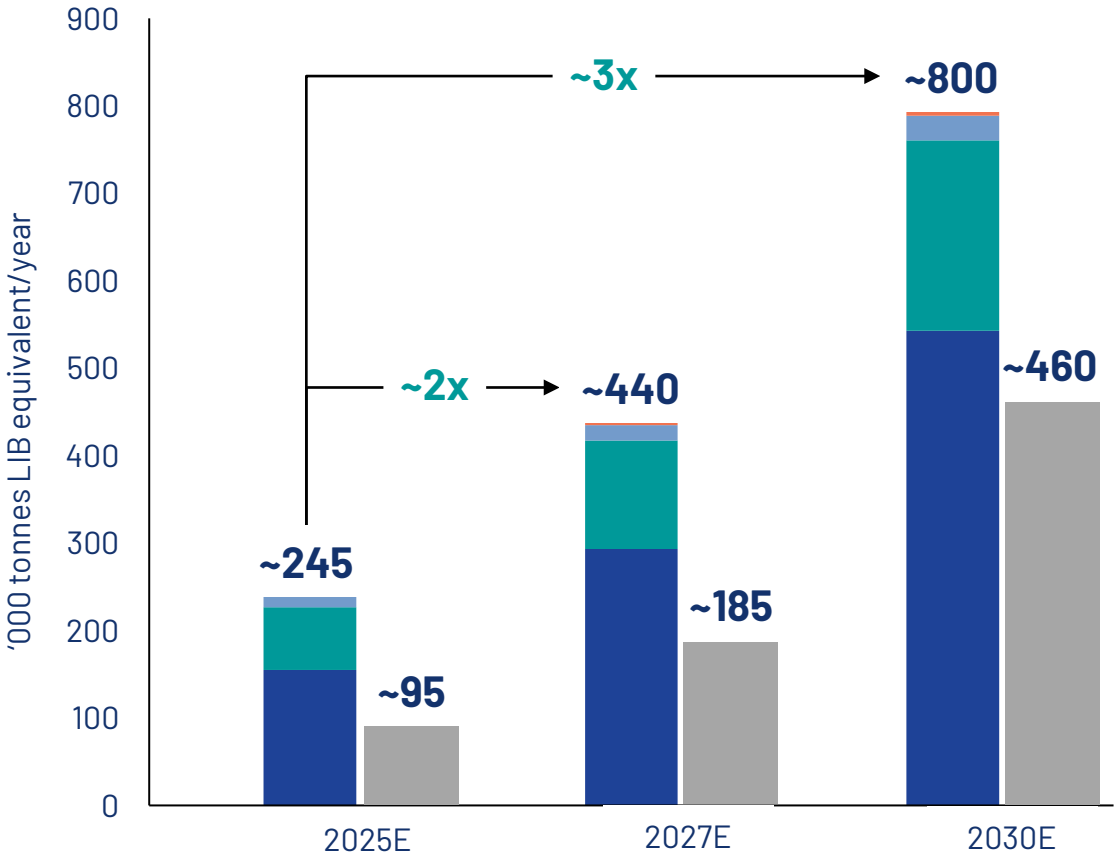
See "Reconciliation to GAAP Results" for an explanation of Adjusted EBITDA and reconciliation to the comparable US GAAP measure; (1) Includes Black Mass and Black Mass equivalents (BM&E) which are products analogous to Black Mass and have a similar metal content; (2) Revenue includes the product sales during the period, the fair market value adjustment, and revenue from recycling services. BM&E unsettled metric tonnes subject to fair value adjustments as of September 2024 was 248 tonnes and as of June 30, 2024 was 341 tonnes; (3) Adjusted EBITDA is a US GAAP measure

Continued Long-Term Growth Trends in EVs and Battery Materials, Notwithstanding Short-Term Industry Dynamics

Growing Adoption of EVs and Hybrids in North America



Increasing Battery Materials for Recycling⁽²⁾ in North America



- Manufacturing Scrap
- Transportation OEMs including Recalls
- Energy Storage
- Consumer Electronics
- Post-Processing Recycling Capacity⁽²⁾

(1) Historical and forecasted data as of September 2024 from BMI; EV includes battery EVs and plug-in hybrid EVs; (2) Based on estimates of Li-Cycle's management and BMI as of September 2024; Total Addressable Market (TAM) estimates include a 30% scrap rate during ramp-up of a gigafactory followed by an average scrap rate of 10% thereafter and excludes gigafactories with lower probabilities.

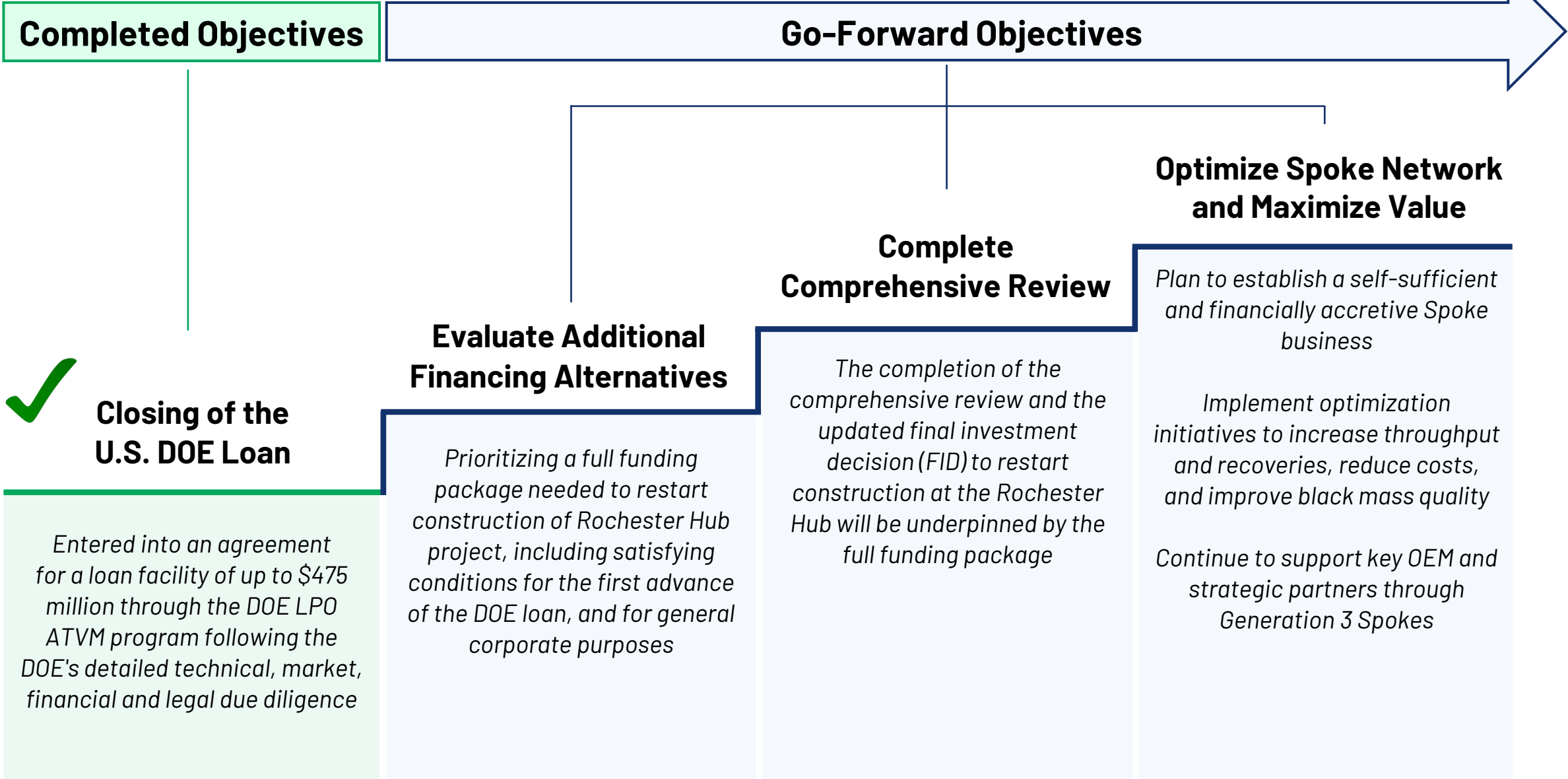
Continued Support for Localization of Energy, Battery Supply Chain and Critical Mineral Independence

U.S. 45X Tax Credit Expected to Provide Direct Benefits to the Rochester Hub

- 45X tax credit provides financial incentives and supports development of a domestic and circular U.S. battery supply chain
- **10% production tax credit** for lithium carbonate produced at the Rochester Hub
 - Includes specific production-related costs and some indirect production costs such as electricity, depreciation and maintenance costs for equipment
- 45X tax credit is designed to be available through 2032
- Bipartisan support for building a domestic battery supply chain for economic and national security interests



Li-Cycle's Go-Forward Strategy



Completed Objectives

Go-Forward Objectives



Closing of the U.S. DOE Loan

Entered into an agreement for a loan facility of up to \$475 million through the DOE LPO ATVM program following the DOE's detailed technical, market, financial and legal due diligence

Evaluate Additional Financing Alternatives

Prioritizing a full funding package needed to restart construction of Rochester Hub project, including satisfying conditions for the first advance of the DOE loan, and for general corporate purposes

Complete Comprehensive Review

The completion of the comprehensive review and the updated final investment decision (FID) to restart construction at the Rochester Hub will be underpinned by the full funding package

Optimize Spoke Network and Maximize Value

Plan to establish a self-sufficient and financially accretive Spoke business

Implement optimization initiatives to increase throughput and recoveries, reduce costs, and improve black mass quality

Continue to support key OEM and strategic partners through Generation 3 Spokes


Appendix



Li-Cycle's Spoke & Hub Network in North America and Europe

Portfolio as of October 2024

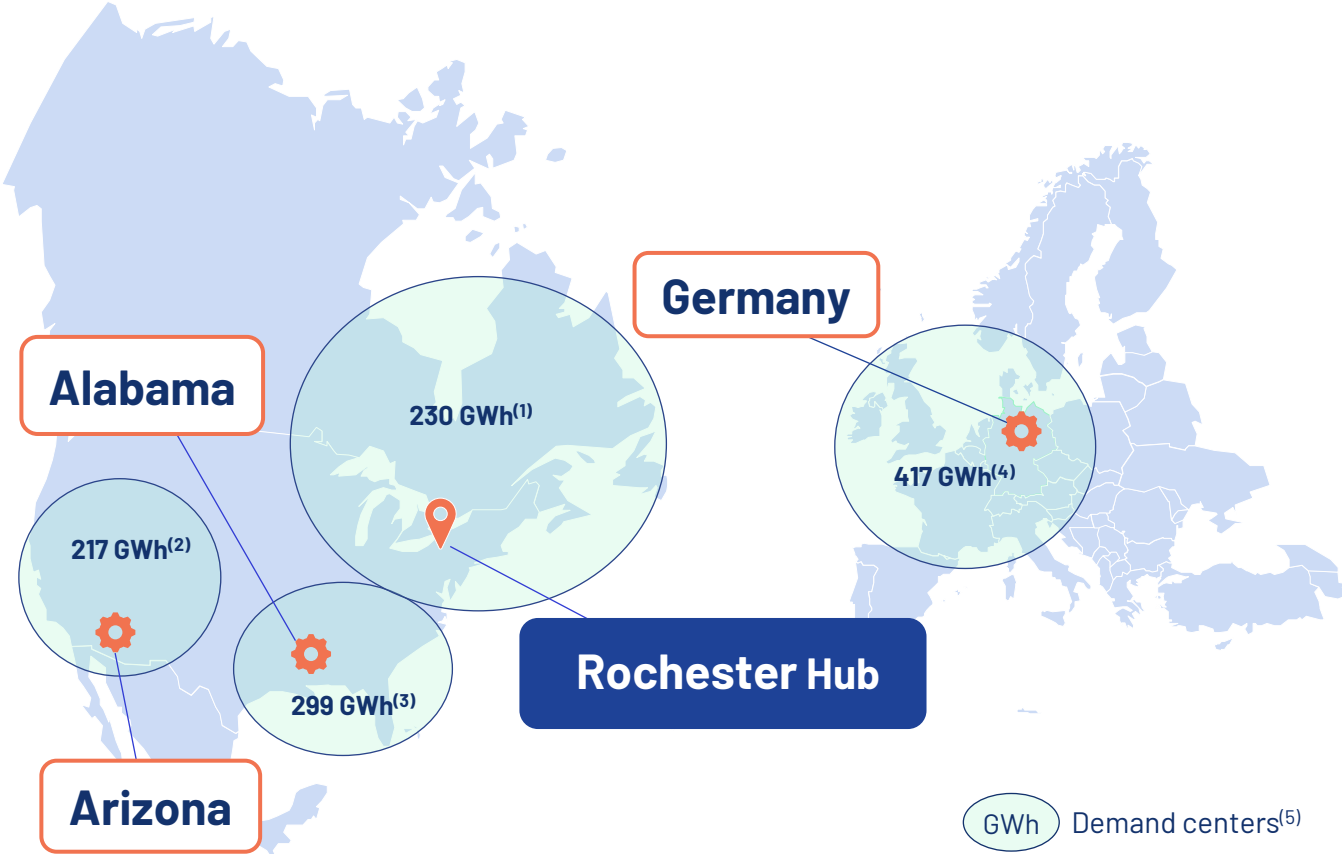
Spokes: Pre-Processing/Recycling of Battery Materials

 Gen-3 Spoke
 Arizona, Alabama, and Germany

Hubs: Post-Processing/Refining for Battery Materials

 Rochester Hub (construction currently paused)

- The planned **Portovesme Hub** project in Sardinia, Italy, is currently paused and is under review by Li-Cycle and Glencore
- The planned **Line 2 expansion** at the **Germany Spoke** has been deferred, and the planned Gen-3 Spokes in **France** and **Norway** have been paused and are being re-evaluated as part of go-forward strategy
- Transitioning Gen-1 **Ontario Spoke** from operational pause to closure
- Curtailed operations at Gen-2 **New York Spoke**



(1) Includes New York, Michigan, Ohio, Illinois, Ontario, and Quebec; (2) Includes Arizona, California, Texas, and Nevada; (3) Includes Alabama, Kentucky, North Carolina, South Carolina, Florida, Georgia, and Tennessee; (4) Includes Germany, France, Hungary and UK; (5) Data as of 2030 from BMI, Li-Cycle estimates and publicly announced nameplate capacities for gigafactories announced (as of September 2024); TAM estimates include a 30% scrap rate during ramp-up of a gigafactory followed by an average scrap rate of 10% thereafter.

Financial Results

<i>Financial Results Reflecting GAAP Reporting</i>	Unit	Q3 2024	Q3 2023
Black Mass Produced	<i>Tonnes</i>	1,459	1,319
Black Mass Sold	<i>Tonnes</i>	1,989	892
Product Revenue	<i>\$M</i>	4.3	3.5
Fair Value Pricing Adjustments	<i>\$M</i>	0.1	-
Recycling Service Revenue	<i>\$M</i>	4.0	1.2
Total Revenue	<i>\$M</i>	8.4	4.7
Cost of Sales	<i>\$M</i>	(20.0)	(20.1)
SG&A	<i>\$M</i>	(12.9)	(25.9)
R&D	<i>\$M</i>	(0.7)	(2.7)
Other Income (Expenses)	<i>\$M</i>	81.7	13.3
Net Income (Loss)	<i>\$M</i>	56.5	(30.7)
Adjusted EBITDA (Loss)⁽¹⁾	<i>\$M</i>	(21.7)	(41.4)
As at		Sept 2024	June 2024
Cash and Cash Equivalents ⁽²⁾	<i>\$M</i>	32.2	57.0

(1) See the reconciliation of Adjusted EBITDA, a non-GAAP financial measure to comparable GAAP financial measure. (2) Excludes restricted cash of \$9.9 million as of September 30, 2024 and \$9.6 million as of June 30, 2024.

Adjusted EBITDA Reconciliation

	U.S. dollar amounts (in millions)	
	Three months ended	
	September 30, 2024	September 30, 2023
Net Income (Loss)	\$56.5	(\$30.7)
Income Tax	-	-
Depreciation and Amortization	\$4.4	\$2.5
Interest Expense	\$17.3	\$0.2
Interest Income	(\$0.5)	(\$2.5)
EBITDA (Loss)	\$77.7	(\$30.5)
Restructuring Fees ⁽¹⁾	(\$0.2)	-
Fair Value Loss on Financial Instruments ⁽²⁾	(\$99.2)	(\$10.9)
Adjusted EBITDA (Loss)	(\$21.7)	(\$41.4)

1. Restructuring charges include: expense related to the workforce reduction approved in March 2024 which provided certain executives and non-executives with contractual termination benefits as well as one-time termination benefits; Special committee retainers; professional fees, including legal fees incurred as a result of the three shareholder suits and the mechanic's liens filed following the construction pause at the Rochester Hub; and expenses related to the implementation of the Cash Preservation Plan.
2. Fair value loss on financial instruments relates to convertible debt.

Li-Cycle reports its financial results in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company makes references to certain non-GAAP measures, including adjusted EBITDA (loss). These measures are not recognized measures under U.S. GAAP, do not have a standardized meaning prescribed by U.S. GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those U.S. GAAP measures by providing a further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for the analysis of the Company's financial information reported under U.S. GAAP. Li-Cycle defines Adjusted EBITDA as earnings before depreciation and amortization, interest expense (income), income tax expense (recovery) adjusted for items that are not considered representative of ongoing operational activities of the business and items where the economic impact of the transactions will be reflected in earnings in future periods. Adjustments relate to fair value loss on financial instruments, debt extinguishment loss and certain non-recurring expenses. Foreign exchange (gain) loss is excluded from the calculation of Adjusted EBITDA. The table above provides a reconciliation of net loss to Adjusted EBITDA (loss).

Li-Cycle's Share Count as of September 30, 2024

Total basic shares outstanding as of September 30, 2024	23,219,936
Potential shares reserved for future issuance:	
Convertible notes ⁽¹⁾	23,050,318
Stock options ⁽²⁾	232,463
Restricted share units ⁽²⁾	3,048,050
Fully diluted shares as of September 30, 2024⁽²⁾	49,550,767

Reflects share consolidation effective June 3, 2024, at a ratio of one post-consolidation common share for every eight pre-consolidation common shares.

(1) Includes interest accrued as of September 30, 2024. Excludes interest in subsequent periods that may be paid via payment-in-kind (PIK).

(2) Includes stock options and restricted share units granted and outstanding as of September 30, 2024. Excludes additional shares available for future grants pursuant to the Company's equity incentive plan.

Solving the global
battery recycling
problem.

