

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC., LI-CYCLE NORTH AMERICAN HUB, INC.

Applicants

APPLICATION RECORD
(Initial Order Returnable May 14, 2025)

May 12, 2025

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TO: SERVICE LIST

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Tab 1

Court File No.

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IN THE MATTER OF THE *COMPANIES' CREDITORS*
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Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on a date and time to be fixed by the Commercial List Office, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyers or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: May 12, 2025

Issued by:

Local Registrar

Address of
court office

330 University Avenue
Toronto, Ontario, M5G 1R7

TO: THE SERVICE LIST

APPLICATION

THE APPLICANTS MAKE APPLICATION FOR:

1. An initial order (the “**Initial Order**”) pursuant to the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**”) substantially in the form attached as Tab 4 to the Application Record of the Applicants,¹ among other things:
 - (a) abridging the time for service of this Notice of Application and the materials filed in support of the Application so that this Application is properly returnable on the return date and dispensing with further service thereof;
 - (b) declaring that the Applicants are companies to which the CCAA applies;
 - (c) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as an officer of this Court to monitor the assets, businesses and affairs of the Applicants (in such capacity, the “**Monitor**”);
 - (d) authorizing the Applicants to pay certain expenses incurred prior to, on or after the Filing Date in the ordinary course of business on terms consistent with existing arrangements or past practice;
 - (e) staying all Proceedings taken or that might be taken in respect of the Applicants, their directors and officers, the Monitor, the CRO or affecting the Business or the Property until and including May 22, 2025 (the “**Stay Period**”), except with the written consent of the Applicants and the Monitor, or with leave of this Court;
 - (f) approving the engagement of BlueTree Advisors Inc. to provide the services of William E. Aziz as Chief Restructuring Officer of the Applicants (the “**CRO**”) pursuant to the CRO Engagement Letter;

¹ Capitalized terms used but not defined herein have the meanings given to them in the affidavit of Ajay Kochhar, sworn May 12, 2025, attached as Tab 2 to the Application Record of the Applicants (the “**Kochhar Affidavit**”), or the draft Amended and Restated Initial Order attached as Tab 5 to the Application Record of the Applicants.

- (g) approving the engagement of Michelle Faysal as interim Chief Financial Officer of the Applicants (the “**CFO**”) pursuant to the CFO Engagement Letter;
 - (h) approving the engagement of Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions pursuant to the Financial Advisor Engagement Letter;
 - (i) approving the engagement of Maplebriar Holdings Inc. to provide the services of Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions;
 - (j) authorizing Intercompany Advances between the Applicants, to be approved by the Monitor;
 - (k) granting priority Charges as described in the proposed Initial Order;
 - (l) authorizing the decision by the Applicants to incur no further expenses in relation to making any Securities Filings that may be required by the Securities Provisions; and
 - (m) granting such further and other relief as this Honourable Court deems just.
2. At the comeback motion, which is expected to be returnable on May 22, 2025 (the “**Comeback Hearing**”), the Applicants also intend to seek:
- (a) an order (the “**Amended and Restated Initial Order**” and collectively with the Initial Order, the “**Initial Orders**”) pursuant to the CCAA, substantially in the form attached as Tab 5 to the Application Record of the Applicants, amending and restating the Initial Order by, among other things:
 - (i) extending the Stay Period;
 - (ii) authorizing the Applicants to, with the consent of the Monitor, pay pre-filing amounts owing to critical suppliers;

- (iii) approving the Key Employee Retention Plan (the “**KERP**”), authorizing the Applicants to make payments in accordance with the terms thereof and sealing the unredacted version of the KERP;
 - (iv) authorizing the Applicants to obtain and borrow under a credit facility from the DIP Lender (the “**DIP Facility**”) on the terms and subject to the conditions set forth in the Commitment Letter;
 - (v) granting certain additional priority Charges as described in the proposed Amended and Restated Initial Order;
 - (vi) increasing the maximum amount of the existing priority Charges as described in the Amended and Restated Initial Order; and
 - (vii) granting such further and other relief as this Honourable Court deems just.
- (b) An order approving a sale and realization process (the “**SISP Order**”) which may seek to include approval of a stalking horse bid.

THE GROUNDS FOR THIS APPLICATION ARE:

General

- 3. The Applicants or “**Li-Cycle**” are insolvent, with claims against them exceeding \$5 million.
- 4. The Applicants are companies to which the CCAA applies.
- 5. The relief sought in the Initial Order is reasonably necessary for the continued operation of the Applicants in the ordinary course of business during the initial 10-day period and is appropriate in the circumstances.

Background

- 6. Li-Cycle is a global lithium-ion battery resource recovery company, established in 2016. Li-Cycle is a public company that is headquartered in Toronto, Ontario.

7. At its Spokes, Li-Cycle recycles battery manufacturing scrap and end-of-life batteries to produce black mass and other properties. At its planned Hubs, Li-Cycle would process black mass to produce critical battery-grade materials, including lithium carbonate, which could then be used in the manufacture of batteries. Once the Hubs are completed, the Spokes and Hubs would provide a complete solution to lithium-ion battery recycling.
8. While Li-Cycle has considerable potential and is poised to become an industry leader ready to take advantage of the growth of the EV supply chain, Li-Cycle has encountered numerous challenges since the Fall of 2023. These challenges have strained Li-Cycle's liquidity and impacted its ability to operate its Spokes and continue the development of its Hubs. Among other things:
 - (a) Construction of the Rochester Hub, a key element to bring the Li-Cycle business to profitability, has been paused since October 2023 as construction costs rapidly and significantly increased;
 - (b) Operations at Li-Cycle's existing Spokes have been paused as each remained unprofitable due to feedstock pricing, relatively depressed commodity prices and onerous sourcing and off-take agreements;
 - (c) Li-Cycle has been unable to raise additional financing necessary to meet the conditions necessary for advances to be made under its loan from the United States Department of Energy (the "**DOE Loan**"), and concerns were raised regarding the ongoing availability of the DOE Loan Facility due to uncertainty in respect of financing clean technology initiatives in the current political climate in the United States;
 - (d) the share price of Holdings' common shares has declined by over 99% and its shares were de-listed from the New York Stock Exchange; and
 - (e) With the expiry of certain waivers on May 13, 2025 at 11:59 p.m., Li-Cycle will be in default under its secured and unsecured notes.

Applicants are Insolvent

6. The Applicants are insolvent as they are facing a looming liquidity crisis which will result in the Applicants running out of cash to pay their debts as they generally become due within the reasonably foreseeable time horizon of these CCAA Proceedings.
7. Furthermore, the Applicants are insolvent as the assets of the Applicants at fair valuation are insufficient to satisfy in full their obligations due and accruing due.

Stay of Proceedings

8. A stay of proceedings against the Applicants is necessary at this time to allow Li-Cycle breathing space so that it can maximize value for all affected stakeholders by carrying out a sale and realization process.

Monitor

9. A&M has consented to act as the Monitor and is very experienced in similar matters.

CRO and CFO

10. It is appropriate to approve the CRO Engagement Letter and the appointment of the CRO pursuant thereto as the experience and expertise of the CRO will be beneficial to Li-Cycle and its stakeholders in seeking a positive outcome in these proceedings. The CRO is very experienced in restructuring proceedings of this nature.
11. It is appropriate to approve the CFO Engagement Letter and the appointment of the CFO pursuant thereto as the experience and expertise of the CFO will be beneficial to Li-Cycle and its stakeholders in seeking a positive outcome in these proceedings following the resignation of its previous chief financial officer.
12. Li-Cycle and the proposed monitor have reviewed the proposed fees and disbursements set out in the CRO Engagement Letter and CFO Engagement Letter and believe them to be fair and reasonable in the circumstances.

Financial Advisor and Maplebriar

13. Li-Cycle intends to run a relatively expedited court-supervised sale and investment solicitation process (“SISP”) in these CCAA proceedings, leveraging the broad canvassing of the market that has already been undertaken.
14. The Financial Advisor and Ajay Kochhar will assist the Applicants in conducting the SISP. Li-Cycle and its stakeholders will benefit from their assistance given the Financial Advisor’s expertise and Mr. Kochhar’s knowledge of the business and marketing processes that were previously conducted.
15. It is appropriate to approve the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter. Li-Cycle and the proposed monitor have reviewed the proposed fees and disbursements set out in the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter and believe them to be fair and reasonable in the circumstances.

DIP Facility

16. No approval of a DIP Facility is sought in the proposed Initial Order. At the Comeback Hearing, the Applicants expect to seek approval of the DIP Facility from the DIP Lender on the terms and subject to the conditions set forth in the Commitment Letter. The DIP Facility will be used to fund the professional and other costs related to the SISP and the Applicants’ working capital requirements and other general corporate purposes and capital expenditures. It is appropriate to authorize and empower the Applicants to obtain and borrow under the DIP Facility and grant related relief.

KERP

17. No approval of a KERP is sought in the Initial Order. At the Comeback Hearing, the Applicants intend to seek approval of the KERP and a KERP Charge in respect of funds that will be paid to the Monitor prior to the filing. The Applicants established the KERP to incentivize certain key employees to remain in their employment during these CCAA Proceedings. The key employees have skills, knowledge, and capabilities that are necessary to facilitate the realization processes that will be pursued in the CCAA Proceedings and to

keep the business running to preserve maximum value for all stakeholders. The key employees have other employment options available to them and it would be difficult to replace them in the near future given the Applicants' current circumstances.

18. Under the KERP, the 25 key employees will be entitled to aggregate payments of CAD \$869,973.92 and USD \$672,075.46 at the end of the KERP Retention Period provided that the KERP Conditions are met.
19. The KERP has been reviewed with the Monitor and the CRO, who each support the KERP.
20. The Amended and Restated Initial Order contemplates that the Applicants will pay the aggregate amount payable under the KERP (CAD \$869,973.92 and USD \$672,075.46) (the "**KERP Employee Funds**") to the Monitor, which will hold and disburse those funds in accordance with the KERP.
21. The Amended and Restated Initial Order also contemplates that the Applicants will pay the amount of USD \$150,000 to the Monitor to be held as security for the "Work Fee" of Maplebriar (as set out in the Maplebriar Engagement Letter) (the "**Maplebriar Work Fee Funds**", and collectively with the KERP Employee Funds, the "**KERP Funds**").

Intercompany Advances

22. The operations and expenses of the Applicants are funded in the ordinary course through non-interest-bearing intercompany advances. It is necessary and appropriate for the Applicants (each, an "**Intercompany Lender**") to be authorized to make Intercompany Advances, subject to Monitor approval, to each of the other Applicants (each, an "**Intercompany Borrower**"), to be secured by an Intercompany Charge (as set out below).

Court-Ordered Charges

23. The Applicants are seeking an Administration Charge and Directors' Charge in the Initial Orders to secure the professional services required to complete the CCAA Proceedings and ensure the continued cooperation of the Applicants' directors and officers, the CRO, the CFO and the Financial Advisor.

24. The Applicants are seeking an Intercompany Charge in the Initial Orders on all of the Property of each of the Intercompany Borrowers as security for the Intercompany Advances made to such Borrower. The Intercompany Charge will not secure any intercompany advances made by the Intercompany Lenders to the Intercompany Borrowers before the Initial Filing Date.
25. The maximum amount of the Administration Charge, Directors' Charge and Intercompany Charge in the Initial Order is limited to what is reasonably necessary for the initial 10-day stay period.
26. The Applicants also intend to seek in the Amended and Restated Initial Order:
 - (a) to increase the maximum amount of the Administration Charge and Directors' Charge and remove the maximum amount on the Intercompany Charge (as Intercompany Advances will be subject to Monitor consent);
 - (b) a KERP Charge solely over the KERP Funds;
 - (c) a DIP Lender's Charge as security for amounts advanced under the DIP Facility; and
 - (d) a Transaction Fee Charge as security for certain transaction fees payable to the CRO and Maplebriar pursuant to their respective engagement letters.
27. The Applicants are also seeking approval in the Amended and Restated Initial Order to pay pre-filing amounts owing to critical suppliers, subject to Monitor approval.
28. At the Comeback Hearing, the Applicants also intend to seek approval of a SISP and may seek approval of a stalking horse bid at that time.

Securities Disclosures

29. It is appropriate to authorize Li-Cycle Holdings to incur no further expenses in relation to Securities Filings that may be required by the Securities Provisions.

30. Li-Cycle is not asking the Court to exempt it from its continuous disclosure obligations, or bar any securities regulators or stock exchanges from taking steps within their discretion as a result of the continued non-reporting by Li-Cycle.

Foreign Representative

31. Three of the Applicants (Holdings, Li-Cycle Corp. and Li-Cycle Americas Corp.) are incorporated in Ontario. The other three Applicants (Li-Cycle U.S. Inc., Li-Cycle Inc. and Li-Cycle North America Hub, Inc.) are incorporated in Delaware. Each of the Applicants is part of the highly-integrated business of Li-Cycle that has its centre of main interests in Ontario as, among other things:

- (a) all material financial, strategic, management, marketing and personnel decisions are made from the corporate headquarters at the Head Office in Toronto;
- (b) the key management personnel of Li-Cycle are employed by Li-Cycle Corp. which is incorporated and domiciled in Ontario;
- (c) the operations of all of the Li-Cycle entities are generally funded from equity contributions or intercompany advances from Holdings;
- (d) all intellectual property used in the Li-Cycle business is owned by Li-Cycle Corp.; and
- (e) the books and records of Li-Cycle are kept at the Head Office in Toronto.

32. As a result, it is appropriate for proceedings to be commenced under the CCAA with respect to each of the Applicants. The Applicants intend to seek recognition of these proceedings in the United States pursuant to Chapter 15 of the *United States Bankruptcy Code*. In the Initial Order, the Applicants seek authorization for the CRO to act as foreign representative for this purpose.

Other Grounds

33. The Applicants also rely on:

- (a) the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
 - (b) sections 97 and 106 of the *Courts of Justice Act*, RSO 1990, c. C.43;
 - (c) Rules 2.03, 3.02, 14.05(3)(d), 14.05(2), 16, 38 and 57 of the *Rules of Civil Procedure*, RRO 1990, Reg 194; and
 - (d) such further and other grounds as counsel for the Applicants may advise and this Honourable Court may permit.
34. The following documentary evidence will be used at the hearing of the application:
- (a) the affidavit of Ajay Kochhar, sworn May 12, 2025;
 - (b) the pre-filing report of A&M, to be filed;
 - (c) the consent of A&M to act as the Monitor; and
 - (d) such further and other materials as counsel for the Applicants may advise and this Honourable Court may permit.

May 12, 2025

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Lawyers for the Applicants

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicants

Tab 2

Court File No.

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Applicants

**AFFIDAVIT OF AJAY KOCHHAR
(Sworn May 12, 2025)**

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Applicants

**AFFIDAVIT OF AJAY KOCHHAR
(Sworn May 12, 2025)**

I, Ajay Kochhar, of the Town of Oakville, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Li-Cycle Holdings Corp. (“**Holdings**”). I have served in this capacity since August 2021. I co-founded the business of Li-Cycle (as defined below) in 2016 and have been a senior leader of the business continuously since that time. Prior to co-founding Li-Cycle, I gained extensive technology and project development experience through progressive roles with Hatch’s Industrial Cleantech and Advisory practices in the lithium, cobalt, nickel, copper, gold, lead, zinc, molybdenum, and rare earth metals industries. Prior to joining Hatch, I graduated with honours from the University of Toronto with a Bachelor of Applied Science (BASc) in Chemical Engineering degree.
2. Through my current role as President and Chief Executive Officer, I am familiar with the operations, financial results and strategies of the Applicants. As such, I have personal knowledge

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of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. This affidavit is sworn in support of an application by the Applicants pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") seeking:

- (a) an order (the "**Initial Order**") substantially in the form of the draft order included at Tab 4 of the Application Record, among other things, granting relief that is reasonably necessary for the continued operations of the Applicants within an initial 10-day stay period; and
- (b) an order (the "**Amended and Restated Initial Order**" and collectively with the Initial Order, the "**Initial Orders**") to be sought at a subsequent hearing to be scheduled with the supervising judge prior to the expiry of the initial 10-day stay period (the "**Comeback Hearing**"), substantially in the form of the draft order included at Tab 5 of the Application Record, granting broader relief that is appropriate in the circumstances.

4. For ease of reference, the Applicants and their subsidiaries will be collectively referred to herein as "**Li-Cycle**" and the Applicants will be referred to as the "**CCAA Debtors**". All dollar references herein are U.S. dollars unless otherwise referenced.

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I. OVERVIEW

5. Li-Cycle is a global lithium-ion battery resource recovery company, established in 2016. Li-Cycle is a public company that is headquartered in Toronto, Ontario and, until recently, its common shares were listed on the New York Stock Exchange (“NYSE”).

6. Li-Cycle’s goal is to recycle all different types of lithium-ion batteries, recovering critical battery-grade materials and reinserting them back into the supply chain using its patent-protected Spoke & Hub Technologies™:

- (a) Li-Cycle’s “Spokes” are pre-processing facilities where Li-Cycle recycles battery manufacturing scrap and end-of-life batteries to produce (i) black mass, which is a powder-like substance which contains several valuable metals, including lithium, nickel, and cobalt, (ii) a shredded metal foils product consisting largely of aluminum and copper, and (iii) shredded plastics. Li-Cycle has five Spokes (the status of which are described further herein) located in Ontario, New York, Alabama, Arizona and Germany.
- (b) Li-Cycle’s planned “Hubs” are post-processing facilities where Li-Cycle would plan to process black mass to produce critical battery-grade materials, including lithium carbonate, which could then be used in the manufacture of batteries. Li-Cycle’s first commercial Hub is partially constructed in Rochester, New York while another Hub project for development in Portovesme, Italy has been studied jointly with Glencore.

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7. The Spokes and Hubs are ultimately managed from Li-Cycle's global head office in Toronto. All management, corporate governance, financial reporting and administrative services for the group are performed out of the head office.
8. Once the Hubs are completed, the Spokes and Hubs would provide a complete solution to lithium-ion battery recycling. As described further herein, Li-Cycle's technology would enable a "circular loop" for electric vehicle ("EV") battery recycling. Unlike competitors, Li-Cycle's technology allows recycling of full EV battery packs, without discharging and dismantling, which I believe is one of the distinct competitive advantages of Li-Cycle's patented Spoke technology.
9. Until March 2024, Li-Cycle had no secured debt and funded its development through the issuance of common shares and unsecured convertible notes. To support its growth and ongoing development of its "Spoke & Hub" network, Holdings succeeded in obtaining a conditional commitment from the United States Department of Energy ("**DOE**") in February 2023 for a \$375 million loan facility through the DOE's Advanced Technology Vehicles Manufacturing Program. In November, 2024, Li-Cycle entered into the definitive agreements for the DOE loan facility, with an increase in the facility size from \$375 million to \$475 million (the "**DOE Loan Facility**"). However, to date, no advances have been made under the DOE Loan Facility and any such advances are conditional on Li-Cycle obtaining additional financing of approximately \$263 million.
10. While I believe that Li-Cycle has considerable potential and is poised to become an industry leader ready to take advantage of the growth of the EV supply chain, Li-Cycle has

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encountered numerous challenges since the Fall of 2023. These challenges have strained Li-Cycle's liquidity and impacted its ability to operate its Spokes and to continue the development of its Spoke & Hub network. Among other things:

- (a) The cost to construct the Rochester Hub increased rapidly and significantly. This resulted in a pause in construction in October 2023 and a comprehensive review of the go-forward strategy for the project, as well as the commencement of putative securities class actions in Ontario and New York, a shareholder derivative action in New York, an arbitration claim commenced by the general contractor and the filing of various mechanics' liens in relation to construction of the Rochester Hub project;
- (b) Li-Cycle's existing Spokes have each remained unprofitable, due to a number of factors, including but not limited to pricing for feedstock – particularly in North America – and relatively depressed commodity prices pertinent to intermediate products (e.g. nickel, cobalt); and
- (c) Li-Cycle has been unable to raise the additional financing necessary to meet the conditions precedent for first, and subsequent, advances to be made under the DOE Loan Facility.

11. The completion of the Rochester Hub is a key element to bring the Li-Cycle business to profitability. With construction of the Rochester Hub on hold and with costs to complete construction requiring significant investment estimated at approximately \$483.3 million, including \$89.7 million of costs incurred but not yet paid, Li-Cycle has actively sought and

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pursued a variety of strategic investments and alternatives. This would bring the total investment in the Rochester Hub to approximately \$960.2 million for the mixed hydroxide precipitate (“**MHP**”) scope for the Rochester Hub, through to mechanical completion of the project (excluding costs for commissioning, ramp-up, working capital or financing).

12. This includes that for approximately 1.5 years, Li-Cycle conducted a broad canvass of the market to identify additional funding or other strategic alternatives, including after October 2023 under the guidance of a Special Committee of independent directors of Holdings and with the assistance of the investment banking firm Moelis & Company (“**Moelis**”).

13. In March 2024, Li-Cycle’s most significant contractual counterparty and lender, Glencore Ltd. (together with Glencore Canada Corporation, “**Glencore**”), agreed to provide an additional \$75 million on a secured basis to assist with Li-Cycle’s liquidity issues and aid in continuing to seek additional funding and strategic alternatives.

14. At the time, Glencore was a significant unsecured stakeholder in Li-Cycle, having loaned the company more than \$200 million in unsecured convertible notes as well having entered into various commercial agreements with Li-Cycle entities. Glencore’s unsecured notes were amended and restated through the March 2024 transaction as described further herein such that, as of December 31, 2024, Glencore held approximately \$205.6 million of secured debt, inclusive of the \$75 million of secured debt advanced in March 2024, the first tranche of the previously unsecured debt which was subsequently secured, and accrued interest.

15. Despite the lengthy process conducted by Moelis and additional investment support obtained, to date, Li-Cycle has been unable to execute a viable transaction or obtain sufficient

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additional investment. Among other things, potential investors raised concerns during the process regarding the ongoing availability of the DOE Loan Facility due to uncertainty in respect of financing clean technology initiatives in the current political climate in the United States.

16. This has compounded the challenges in identifying strategic investors and has led to further complications including:

- (a) The share price of Holdings' common shares has declined by over 99% since the pause on construction of the Rochester Hub was announced; and the common shares were subsequently de-listed from the NYSE on March 9, 2025;
- (b) Due to a lack of available liquidity, Li-Cycle has paused operations at each of its Spokes (other than the Germany Spoke) and reduced its active headcount from 536 as of September 30, 2023, to 119 as of today; and,
- (c) Li-Cycle is in default under its secured and unsecured notes. While waivers had been negotiated with Glencore and the other unsecured noteholder, Wood River Capital, LLC, an affiliate of Koch Strategic Platforms, LLC (hereinafter, "**Koch**"), such waivers are currently set to expire on Tuesday, May 13, 2025 at 11:59 p.m.

17. In the circumstances, the CCAA Debtors are insolvent and require CCAA protection. The CCAA Debtors intend to conduct a sale and realization process with the assistance of Alvarez & Marsal Canada Securities ULC (the "**Financial Advisor**") and the corporate services group of Alvarez & Marsal to seek a sale of, or investment in, its business. The goal of such process

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would be to identify a transaction or investment opportunity that will allow the business to continue as a going concern, able to re-start operations at some or all of its paused Spokes and to resume construction of the Rochester Hub for the benefit of its employees, suppliers and the communities in which Li-Cycle operates. Li-Cycle has retained William E. Aziz as Chief Restructuring Officer to help guide it through this process.

18. While there are also various subsidiaries owned directly or indirectly by Holdings that are incorporated under jurisdictions outside of Canada and the United States, those subsidiaries are not applicants in these CCAA proceedings. Instead, those subsidiaries will be addressed through separate processes described further herein.

19. Li-Cycle determined that it was necessary and appropriate to commence these proceedings to allow Li-Cycle breathing space to seek to maximize value for all of its stakeholders. If it can overcome its immediate challenges, Li-Cycle is poised to play a key role in a clean energy future by recycling and re-inserting critical materials back into the EV battery supply chain.

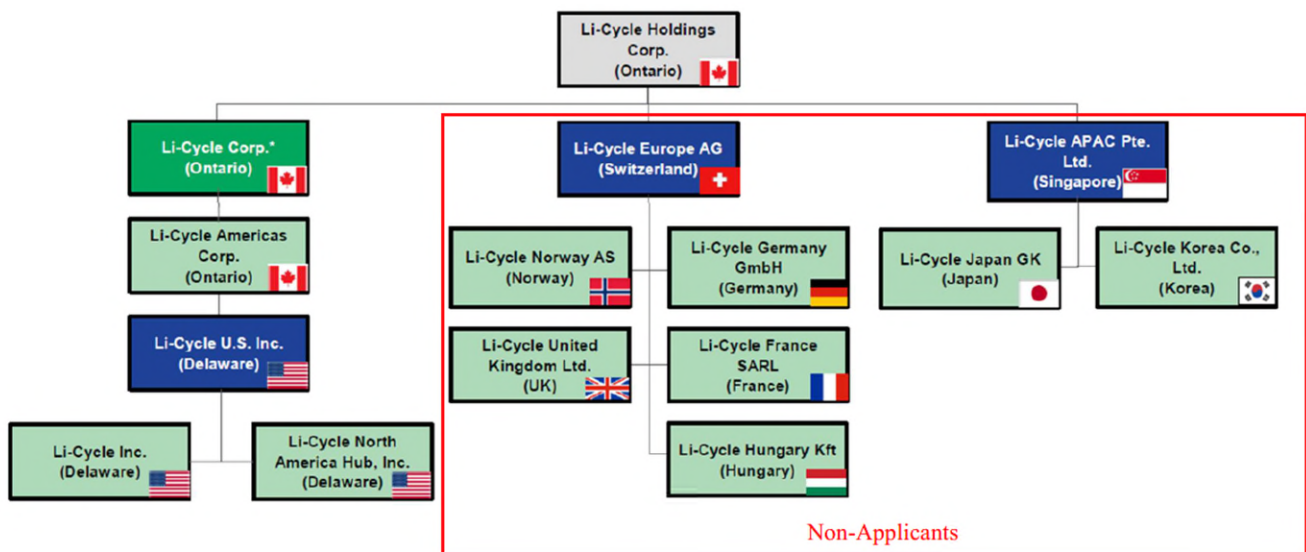
20. Li-Cycle is currently in discussions to obtain debtor-in-possession financing and a stalking horse bid for its sale process which will be described in a subsequent affidavit prior to the comeback hearing.

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II. BACKGROUND REGARDING LI-CYCLE

(i) Corporate Structure

21. Holdings is the parent company of all of the Applicants. An organizational chart of the Applicants and their affiliates, which are each described more fully below, is as follows:



22. Copies of corporate profile reports of each of the Applicants are attached hereto as follows:

Entity	Jurisdiction of Incorporation	Exhibit
Li-Cycle Holdings Corp.	Ontario	"A"
Li-Cycle Corp.	Ontario	"B"
Li-Cycle Americas Corp.	Ontario	"C"
Li-Cycle U.S. Inc.	Delaware	"D"

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Entity	Jurisdiction of Incorporation	Exhibit
Li-Cycle Inc.	Delaware	“E”
Li-Cycle North America Hub, Inc.	Delaware	“F”

A. Canadian CCAA Applicants

23. The business of Li-Cycle was founded in 2016 with the mission of solving the global disposal problem for end-of-life lithium-ion batteries and manufacturing scrap.

24. Li-Cycle Corp. (“**Global HQ**”) was incorporated under the *Business Corporations Act* (Ontario) (“**OBCA**”) on November 18, 2016.

25. Holdings was incorporated under the OBCA on February 12, 2021 as a subsidiary of Global HQ for the purposes of facilitating a going public transaction. On August 10, 2021, Holdings, Global HQ and Peridot Acquisition Corp. completed a reverse take-over (or “de-SPAC”) transaction pursuant to a plan of arrangement under the OBCA (the “**Business Combination**”). On the completion of the Business Combination, among other things:

- (a) Global HQ became a wholly-owned subsidiary of Holdings; and
- (b) The common shares of Holdings were listed on the NYSE under the ticker symbol “LICY”.

26. Holdings is the public holding company for the business. It does not have any employees or engage in any operations itself. Its registered address is located in Toronto, Ontario.

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27. Global HQ operates the head and principal executive office, located in Toronto, Ontario (the “**Head Office**”), from which management directs the multi-national operations of Li-Cycle. Global HQ also owns the intellectual property that is used in Li-Cycle’s business, which is licensed to the operating entities, as described below.

28. Li-Cycle Americas Corp. (“**Canada SpokeCo**”) is incorporated under the OBCA. Prior to the suspension of its operations, Canada SpokeCo operated the company’s first commercial Spoke located in Kingston, Ontario, which commenced operations in July 2019. Its registered address is located in Toronto, Ontario.

B. U.S. Applicants

29. Li-Cycle U.S. Inc. (“**North America OpCo**”), is incorporated under the laws of the State of Delaware. North America OpCo is the entity that is generally responsible for sourcing inputs for, and selling the outputs from, the Spokes and future Hubs located in Canada and the United States. Its registered address is located in Wilmington, Delaware.

30. Li-Cycle Inc. (“**US SpokeCo**”) is incorporated under the laws of the State of Delaware. Prior to the suspension of their respective operations, US SpokeCo operated the company’s three Spokes located in the United States, including (i) its second operational Spoke located in Rochester, New York, which commenced operations in October 2020, (ii) its third operational Spoke in Gilbert, Arizona, which commenced operations in May 2022, and (iii) its fourth operational Spoke in Tuscaloosa, Alabama, which commenced operations in October 2022. Its principal address is located in Rochester, New York and its registered address is located in Wilmington, Delaware.

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31. Li-Cycle North America Hub, Inc. (“**US HubCo**”) is incorporated under the laws of the State of Delaware. US HubCo was in the process of developing the company’s first commercial Hub in Rochester, New York prior to the pause in construction. Its principal address is located in Rochester, New York and its registered address is located in Wilmington, Delaware.

32. As detailed further below, each of North America OpCo, US SpokeCo and US HubCo are Applicants in these CCAA Proceedings and intend to seek recognition of the CCAA Proceedings as foreign main proceedings under Chapter 15 of the United States Bankruptcy Code.

C. Non-Applicant European Affiliates

33. Li-Cycle Europe AG (“**Europe Parent**”) is incorporated under the laws of Switzerland. Europe Parent wholly owns each of the other European entities described below. Europe Parent operates an office located in Baar, Switzerland that coordinates Li-Cycle’s European operations.

34. Europe Parent is generally responsible for sourcing inputs for, and selling the outputs from, any Spokes and future Hubs located in Europe once they become operational. At this time, the German Spoke is the only operational Spoke in Europe and its business and operations are closely integrated with Europe Parent. As detailed further below, Li-Cycle will be seeking to market and sell the shares of Europe Parent while maintaining the operations of Europe Parent and the German Spoke as solvent, operating entities during this time.

35. Li-Cycle Germany GmbH (“**Germany SpokeCo**”) is incorporated under the laws of Germany. Germany SpokeCo operates a Spoke that commenced operations in August 2023 in

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Sülzetal near Magdeburg in Saxony-Anhalt, Germany, which is approximately 160 kilometres from Berlin. Its registered address is located in Osterweddingen, Germany. Operations at the German Spoke are currently continuing.

36. Li-Cycle Norway AS (“**Norway SpokeCo**”) was incorporated pursuant to the laws of Norway for the purposes of developing a Spoke in Norway. Norway SpokeCo leased space in Moss, Norway for this Spoke. However, the development of this Spoke is no longer being pursued and Norway SpokeCo has been in discussions with the landlord to terminate its lease payment obligations (having already given back the leased premises). The registered address of Norway SpokeCo is located in Moss, Norway. Norway SpokeCo employs one individual located in Norway who works on HR matters for Europe Parent but is employed by Norway SpokeCo for administrative convenience. Li-Cycle is currently working on the termination of the Norway employee and planning to liquidate and wind down Norway SpokeCo outside of a court process, following the termination of its lease payment and employment obligations.

37. Europe Parent has three other subsidiaries that were incorporated for the purposes of potentially developing Spokes based in other countries; however, the development of those Spokes is no longer being pursued:

Entity	Incorporation	Jurisdiction and Registered Address
Li-Cycle United Kingdom Ltd. (“ UK SpokeCo ”)	April 2022	London, United Kingdom
Li-Cycle France SARL (“ France SpokeCo ”)	April 2022	Harnes, France

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Entity	Incorporation	Jurisdiction and Registered Address
Li-Cycle Hungary Kft (“ Hungary SpokeCo ”)	August 2023	Budapest, Hungary

38. None of UK SpokeCo, France SpokeCo or Hungary SpokeCo have any leased space or any material third-party liabilities. UK SpokeCo employs one individual located in the United Kingdom who works on commercial matters for Europe Parent but is employed by UK SpokeCo for administrative convenience. Li-Cycle is currently working on the termination of the UK employee. France SpokeCo and Hungary SpokeCo do not have any employees. Li-Cycle is currently planning to liquidate and wind down these entities outside of a court process.

D. Non-Applicant APAC Affiliates

39. Li-Cycle Asia Pacific Pte. Ltd. (“**APAC Parent**”) is incorporated under the laws of Singapore. APAC Parent wholly owns each of the other entities in the Asia-Pacific region described below. APAC Parent currently employs a commercial team of 3 individuals, with the 4th individual being employed through an employment agency. APAC Parent was expected to be the entity that would be generally responsible for sourcing inputs for, and selling the outputs from, any Spokes and Hubs located in the Asia-Pacific region once they became operational, but such plans were not completed. Currently, it provides marketing and sales support functions for the benefit of North America OpCo and Europe Parent. Li-Cycle is proceeding with steps to liquidate and wind down APAC Parent, following the liquidation and winddown of its subsidiaries, Japan SpokeCo and Korea SpokeCo (as defined below).

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40. APAC Parent has two subsidiaries that were incorporated for the purposes of potentially developing Spokes based in other countries; however, the development of those Spokes is no longer being pursued:

Entity	Incorporation	Jurisdiction and Registered Address
Li-Cycle Japan GK (“ Japan SpokeCo ”)	March 2022	Minato-ku, Tokyo, Japan
Li-Cycle Korea Co., Ltd. (“ Korea SpokeCo ”)	June 2022	Seoul, South Korea

41. With the exception of one individual located in South Korea that is employed by Korea SpokeCo through an employment agency for administrative convenience, none of Japan SpokeCo or Korea SpokeCo have any leased space, employees, material assets or third-party liabilities. Japan SpokeCo is currently in an out-of-court liquidation and wind down process, which is on track for completion by the end of June 2025. Li-Cycle is currently working on the termination of the Korea employee and planning to liquidate and wind down APAC Parent and Korea SpokeCo outside of a court process as well.

(ii) The Business of Li-Cycle

42. Prior to encountering its financial challenges, Li-Cycle was on a trajectory towards being an industry leader in lithium-ion battery resource recovery. Lithium-ion batteries are increasingly powering products and solutions in a range of industries, including consumer electronics, battery

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energy storage systems, and EVs. Li-Cycle positioned itself to grow in lockstep with the electrification supply chain.

43. As summarized above, Li-Cycle’s proprietary “Spoke & Hub” recycling and resource recovery process is designed:

- (a) at its Spokes, to process battery manufacturing scrap and end-of-life batteries to produce “black mass” and other intermediate products; and,
- (b) at its future Hubs, to process black mass to produce battery grade materials, including lithium carbonate.

44. Li-Cycle’s operating model would enable a “closed loop” in the EV battery value chain by recycling and re-inserting critical materials back into the supply chain. I believe that Li-Cycle’s Spoke & Hub process:

- (a) is more efficient and more environmentally-sustainable than traditional pyrometallurgical processes for recycling lithium-ion battery materials; and
- (b) is more cost-effective and sustainable than mining and processing new critical materials because Li-Cycle is able to produce multiple materials from a single process and because its process yields lower waste and no displaced earth or tailings.

45. Li-Cycle’s scalable, sustainable, safe and patented Spoke & Hub Technologies™ are proactively designed for “best in class” environmental performance. In 2022, Li-Cycle was named to *Fortune* magazine’s Change the World list for 2022, which recognizes companies that

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have made an important social or environmental impact. For three years in a row (2020, 2021 and 2022), Li-Cycle was named as a Global Cleantech 100 Company by the Cleantech Group. It was also named a Future 50 list company by *Corporate Knights* in 2022, in recognition of its rapid growth as a clean technology company in Canada. In 2025, it was recognized by *Time* magazine as one of the World's Top GreenTech Companies.

46. A copy of the most recent Annual Report of Holdings, without exhibits, for the fiscal year ended December 31, 2024, is attached hereto as **Exhibit "G"**.

A. Spokes

47. At Li-Cycle's Spokes, batteries and battery manufacturing scrap for recycling are processed by a mechanical size-reduction process known as shredding and separated into black mass, shredded metals and mixed plastics.

48. Black mass is an intermediate product which is significantly easier and safer to transport than end-of-life lithium-ion batteries. Black mass can be further processed to extract valuable metals (such as lithium, nickel and cobalt) contained therein. Li-Cycle's business model is based on processing the black mass that is produced at its Spokes at its future Hub facilities, including the Rochester Hub.

49. The total processing capacity of Li-Cycle's Spokes is comprised of "main line processing capacity" and "ancillary processing capacity".

50. "Main line processing capacity" refers to the capacity to process materials using its patented submerged shredding process, or "wet shredding", designed specifically for battery

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materials that contain electrolytes, cannot be discharged or dismantled, and/or have risk of thermal runaway (or igniting).

51. “Ancillary processing capacity” refers to the capacity to process materials through: (i) dry shredding, which processes materials that do not contain electrolytes and therefore are at less risk of thermal runaway; (ii) powder processing, which processes electrode powders to minimize dusting in downstream processes; and (iii) baling, which processes electrode foils into formed cubes for optimizing logistics and downstream processing.

52. As detailed further below, Li-Cycle has four currently-paused Spokes in North America, located in Kingston, Ontario; Rochester, New York; Gilbert, Arizona; and Tuscaloosa, Alabama, and one operational Spoke in Europe, located near Magdeburg, Germany. These Spokes collectively have a total nameplate processing capacity of 61,000 tonnes of battery material per year. Processing capacity is dependant on feed materials being processed, such as end-of-life batteries vs. manufacturing scrap, battery form factor, and state of charge.

B. Hubs

53. At Li-Cycle’s future Hub facilities, black mass from the Spokes would be hydrometallurgically processed to produce individual raw materials with the purity levels required of raw materials to be used in battery production. The end products produced from black mass would include lithium carbonate.

54. As detailed below, Li-Cycle’s first commercial Hub is partially constructed in Rochester, New York. A second Hub project has been studied jointly with Glencore for development in

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Portovesme, Italy, where Glencore owns Portovesme S.r.l. that is the only Italian zinc and lead producer and, as I understand it, is considered to be of national and strategic importance by the Italian government.

(iii) Operations of Li-Cycle

A. Employees

55. As of today, Li-Cycle and its affiliates had approximately 119 active employees as follows:

Location (Country)	Employer	Headcount
North America Region		
Canada	Holdings	0
Canada	Global HQ	23
Canada	Canada SpokeCo	1
United States	US SpokeCo	8
United States	North America OpCo	4
United States	US HubCo	1
Subtotal – North America Region		37
Europe Region		
Switzerland	Europe Parent	9
Germany	Germany SpokeCo	66
Norway	Norway SpokeCo	1
France	France SpokeCo	0
United Kingdom	UK SpokeCo	1

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Location (Country)	Employer	Headcount
Hungary	Hungary SpokeCo	0
Subtotal – Europe Region		77
APAC Region		
Singapore	APAC Parent	4
Japan	Japan SpokeCo	0
Republic of Korea	Korea SpokeCo	1
Subtotal – APAC Region		5
Global Total (as of May 12, 2025)		119

56. Li-Cycle employed as many as 536 employees as of September 30, 2023, prior to encountering its financial challenges described below.

57. The majority of Li-Cycle's employees are employed on a full-time basis. None of Li-Cycle's employees are represented by a labour union.

B. Locations

58. Li-Cycle does not own any real property. The following table lists the properties that the CCAA Debtors currently lease, which are described more fully below:

Location	Use	Gross Floor Area (sq/ft)	Lease Expiry	Lessee	Guarantor
North America Region					
Toronto, ON	Global Head Office	31,762	05/31/2031	Holdings	N/A

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Location	Use	Gross Floor Area (sq/ft)	Lease Expiry	Lessee	Guarantor
Kingston, ON	Ontario Spoke	10,193	9/30/2025	Canada SpokeCo	N/A
Rochester, NY	New York Spoke	63,901	06/30/2029	US SpokeCo	Global HQ
Gilbert, AZ	Arizona Spoke	138,949	02/29/2032	US SpokeCo	Holdings
Mesa, AZ	Arizona Spoke Warehouse	69,016	12/31/2026	US SpokeCo	Holdings
Mesa, AZ	Arizona Spoke Warehouse	110,350	05/21/2034	US SpokeCo	Holdings
Northport, AL	Alabama Spoke	108,469	06/30/2042	US SpokeCo	Holdings
Cottondale, AL	Alabama Spoke Warehouse	120,000	12/31/2030	US SpokeCo	N/A
Birmingham, AL	Engineering Office	9,362	11/30/2027	US SpokeCo	Holdings
Rochester, NY	Rochester Hub	2,309,000	03/31/2042	US HubCo	Holdings
Rochester, NY	Rochester Hub Warehouse/Administrative Building	275,932	03/31/2049	US HubCo	Holdings
Rochester, NY	Rochester Hub Lab/Storage area	1,131	07/31/2025	US HubCo	Holdings

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Global Head Office: Toronto, Ontario

59. The Global Head Office of Li-Cycle is located in Toronto, Ontario. While Li-Cycle leased space for the Global Head Office at 207 Queens Quay, Suite 590 pursuant to a lease that currently runs to May 31, 2031, Li-Cycle has determined that this space is no longer required and it ceased occupying these premises on May 2, 2025.

60. Following recent layoffs to preserve cash for this process, which included reducing its workforce at the corporate level by approximately 32 positions, approximately 22 employees now work for Global HQ. Its functions include corporate governance, public company governance, reporting compliance (including with the requirements of the Ontario Securities Commission and U.S. Securities and Exchange Commission), financial reporting, capital raising and general administrative services for the group (such as legal, investor relations and human resources, among others).

Ontario Spoke: Kingston, Ontario

61. Li-Cycle's operations began in 2017 in Kingston, Ontario when Li-Cycle opened its first pilot facility. The Kingston pilot facility had a recycling capacity of 50 tonnes of battery materials per year. In 2018, Li-Cycle launched its first Spoke & Hub demonstration facility, also in Kingston.

62. In 2019, Li-Cycle commissioned its first commercial Spoke facility in Kingston with an initial recycling capacity of 2,500 tonnes per year, which was updated to 5,000 tonnes per year in

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2020 (the “**Ontario Spoke**”). The Ontario Spoke is a Generation 1 Spoke which is a “stick-built format” with a single shredder design.

63. The Ontario Spoke premises are leased by Canada SpokeCo pursuant to a lease that currently runs to September 30, 2025.

64. In November 2023, as part of its cash conservation measures detailed further below, Li-Cycle laid off approximately 30 employees and paused battery recycling operations at the Ontario Spoke. The Ontario Spoke has remained closed since that time. Ontario SpokeCo continues to employ one person as a caretaker of the Ontario Spoke premises.

New York Spoke: Rochester, New York

65. Li-Cycle commenced operating a Spoke in Rochester, New York in late 2020 (the “**New York Spoke**”). The New York Spoke is a “Generation 2” facility, meaning it is based on a modular build with increased recovery rates. Improvements at the New York Spoke were completed in 2022, which included upgrading the main line and adding ancillary processing capacity. The New York Spoke has a total processing capacity of 8,000 tonnes per year, comprised of main line recycling capacity of 5,000 tonnes per year and ancillary processing capacity of up to 3,000 tonnes per year.

66. The New York Spoke premises are leased by US SpokeCo pursuant to a lease that currently runs to June 30, 2029. The obligations of US SpokeCo under the lease are guaranteed by Global HQ.

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67. In November 2023, as part of its cash conservation measures detailed further below, Li-Cycle laid off approximately 40 employees and subsequently paused battery recycling operations at the New York Spoke in November 2024. One employee is responsible for the caretaking of the New York Spoke premises.

Arizona Spoke: Gilbert, Arizona

68. In the first quarter of 2021, Li-Cycle announced the development and construction of a Spoke in Gilbert, Arizona, which is part of the Phoenix Metropolitan Area (the “**Arizona Spoke**”). The Arizona Spoke commenced operations in May 2022.

69. The Arizona Spoke is a “Generation 3” facility, meaning it is based on a modular build and has multi-stage shredding with capabilities to shred full-pack EV batteries, with increases to recovery rates. The Arizona Spoke has a total processing capacity of 23,000 tonnes per year, comprised of main line recycling capacity of 10,000 tonnes per year and ancillary processing capacity of up to 13,000 tonnes per year.

70. The Arizona Spoke premises are leased by US SpokeCo pursuant to a lease that currently runs to February 29, 2032. US SpokeCo also leases two storage facilities to support the operations of the Arizona Spoke. The original warehouse (which is no longer used) is located in Mesa, Arizona. Li-Cycle leases the storage facility pursuant to a lease which currently runs to December 31, 2026. US SpokeCo leases a second warehouse in Mesa, Arizona pursuant to a lease which currently runs to May 21, 2034. The obligations of US SpokeCo under all three leases are guaranteed by Holdings.

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71. In May 2025, as part of its cash conservation measures detailed further below, Li-Cycle furloughed approximately 37 employees at or related to the Arizona Spoke recycling facility and paused battery recycling operations at the Arizona Spoke. Approximately four employees currently work out of the Arizona Spoke as caretakers of the premises.

Alabama Spoke: Tuscaloosa, Alabama

72. In the fourth quarter of 2021, Li-Cycle announced the development and construction of a Spoke near Tuscaloosa, Alabama (the “**Alabama Spoke**”), which commenced operations in October 2022. The Alabama Spoke is also “Generation 3” facility and has a total main line processing capacity of 10,000 tonnes per year and ancillary processing capacity of up to 5,000 tonnes per year.

73. US SpokeCo leases the Alabama Spoke premises pursuant to a lease that currently runs to June 30, 2042. The obligations of US SpokeCo under the lease are guaranteed by Holdings.

74. US SpokeCo also leases a storage facility near Tuscaloosa that supports the operations of the Alabama Spoke pursuant to a lease that currently runs to December 31, 2030.

75. US SpokeCo also leases an office near Birmingham, Alabama which is used as an engineering office primarily to support Li-Cycle’s Rochester Hub project. The premises for the engineering office are leased pursuant to a lease agreement that currently runs to November 30, 2027. The obligations of US SpokeCo under the lease agreement are guaranteed by Holdings.

76. There have been investigations at the Alabama Spoke required by the Alabama Department of Environmental Management (“**ADEM**”), which made visits to the site in

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November 2023 and April 2024. The investigations related to a complaint filed by the Alabama Oil and Gas Board on August 25, 2023 about a possible spill, and a notification of environmental concerns (including the presence of distressed vegetation and saturated ground) by the landlord on or around November 1, 2023. In addition, on September 26, 2024, ADEM issued a Groundwater Incident Letter requiring further investigation of the soil and groundwater on-site at the Alabama Spoke property and certain off-site properties.

77. U.S. SpokeCo has retained an independent third-party environmental consultant, Environmental Resources Management, Inc. (“**ERM**”) to help respond to ADEM and to assess environmental conditions at the Alabama Spoke. ERM delivered a report to ADEM on March 26, 2024 and, with the assistance of ERM, US SpokeCo submitted a work plan to ADEM in relation to the Groundwater Incident Letter. The workplan is currently being carried out, with ERM having completed on-site groundwater well installation, soil sampling, and groundwater sampling within the property boundaries leased by Li-Cycle. ERM is in the process of summarizing the results of the on-site investigation and preparing a report for submission to ADEM on May 30, 2025. Pending a response from and access agreement with an easement holder and finalization of an access agreement with the adjacent landowner, Hanna Steel Corporation (“**Hanna**”), ERM is also scheduled to commence work at the property adjacent to the Alabama Spoke property, and to submit a second report for the off-site investigation to ADEM at the end of August 2025.

78. On January 18, 2024, Hanna filed a complaint in the Circuit Court of Tuscaloosa County, Alabama alleging that US SpokeCo’s conduct and practices constitute trespass affecting the

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Hanna property and a private nuisance affecting the surface water and soil. Hanna claims it is entitled to injunctive relief and damages.

79. In May 2025, as part of its cash conservation measures detailed further below, Li-Cycle furloughed approximately 28 employees and paused battery recycling operations at the Alabama Spoke. Approximately 4 employees currently work out of the Alabama Spoke as caretakers of the premises.

Rochester Hub

80. Li-Cycle's first commercial Hub is partially constructed in Rochester, New York (the "**Rochester Hub**"). Li-Cycle's North American Spoke facilities were expected to be the primary suppliers of black mass and equivalents feedstock for the Rochester Hub. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities and road/rail networks.

81. Li-Cycle expected that, when completed, the Rochester Hub would be the first commercial hydrometallurgical resource recovery facility in North America. Li-Cycle expected that the Rochester Hub would have the nameplate input capacity to process 35,000 tonnes of black mass and equivalents feedstock annually (equivalent to approximately 70,000-90,000 tonnes or 18 GWh of lithium-ion battery feed annually). The Rochester Hub was expected to employ a permanent workforce of approximately 270 employees once operational.

82. Li-Cycle engaged (i) Hatch Associates Consultants, Inc. as its engineering and procurement contractor for the Rochester Hub, and (ii) Mastec Industrial, Corp. ("**Mastec**") as its

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general contractor for the Rochester Hub. As detailed below, Li-Cycle terminated its contract with Mastec due to sudden and significant cost overruns that were experienced in 2023.

83. Construction on the Rochester Hub commenced in Q1 2022 and Li-Cycle initially expected that commissioning could be initiated in late 2023. However, as detailed further below, due to substantial cost overruns in the construction work, Li-Cycle paused construction in October 2023 and initiated a comprehensive project review to determine the go-forward strategy for the project.

84. US HubCo leases the land for the Rochester Hub pursuant to a ground lease that currently runs to March 31, 2042. The obligations of US HubCo under the ground lease are guaranteed by Holdings.

85. On January 12, 2023, US HubCo entered into a sublease agreement with Pike Conductor Dev 1, LLC (“**Pike**”), pursuant to which (among other things) the landlord agreed to construct for HubCo a build-to-suit warehouse and administrative building on the land (the “**Warehouse Building**”), at a total cost not to exceed the sum of \$58,610,000 (the “**Original Sublease**”). US HubCo paid \$53,541,711.77 towards the cost of construction of the Warehouse Building and the balance of the construction costs owing by US HubCo to Pike is \$5,068,288 (the “**Unpaid Construction Costs**”).

86. 85. On May 31, 2024, US HubCo entered into an amended and restated ground sublease agreement with Pike, providing for the sublease of the land on which the Warehouse Building (owned by US HubCo) is situated and for the payment of the Unpaid Construction

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Costs by early 2026 (“**A&R Sublease**”). The A&R Sublease currently runs to March 31, 2049.

The obligations of US HubCo under the A&R Sublease are guaranteed by Holdings.

(iv) *Capital Structure*

A. Glencore Debt

87. Aside from the DOE, which has not yet advanced funds pursuant to the DOE Loan, and certain mechanics’ liens described further below, Glencore is Li-Cycle’s only secured lender. Convertible notes issued to Glencore (both secured and unsecured) total an aggregate amount of \$327.5 million as of December 31, 2024, as detailed further below.

Original Glencore Convertible Note

88. On May 31, 2022, Li-Cycle issued to Glencore Ltd. (“**Glencore**”) an unsecured convertible note in the aggregate principal amount of \$200 million (the “**Original Glencore Convertible Note**”).

89. The Original Glencore Convertible Note had a maturity of five years from the date of issuance (being May 31, 2027). Interest on the Original Glencore Convertible Note is payable on a semi-annual basis, either in cash based on SOFR plus 5.0% per annum, or through payment-in-kind (“**PIK**”) payments based on SOFR plus 6.0% per annum, at Holdings’ option.

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Additional Glencore Investment

90. On March 25, 2024, Holdings issued a senior secured convertible note (the “**Glencore Secured Convertible Note**”) in an aggregate principal amount of \$75 million to an affiliate of Glencore, Glencore Canada Corporation (the “**March 2024 Financing**”).

91. The Glencore Secured Convertible Note matures five years from the date of issuance (being March 25, 2029). Interest on the Glencore Secured Convertible Note is payable on a semi-annual basis, either in cash based on SOFR plus 5.0% per annum, or through PIK payments based on SOFR plus 6.0% per annum, at Holdings’ option.

92. To date, Holdings has paid all interest due and payable under the Original Glencore Convertible Note and Glencore Secured Convertible Note in PIK.

93. In connection with the March 2024 Financing, Li-Cycle and Glencore amended and restated the terms of the Original Glencore Convertible Note, in two tranches (collectively, the “**Glencore A&R Notes**”), each of which provided for new terms to come into effect upon the occurrence of certain future events, including adjustments to the maturity date, interest rate, and conversion price of such Glencore A&R Note to mirror the terms of the Glencore Secured Convertible Note, and the provision of guarantees and security on the applicable Glencore A&R Note consistent with the Glencore Secured Convertible Note.

94. In addition, on each modification date, the conversion price for the applicable tranche would be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP

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(volume weighted average trading price) having a reference date equal to the applicable modification date plus a 25% premium per share, and (y) \$9.95 per share.

95. The modification of the first Glencore A&R Note in the original principal amount of approximately \$116.6 million (the “**First A&R Note**”) occurred in accordance with its terms on December 9, 2024, following Li-Cycle entering into the DOE Loan Facility (as defined below).

96. The modification of the second Glencore A&R Note in the original principal amount of approximately \$114.6 million (the “**Second A&R Note**”) is scheduled to occur in accordance with its terms on the earliest to occur of (a) the first commercial production from the Rochester Hub, (b) construction costs exceeding the construction budget set forth in the DOE Loan Facility, and (c) June 1, 2026.

97. The following is a summary of the convertible notes issued to Glencore as of December 31, 2024:

Note	Date Issued	Amount Issued
Secured		
Secured Convertible Note	March 25, 2024	\$75.0
First A&R Note	March 25, 2024	\$116.6
PIK	December 31, 2024	\$14.0
<u>Total Secured</u>		<u>\$205.6</u>
Unsecured		
Second A&R Note	March 25, 2024	\$114.6
PIK	December 31, 2024	\$7.2

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<u>Total Unsecured</u>		<u>\$121.8</u>
Total		\$327.4

98. At the option of the holder (a) the First A&R Note may be converted into common shares of Holdings at a conversion price as at December 31, 2024 of \$3.03 per share, (b) the Second A&R Note may be converted into common shares of Holdings at a conversion price as at December 31, 2024 of \$75.31 per share, and (c) the Glencore Secured Convertible Note may be converted into common shares of the Company at a conversion price as at December 31, 2024 of \$4.09 per share, in each case subject to adjustments.

Guarantees and Security

99. All obligations of Holdings with respect to the Glencore Secured Convertible Note and, following the occurrence of the Modification Date applicable to it, the Glencore A&R Notes, are guaranteed by each of the other Applicants: Global HQ, Canada SpokeCo, North America OpCo, US SpokeCo and US HubCo, as well as by Europe Parent and Germany SpokeCo.

100. The Applicants have also granted first priority security interests (subject to customary exceptions and permitted liens) in:

- (a) the assets of the Applicants, including intellectual property;
- (b) equity interests in each of the Applicants;

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- (c) all the material intragroup receivables and the material bank accounts of Germany SpokeCo and Europe Parent held by such entities in their respective jurisdictions of organization; and
- (d) equity interests in Germany SpokeCo and Europe Parent held by Europe Parent and Holdings, respectively.

B. Koch Notes

101. On September 29, 2021, Spring Creek Capital, LLC (“**Spring Creek Capital**”) (an affiliate of Koch) advanced \$100 million to Holdings pursuant to the purchase of an unsecured convertible note of Holdings in the principal amount of \$100 million (the “**Initial Koch Convertible Note**”). Holdings has issued additional unsecured convertible notes in satisfaction of the interest due and payable on the Initial Koch Convertible Note (collectively, the “**Koch PIK Notes**”).

102. The Initial Koch Convertible Note and Koch PIK Notes were assigned by Spring Creek Capital to an affiliate, Wood River Capital, LLC (“**Wood River**”) on May 1, 2022. The PIK Notes issued since that time have been issued to Wood River. The aggregate principal amount outstanding on the Initial Koch Convertible Note and the Koch PIK Notes (collectively, the “**Koch Convertible Notes**”) as at December 31, 2024 was approximately \$133.7 million.

103. The Koch Convertible Notes mature five years from the date of first issuance (being September 29, 2026) and accrue interest based on SOFR plus 0.58%. Interest on the Koch

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Convertible Notes is payable on a semi-annual basis, either in cash or by payment-in-kind (“PIK”), at Holdings’ option, beginning on December 31, 2021.

104. The principal and accrued interest owing under the Koch Convertible Notes may be converted at any time by the holder into Holdings’ common shares, at a per share price equal to \$101.59 (as of December 31, 2024), subject to anti-dilution adjustments.

C. Common Shares

105. Since February 27, 2025, the common shares of Holdings have traded on the OTCQX® Best Market, the highest level of OTC Markets on which 12,000 U.S. and international securities trade, under the ticker symbol “LICYF”. The common shares of Holdings previously traded on the NYSE.

106. Holdings has been a reporting issuer in the Province of Ontario and a reporting company in the United States since the Business Combination was completed on August 10, 2021.

107. Holdings had approximately 44,541,690 common shares outstanding as at April 30, 2025. Holdings has not, since its inception, declared or paid any dividends on its common shares.

(v) Intellectual Property

108. As of December 31, 2024, Li-Cycle had a total of 61 pending utility patent applications and issued utility patents, grouped into ten patent families based on common priority details, which cover aspects of Li-Cycle’s innovative technologies and include issued patents or pending patent applications in Australia, Canada, China, Europe, Hong Kong, Japan, South Korea, United States, Belgium, Germany, France, United Kingdom, Netherlands, Sweden, Spain, Italy,

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Switzerland, Estonia, Finland, Croatia, Hungary, Norway, Poland and the World Intellectual Property Office. These applications and patents have filing dates between 2018 and 2023, and therefore will expire between 2038 and 2043.

109. All patents and patent applications are 100% owned by Global HQ. This intellectual property is licenced by the Global HQ to North America Opco, Europe Parent and APAC Parent (collectively, the “**Regional Entities**”) pursuant to non-exclusive, revocable, royalty-bearing, non-assignable intellectual property license agreements with each of them (the “**Tier One IP Agreements**”). Each of the Tier One IP Agreements are for a term of 20 years and automatically renew for additional five-year terms unless Global HQ provides notice of non-renewal between 180 days and 365 days prior to the end of the term.

110. The Regional Entities have subsidiary companies within their respective territories (in the case of North America Opco: Canada SpokeCo, US SpokeCo and US HubCo; and in the case of Europe Parent: Germany SpokeCo), with whom they have entered into separate non-exclusive, revocable, royalty-free, non-assignable intellectual property sub-licence agreements (the “**Tier Two IP Agreements**”). Each of the Tier Two IP Agreements are also for a term of 20 years and automatically renew for additional five-year terms unless the applicable Regional Entity provides notice of non-renewal between 180 days and 365 days prior to the end of the term. Each of the applicable Regional Entity and the applicable operating subsidiary have the right to terminate the Tier Two IP Agreement without cause on 30 days’ notice.

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(vi) Sourcing and Off-Take Arrangements

111. Li-Cycle has entered into several sourcing and off-take arrangements related to the inputs to, and outputs from, its Spokes and Hubs, which are described more fully below. Certain of the sourcing and off-take agreements relate to the Rochester Hub and other future Hubs that are not yet operational, thus no sourcing or off-take has occurred yet under those agreements.

A. Traxys

112. Li-Cycle has entered into a strategic marketing relationship with Traxys North America LLC (“**Traxys**”), a company that provides financial and logistics solutions to the metals, mining and energy industries. As part of this relationship, Li-Cycle has entered into two off-take agreements with Traxys.

113. First, Li-Cycle entered into a Black Mass Marketing, Logistics and Working Capital Agreement with Traxys dated December 15, 2021, which covers 100% of Li-Cycle’s production of black mass from its North American Spokes, until such time as this material is integrated by Li-Cycle into the supply chain for Li-Cycle’s Hubs, pursuant to which Traxys purchases or arranges to sell for Li-Cycle all of the production from the Spokes.

114. Traxys earns marketing fees under the agreement, based on the final sales price of the black mass sold by Traxys to its third-party customers, as well as interest on provisional payments made by Traxys to Li-Cycle. Prices are based on index pricing for the nickel and cobalt contained in the black mass.

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115. Second, Li-Cycle entered into a Refined Products Marketing, Logistics and Working Capital Agreement with Traxys dated December 15, 2021, which covers 100% of Li-Cycle's production of certain end products from Li-Cycle's Rochester Hub. The agreement extends for a term expiring seven years after the achievement of certain commercial production milestones at the Rochester Hub. As the Rochester Hub has not achieved commercial production, no off-take has occurred under this agreement to date.

116. Traxys would earn marketing fees under the agreement, based on the final sales price of the end products sold by Traxys to its third-party customers, as well as interest on provisional payments made by Traxys to Li-Cycle. Prices are based on index pricing for the relevant end products, adjusted for the product form.

B. Glencore

117. On May 31, 2022, Li-Cycle entered into several commercial agreements (collectively, the “**Glencore Commercial Agreements**”) with Glencore, as follows:

- (a) A Master Commercial Agreement dated May 31, 2022 (amended and restated effective November 1, 2024) among Glencore, Holdings, US Opco, Europe Parent and APAC Parent (the “**Master Commercial Agreement**”). The Master Agreement contains terms governing all of the Glencore Commercial Agreements.
- (b) An Amended and Restated Global Feed Sourcing Agreement between Glencore and Holdings dated May 31, 2022, which US Opco, Europe Parent and APAC

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Parent subsequently joined as parties to by joinder agreement dated July 1, 2023 (the “**Feed Sourcing Agreement**”). Under the Feed Sourcing Agreement, Glencore agreed to use commercially reasonable efforts to source feed (lithium-ion battery manufacturing scrap and other lithium-ion battery materials) for Li-Cycle’s Spokes. Glencore earns marketing fees on all feed flowing into Li-Cycle’s Spokes, regardless of whether sourced by Glencore or not, which is calculated and payable monthly.

- (c) A Black Mass Sourcing Agreement between Glencore, Holdings, Canada SpokeCo,¹ Europe Parent and APAC Parent dated May 31, 2022 (the “**Black Mass Sourcing Agreement**”). Under the Black Mass Sourcing Agreement, Glencore agreed to use commercially reasonable efforts to source additional black mass over and above Li-Cycle’s internal production at its Spokes for use in Li-Cycle’s Hubs. Glencore earns marketing fees on all black mass purchased by Li-Cycle from third parties, regardless of whether sourced by Glencore or not, which is calculated and payable monthly. As Li-Cycle does not have any operating Hubs, no sourcing has occurred under this agreement to date.
- (d) A Black Mass Offtake Agreement between Glencore, Holdings, Canada SpokeCo,² Europe Parent and APAC Parent dated May 31, 2022 (the “**Black Mass Offtake Agreement**”). Under the Black Mass Offtake Agreement, Li-Cycle

¹ The interest of Canada SpokeCo was assigned and assumed by US Opco pursuant to an assignment and assumption agreement dated July 1, 2023

² The interest of Canada SpokeCo was assigned and assumed by US Opco pursuant to an assignment and assumption agreement dated July 1, 2023

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agreed to sell, and Glencore agreed to purchase, 100% of Li-Cycle's production of black mass from its Spokes worldwide except (i) black mass committed to Traxys, (ii) black mass committed to Li-Cycle's own Hubs, and (iii) any black mass committed to third party hubs. Glencore earns marketing fees on all black mass it purchases, in addition to certain other fees.

- (e) An End Products Offtake Agreement between Glencore, Holdings, Canada SpokeCo,³ Europe Parent and APAC Parent dated May 31, 2022 (the "**End Products Offtake Agreement**"). Under the End Products Offtake Agreement, Li-Cycle agreed to sell, and Glencore agreed to purchase, 100% of Li-Cycle's production of various end products produced by Li-Cycle at a Hub or produced by any third parties on Li-Cycle's behalf except end products committed to Traxys. Glencore earns marketing fees on all end products it purchases, in addition to certain other fees. As Li-Cycle does not have any operating Hubs, no off-take has occurred under this agreement to date.
- (f) A By-Products Offtake Agreement dated May 31, 2022 (as amended and restated effective November 1, 2024) among Glencore, Holdings, US OpCo, Europe Parent and APAC Parent (the "**By-Products Offtake Agreement**"). Under the By-Products Offtake Agreement, Li-Cycle agreed to sell, and Glencore agreed to purchase, 100% of certain by-products produced by the Spokes and the Hubs.

³ The interest of Canada SpokeCo was assigned and assumed by US Opco pursuant to an assignment and assumption agreement dated July 1, 2023

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Glencore earns marketing fees on all by-products it purchases, in addition to certain other fees.

- (g) A Sulphuric Acid Supply Agreement between Glencore and certain affiliates, Holdings and US HubCo dated May 31, 2022 (the “**Sulphuric Acid Supply Agreement**”). Under the Sulphuric Acid Supply Agreement, Glencore and its affiliates agreed to sell, and Li-Cycle agreed to buy, 100% of the sulphuric acid requirements of Li-Cycle’s North American Hubs. The price of the sulphuric acid is to be negotiated prior to the commencement of production at the Rochester Hub and annually thereafter. As Li-Cycle does not have any operating Hubs, no sourcing has occurred under this agreement to date.

LG Chem and LG Energy Solution

118. On April 20, 2022, certain Li-Cycle entities entered into several commercial agreements with LG Chem, Inc. (“**LG Chem**”), one of the largest chemical companies in the world, and LG Energy Solution, Inc. (“**LGES**”), its battery-related affiliate. Currently, these agreements consist of:

- (a) a Nickel Sulphate Offtake Agreement by and among North America OpCo, Traxys, and LG Chem and US HubCo dated April 20, 2022 (as amended, the “**LG Chem Nickel Sulphate Offtake Agreement**”); and
- (b) an Amended and Restated Nickel Sulphate Offtake Agreement dated as of December 31, 2024 by and among Traxys, LGES, North America OpCo and Hub

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(the “**LGES Nickel Sulphate Offtake Agreement**” and, together with the LG Chem Nickel Sulphate Offtake Agreement, the “**LG Nickel Sulphate Offtake Agreements**”).

119. Under the LG Nickel Sulphate Offtake Agreement, Li-Cycle agreed to allocate for sale, through Traxys, a combined initial allocation of 10,000 tonnes of nickel contained in nickel sulphate produced at the Rochester Hub to LG Chem and LGES over 10 years. The LG Nickel Sulphate Offtake Agreements provide that if Li-Cycle cannot meet the annual delivery targets from its own production at the Rochester Hub, then LG Chem and LGES may require Li-Cycle to procure, or may itself procure, the nickel sulphate from third parties at Li-Cycle’s expense. In other words, despite Li-Cycle remaining far from commencing production at the Rochester Hub, the LG Nickel Sulphate Offtake Agreements still requires Li-Cycle to source 10,000 tonnes of nickel from other sources.

120. Around the same time that it entered into the commercial arrangements outlined above, LG Chem and LGES also agreed to invest collectively \$50 million in Li-Cycle by way of a subscription for Holdings common shares.

(vii) Banking Arrangements

121. Holdings, Global HQ and Canada SpokeCo collectively hold 15 bank accounts at various Canadian banks including Canadian Imperial Bank of Commerce, Bank of Montreal, Royal Bank of Canada and Bank of Nova Scotia, including operating, payroll, investment and reserve accounts (the “**Canadian Accounts**”). North American Opco, US SpokeCo and US HubCo

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collectively hold six bank accounts with Canadian Imperial Bank of Commerce (the “**U.S. Accounts**” and collectively with the Canadian Accounts, the “**Li-Cycle Accounts**”).

122. During the CCAA Proceedings, the Applicants intend to continue using the Li-Cycle Accounts for their business and banking requirements and have sought certain relief in the Initial Orders in order to facilitate that.

III. RESPONSE TO CHALLENGES ENCOUNTERED BEGINNING IN 2023

(i) *Li-Cycle Works to Secure a DOE Loan*

123. Li-Cycle’s Rochester Hub was expected to be the first source of recycled battery-grade lithium in North America. To support the construction of the Rochester Hub, Holdings obtained a conditional commitment from the DOE for a \$375 million loan through the DOE’s Advanced Technology Vehicles Manufacturing Program.

124. The conditional commitment was initially set to expire on August 27, 2023. Li-Cycle obtained extensions of the conditional commitment to February 27, 2025.

125. On November 7, 2024, Li-Cycle announced that it had entered into an agreement for an up-sized DOE Loan Facility of \$475 million (including up to \$445 million of principal and up to \$30 million in capitalized interest), the first DOE loan facility to be finalized for a lithium-ion battery materials recycling company. The DOE Loan Facility has a final maturity date of March 15, 2040 and advances will bear interest at a fixed rate of the applicable long-dated U.S. Treasury rate on the date of the advance, with a 0% spread. There is a grace period on scheduled

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

126. The first advance under the DOE Loan Facility (the “**DOE First Advance**”) must occur on or prior to November 7, 2025 and is subject to satisfaction or waiver of certain conditions and requirements, most notably Li-Cycle completing a base equity contribution to the Rochester Hub, which includes:

- (a) settling certain existing commitments relating to the project for costs incurred but not yet paid (which were approximately \$89.7 million as of December 31, 2024); and
- (b) funding approximately \$173 million in reserves for project construction, project ramp-up and Spoke capital expenditures, of which up to approximately \$97 million can be satisfied through letters of credit.

127. As detailed further below, Li-Cycle continued to actively explore financing and strategic alternatives for a complete funding package needed to meet the base equity contribution so that advances under the DOE Loan Facility could be drawn and construction of the Rochester Hub could be restarted. However, Li-Cycle was unable to secure a funding package prior to commencing these proceedings.

(ii) Costs of Rochester Hub Increased Significantly

128. On October 23, 2023, Holdings announced that it was pausing construction work on the Rochester Hub, due to escalating construction costs beyond its previously disclosed budget of

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\$560 million. The company announced that it would commence a comprehensive review and examine the capital cost, timing of completion, and go-forward construction strategy.

129. On November 13, 2023, Holdings announced that its initial analysis of the Rochester Hub project indicated that the revised project costs could be in the range of \$850 million to \$1.0 billion. The escalating costs were specifically related to the installation and labour costs for mechanical equipment, piping, structural steel, electrical and instrumentation for the measurement and process control devices.

130. Li-Cycle had initially planned that the Rochester Hub would produce lithium carbonate, nickel sulphate and cobalt sulphate. As part of its comprehensive review of the Rochester Hub project, Li-Cycle undertook an internal technical and economic review to determine the viability of focusing on constructing, commissioning and operating only those areas needed to produce lithium carbonate and MHP, containing nickel, cobalt and manganese (the “**MHP Scope**”). Li-Cycle determined that proceeding with the MHP Scope instead of the broader scope that included production of nickel sulphate and cobalt sulphate would allow construction of the Rochester Hub to be completed sooner and at a lower cost.

131. On March 18, 2024, Li-Cycle announced that it had confirmed the technical viability of the MHP Scope and estimated the cost to complete the Rochester Hub project under the MHP Scope at approximately \$508 million, bringing the total estimated project cost of the Rochester Hub to approximately \$960 million.

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132. On October 31, 2024, Li-Cycle announced that it had completed the technical review of the MHP Scope and expected the Rochester Hub to produce up to approximately 8,250 tonnes of battery-grade lithium carbonate and up to approximately 72,000 tonnes of MHP annually.

133. Also on October 31, 2024, Li-Cycle announced that it had amended and restated its off-take agreements with Traxys and Glencore for the Rochester Hub, such that Glencore would agree to purchase all of Li-Cycle's production of MHP at the Rochester Hub on agreed commercial terms based on market prices for the nickel and cobalt contained within the MHP. Under the amended agreements, Traxys would also receive certain payments related to the MHP production for the duration of their off-take agreement, which was adjusted to take into account the proposed MHP scope for the Rochester Hub. Glencore and Traxys' existing off-take rights covering lithium carbonate production from the Rochester Hub were not affected by these amendments.

134. Construction of the Rochester Hub has yet to resume as Li-Cycle has not been able to secure a complete funding package for the estimated cost to complete the Rochester Hub under the narrower MHP Scope.

(iii) Commencement of Securities Litigation Against Li-Cycle

135. On October 23, 2023 – the day that Holdings announced that it was pausing construction of the Rochester Hub – the share price of Holdings common shares declined by over 45%. The share price has declined more than 99% to date since the announcement was made.

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136. The sharp drop in Holdings' share price resulted in the commencement of several putative class and derivative actions against Holdings and its directors and officers in Canada and the United States, which are described in detail below. Holdings contests the allegations in the various class actions that have been commenced against it.

A. New York Securities Class Action

137. On November 8, 2023, a putative federal securities class action lawsuit was commenced in the U.S. District Court for the Southern District of New York against Holdings, and certain of its officers and directors, on behalf of a proposed class of purchasers of Holdings' common shares during the period from January 27, 2022 through November 13, 2023 (*Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.)) (the "**New York Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act of 1934, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when Li-Cycle announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. A copy of the amended complaint is attached hereto as **Exhibit "H"**.

138. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. On June 10, 2024, the court granted the motion to dismiss in full and with prejudice. On July 9, 2024, the lead plaintiff filed a notice of appeal. On March 3, 2025, the plaintiffs filed their opening appeal brief. Li-Cycle's opposition is due on June 2, 2025.

B. Ontario Securities Class Action

139. On November 27, 2023, a putative Ontario securities class action claim was commenced in the Ontario Superior Court of Justice against Holdings and its CEO on behalf of a proposed class of purchasers of Holdings' common shares who acquired their shares during the period from February 27, 2023 through November 10, 2023 (*Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP) (the "**Ontario Securities Action**"). The amended claim alleges that Li-Cycle's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The amended claim alleges that the purported misrepresentations were publicly corrected on (i) October 23, 2023, when Li-Cycle announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of Li-Cycle's Q3 2023 earnings report. The amended claim seeks compensatory damages and an award of costs, along with the appointment of a third-party monitor. A copy of the amended claim is attached hereto as **Exhibit "I"**.

140. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. The defendants agreed to settle the motion on August 1, 2024, in exchange for certain concessions from the plaintiff which resulted in narrowing of the claims and the proposed class. The plaintiff agreed to abandon their claims under the Ontario *Securities Act* and constrain the class to only the Canadian resident beneficial owners of Holdings' shares. The parties are in the course of exchanging materials for the plaintiff's certification motion. The responding record of the defendants is due on May 30, 2025.

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C. New York Derivative Action

141. On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of Holdings (as nominal defendant) against certain of Holdings' current and/or former officers and directors (*Nieves v. Johnston, et. al.*, Index No. E2023014542 (N.Y. Sup. Ct.)) (the "**New York Derivative Action**"). The action concerns the same alleged misstatements or omissions at issue in the New York Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of Holdings, an award of costs and expenses and other relief. A copy of the amended complaint is attached hereto as **Exhibit "J"**.

142. On February 29, 2024, the parties agreed to stay the action pending resolution of the New York Securities Action.

(iv) Construction Claims Against Li-Cycle

143. Li-Cycle is subject to various litigation following the suspension of construction activity at the Rochester Hub due to the sudden and significant cost overruns that were experienced in 2023.

144. As a result of these cost overruns, US HubCo terminated its contract with its general contractor for the Rochester Hub project, MasTec. On April 9, 2024, MasTec commenced: (i) arbitration proceedings against US HubCo under the terms of their Construction Agreement, and (ii) a lien foreclosure action, in the Supreme Court, County of Monroe, New York.

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145. MasTec's arbitration claim is for at least \$48,674,848 plus interest, fees, costs and expenses thereon. Separately, on July 22, 2024, MasTec North America Inc., an affiliate of MasTec ("**MasTec NA**") filed a lien foreclosure action as assignee of several MasTec subcontractors. On January 7, 2025, US HubCo filed a motion: (a) to stay the MasTec foreclosure action, pending determination of the arbitration, and (b) to consolidate the MasTec NA foreclosure action into the MasTec action. The motion to stay and consolidate was granted on March 17, 2025. Several lienors, including the MasTec entities with assignments, have filed a notice of appeal.

146. On April 29, 2024, US HubCo delivered its arbitration answering statement, which includes counterclaims against MasTec for costs and expenses (including improperly inflated values for work and staffing) in the amount of \$27,310,034, plus interest, fees and expenses. The arbitration hearings are scheduled to commence on July 21, 2026 in New York City. US HubCo served MasTec with document demands and interrogatories on February 21, 2025 and submitted its response to MasTec's document demands and interrogatories on March 28, 2025.

147. US HubCo has also received various notices and demands from subcontractors and other counterparties involved in the construction of the Rochester Hub threatening legal action due to unpaid invoices.

148. US HubCo is subject to mechanics' liens filed by contractors and suppliers to US HubCo against the Rochester Hub in the aggregate amount of approximately \$60.6 million, and filed by subcontractors to US HubCo's contractors in the aggregate of approximately \$38.7 million, as

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well as on US HubCo's interest in the Rochester Warehouse in the aggregate amount of approximately \$5.1 million.

(v) Appointment of Special Committee and Retention of Financial Advisor

149. In connection with the comprehensive review of the Rochester Hub, the Board of Directors established a Special Committee consisting of independent directors (the “**Special Committee**”). The Special Committee's mandate is to (i) oversee and supervise a strategic review of all or any of the Li-Cycle's operations and capital projects, including its sales, general and administration functions, and (ii) consider financing and other strategic alternatives.

150. Beginning in the Fall of 2023, the Special Committee retained:

- (a) Moelis, a leading global independent investment bank, as a financial advisor to assist in evaluating financing and strategic alternatives for Li-Cycle; and
- (b) AlixPartners LLC, an internationally recognized restructuring and turnaround advisory and consulting firm, to advise the Special Committee as it sought to manage its liquidity and evaluate the strategic alternatives available.

(vi) Moelis Conducts Robust Process

151. Beginning in late November 2023, Moelis conducted a broad market canvass that included contacting 144 potential strategic and financial investors, 57 of whom executed non-disclosure agreements and were granted access to a data room that had been established and was continuously updated by Moelis with the assistance of Li-Cycle and its advisors.

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152. Li-Cycle and Moelis conducted over 50 management presentations, participated in numerous follow-up calls, site visits, and answered various questions and requests for further information from the participants in the process.

153. Moelis established an initial target date of January 15, 2024 for the receipt of proposals from the participants in the process. Numerous proposals were received both before and after the target date. Li-Cycle and Moelis engaged with the participants that had submitted proposals to clarify and advance their proposals and provide further information requested by the participants by approximately late February 2024.

154. By late February 2024, Li-Cycle and Moelis transitioned to focusing on two independent term sheets each for \$75 million, each in the form of senior secured convertible notes. As part of the Moelis process, there were also counterparties that expressed interest and submitted term sheets for the acquisition of Li-Cycle's Spoke facilities. These Spoke acquisition term sheets were parallel tracked to the extent possible, alongside the primary focus on the term sheets related to the senior secured convertible notes. One of the senior secured convertible note term sheets was from Glencore and the other was from a separate strategic party. Li-Cycle and Moelis continued to negotiate with both Glencore and the other separate strategic party through to early March 2024.

(vii) Additional Financing from Glencore

155. In March 2024, in order for Li-Cycle to have adequate liquidity to continue to operate its then-operational Spokes, pursue the DOE Loan Facility and complete the Special Committee's review of strategic alternatives, Li-Cycle obtained an additional \$75 million in funding from

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Glencore. This was following dual-tracked negotiations with both Glencore and a separate strategic party, and in the end, pursuing the additional \$75 million in funding from Glencore was based on considering both quantitative and qualitative features of the final Glencore offering relative to that of the other strategic party.

156. As a condition of obtaining that additional financing, Li-Cycle agreed that the previously unsecured debt of Glencore under the Original Glencore Convertible Note would potentially become secured in two tranches on modification dates that reflected key milestones in Li-Cycle's push to complete development of the Rochester Hub:

- (a) First Modification Date: the earlier of (a) the date that is one month after the effectiveness and initial funding, if any, of a project loan financing for the Rochester Hub, and (b) December 31, 2024; and
- (b) Second Modification Date: the earliest to occur of (a) the first commercial production from the Rochester Hub, (b) construction costs exceeding the construction budget set forth in the project loan financing, and (c) June 1, 2026.

157. As set out above, the First Modification Date in relation to the First A&R Note occurred following Li-Cycle entering into of the DOE Loan Facility. The Second Modification Date has yet to occur.

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(viii) DOE Loan Facility and Second Phase Financing Effort with Moelis

158. As part of the DOE Loan Facility closing efforts, Li-Cycle worked with the DOE to successfully upsize the DOE Loan Facility from \$375 million to \$475 million. The DOE Loan Facility was signed successfully on November 7, 2024. Alongside the upsizing of the DOE Loan Facility, through the final negotiations with the DOE, the conditions precedent to the DOE First Advance were finalized. Among other items, the conditions precedent to the DOE First Advance include (i) settling existing commitments relating to the Rochester Hub project for costs incurred but not yet paid, which was approximately \$89.7 million as of December 31, 2024; and (ii) funding approximately \$173 million in reserve account requirements of which approximately \$97 million can be satisfied through letters of credit. In total, through the second phase efforts with Moelis, the target was to raise an incremental approximately \$263 million of financing (comprising of the requirement to settle prior Rochester Hub costs that were incurred but not paid; and the DOE reserve account requirements).

159. In tandem with the closing efforts associated with the DOE Loan Facility, Moelis initially commenced second phase outreach to prospective investors and strategic counterparties, between April and November 2024. Outreach efforts were increased further in November 2024, following the signing of the DOE Loan Facility, based on the finalized funding requirements as part of the conditions precedent to the DOE First Advance.

160. As part of Moelis' second phase outreach efforts, between November 2024 and February 2025, Moelis conducted a broad market canvass for a second time, which included contacting

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149 potential strategic and financial investors, 52 of whom had prior executed and active non-disclosure agreements, or executed non-disclosure agreements anew, and were granted access to a data room that had been established and was continuously updated by Moelis with the assistance of Li-Cycle and its advisors.

161. As part of the discussions between Moelis and the counterparties, as well as through the course of approximately 22 management presentations between November 2024 and February 2025, there was a range of feedback provided. Specifically, counterparties provided feedback regarding (i) being concerned with respect to uncertainty related to the current U.S. federal administration and potential impacts on DOE-related funding; (ii) Li-Cycle's capital structure and the level of existing debt; (iii) hesitation regarding the EV and battery materials market outlook; (iv) the relatively large level of financing required to enable the DOE First Advance (a total of approximately \$263 million).

162. As a result of this feedback, none of the strategic and financial counterparties contacted by Moelis progressed to the stage of a term sheet. Efforts with Moelis were paused in late February 2025, alongside considerations associated with Li-Cycle's de-listing from NYSE (as detailed further herein).

163. As Li-Cycle seeks to embark on a court-supervised sale and investment solicitation process ("SISP") in these CCAA proceedings, there is significant work that can be leveraged as part of the prior Moelis process that spanned a time period of approximately 1.5 years. This includes counterparties that have existing and active relevant NDAs, as well as counterparties that have conducted significant previous diligence on Li-Cycle. In addition, given the nature of

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Li-Cycle's business there is a relatively discreet list of potential strategic counterparties that have already been canvassed, many of whom have already conducted due diligence on Li-Cycle as part of the Moelis process. Li-Cycle expects that this will enable an efficient SISP process that can occur on a relatively expedited timeline.

(ix) Cash Preservation Plan

164. On November 1, 2023 Li-Cycle initiated a cash preservation plan ("**Cash Preservation Plan**") to preserve Li-Cycle's cash and pursue funding alternatives. This includes:

- (a) on November 1, 2023, Li-Cycle reduced its global workforce by approximately 145 positions, representing approximately 27.5% of Li-Cycle's global workforce at that time;
- (b) on March 26, 2024, following the closing of the most recent Glencore \$75 million financing, Li-Cycle changed its regional management structure into a centralized model to increase efficiencies and reduce cost;
- (c) also on March 26, 2024, Li-Cycle further reduced its global workforce by approximately 60 positions, representing approximately 17% of Li-Cycle's global workforce at that time; and
- (d) most recently, on May 1, 2025, Li-Cycle announced that it had commenced the process to suspend operations in a safe and compliant manner at its Arizona Spoke and Alabama Spoke and would be furloughing approximately 85 employees at these facilities and in related roles. Li-Cycle also announced that it

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would be reducing its workforce by approximately 32 positions, primarily at its Toronto headquarters. These furloughs and reductions represented approximately 50% of Li-Cycle's global workforce as of May 1, 2025.

165. As part of the Cash Preservation Plan, Li-Cycle has focused on optimizing its Spoke operations, with a focus on driving towards financially accretive Spoke operations. Moreover, cash costs as part of the paused Rochester Hub construction have been optimized to the extent possible over time. Corporate-related costs have continued to be streamlined, focused both on right-sizing and right-shaping the organization, including actioning numerous reductions-in-force. Additionally, external (e.g. professional fees) costs related to corporate activities have continued to be optimized to the extent possible.

(x) De-listing from NYSE

166. On December 29, 2023, Holdings announced that it had received written notice from the NYSE indicating that Holdings is not in compliance with the NYSE's continued listing standards because the average closing price of Holdings' common shares was less than \$1.00 over a consecutive 30 trading-day period.

167. On June 3, 2024, Holdings completed an 8:1 share consolidation to increase the trading price of its common shares and regain compliance with the NYSE minimum share price criteria.

168. In January 2025, however, the price of Holdings' common shares declined again to below \$1.00.

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169. On February 26, 2025, Holdings received notice from the NYSE that trading of its common shares were suspended and the shares would be delisted from the exchange. On February 27, 2025, the common shares began to be quoted on the OTCQX Best Market exchange (“OTCQX”).

(xi) Defaults Under Glencore and Koch Notes

170. Holdings is required, pursuant to the terms of the Glencore Notes and Koch Notes, to maintain a listing for its common shares on an “Eligible Market”, which includes minimum market capitalization and other requirements in the case of the OTC markets. Following Holdings’ de-listing from the NYSE, it no longer meets the minimum market capitalization requirements for its listing on the OTCQX to be considered an “Eligible Market”.

171. On February 26, 2025, Holdings obtained waivers from Glencore and Wood River waiving, among other things, the minimum market capitalization requirements for quoting common shares on the OTCQX, such that the OTCQX would be an “Eligible Market” under the terms of both the Glencore Notes and the Koch Notes, in each case during a period from February 25, 2025 to and including April 30, 2025. Glencore and Wood River provided subsequent waivers to May 5, 2025 at 9:00 a.m., May 9, 2025 at 11:59 p.m. and May 13, 2025 at 11:59 p.m.

172. Accordingly, as of May 14, 2025, absent a further extension to these waivers, Holdings will be in default under the Glencore Notes and Koch Notes and the principal owing under the Glencore Notes will accelerate and become due and payable. The amounts owing under the Glencore Secured Convertible Note and the First A&R Note in the amount of \$205.6 million are

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guaranteed by each of the other Applicants, specifically Global HQ, Canada SpokeCo, North America OpCo, US SpokeCo and US HubCo.

(xii) Leadership Changes

173. On May 1, 2025, Li-Cycle announced that:

- (a) I had stepped down from the board of directors of Holdings and, on May 15, 2025, would transition from President and CEO to a senior advisor role to Li-Cycle to support its sale process;
- (b) William E. Aziz had been retained and appointed as Chief Restructuring Officer of Li-Cycle (the “**CRO**”);
- (c) Craig Cunningham had stepped down as Holdings’ Chief Financial Officer; and
- (d) Michelle T. Faysal had been retained and appointed as interim Chief Financial Officer (the “**CFO**”).

174. The arrangements that have been reached between Li-Cycle and the CRO, CFO and myself to support Li-Cycle during these CCAA Proceedings are described further below.

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IV. FINANCIAL POSITION OF LI-CYCLE

(i) Consolidated Assets and Liabilities

175. The financial position of Li-Cycle is described in detail below. Li-Cycle prepares its financial statements on a consolidated basis. The following are the financial statements that Li-Cycle has filed over the past 12 months:

- (a) A copy of the audited condensed consolidated financial statements of Holdings for the year ended December 31, 2024 (the “**2024 Year-End Financial Statements**”), which were filed on March 31, 2025, are included in the Annual Report attached hereto as **Exhibit “G”**;
- (b) A copy of the unaudited condensed consolidated interim financial statements of Holdings for the three months ended September 30, 2024, which were filed on November 7, 2024, are attached hereto as **Exhibit “K”**.
- (c) A copy of the unaudited condensed consolidated interim financial statements of Holdings for the three months ended June 30, 2024, which were filed on August 8, 2024, are attached hereto as **Exhibit “L”**; and
- (d) A copy of the unaudited condensed consolidated interim financial statements of Holdings for the three months ended March 31, 2024, which were filed on May 10, 2024, are attached hereto as **Exhibit “M”**.

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A. Assets

176. Based on the 2024 Year-End Financial Statements, Li-Cycle had total assets with a net book value of approximately \$861.2 million as of December 31, 2024 on a consolidated basis, comprised of:

Item	Amount (\$millions)
<i>Current Assets</i>	
Cash and cash equivalents	22.6
Restricted cash	9.3
Accounts receivable, net	12.1
Other receivables	1.0
Prepayments, deposits and other current assets	31.8
Inventories, net	9.6
Total current assets	86.4
<i>Non-current Assets</i>	
Property, plant and equipment, net	690.9
Operating lease right-of-use assets	80.1
Other assets, net	3.8
Total non-current assets	774.8
Total assets	861.2

177. As can be seen from the foregoing information, the net book value of Li-Cycle's property, plant and equipment assets (\$690.9 million) comprise the majority of the total net book value of its assets (\$861.2 million). Of the approximately \$690.9 million book value of Li-Cycle's plant and equipment assets, approximately \$601.1 million is attributable to the Rochester Hub. As noted above, the construction of the Rochester Hub is currently paused and Li-Cycle requires significant additional equity and/or financing commitments in order for it to resume. Li-Cycle has determined that it cannot obtain these additional commitments outside of a formal insolvency process. The total net book value of Li-Cycle's assets excluding the Rochester Hub would be \$260.1 million.

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B. Liabilities

178. Based on the 2024 Year-End Financial Statements, Li-Cycle had total liabilities of approximately \$598.1 million as of December 31, 2024 on a consolidated basis, comprised of, among other things:

Item	Amount (\$millions)
<i>Current Liabilities</i>	
Accounts payable	109.3
Accrued liabilities	31.7
Deferred revenue	3.3
Operating lease liabilities	5.7
Total current liabilities	150.0
<i>Non-current Liabilities</i>	
Accounts payable	1.5
Operating lease liabilities	77.5
Deferred revenue	5.0
Convertible debt	363.1
Asset retirement obligations	1.0
Total non-current liabilities	448.1
Total liabilities	598.1

179. These liabilities do not include the contingent litigation liabilities that Li-Cycle is subject to in the New York Securities Action, the Ontario Securities Action and the New York Derivative Action, described above. The actions do not particularize the damages claimed.

180. Further, these liabilities do not include the indemnification liabilities that Li-Cycle is subject to under the LG Chem and LGES off-take agreements, described above. These amounts are not yet quantifiable.

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(ii) Intercompany Arrangements

181. The majority of the cash and cash equivalents of Li-Cycle are owned by Holdings. Holdings generally funds the operations and expenses of the other Applicants through equity contributions and non-interest-bearing intercompany advances from time to time.

182. At this point in the group's development, none of the subsidiaries of Holdings generate revenue sufficient to cover its expenses and, accordingly, each is reliant on continued funding from Holdings to maintain its respective operations.

183. Li-Cycle expects that Holdings will continue to make intercompany advances to the other Applicants and their affiliates to fund their ordinary course and restructuring expenditures during the course of the CCAA Proceedings.

V. CCAA PROCEEDINGS

(i) Applicants are Insolvent

184. As set out in the cash flow forecast that will be appended to the report of the proposed monitor, on a consolidated basis the CCAA Debtors had approximately \$10.519 million in cash remaining as of the week ended May 9, 2025. The cash flow forecast demonstrates that, if the CCAA Debtors are unable to commence CCAA proceedings, the CCAA Debtors will run out of cash by the week ended June 6, 2025. The CCAA Debtors expect that a longer time period will be required in order to complete its sale and realization processes. Accordingly, the CCAA Debtors are facing a looming liquidity crisis which will result in the CCAA Debtors running out

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of cash to pay their debts as they generally become due within the reasonably foreseeable time horizon of these CCAA Proceedings.

185. Additionally, the net realizable value of the assets of the CCAA Debtors at a fairly conducted sale is anticipated to be less than their total liabilities. On a consolidated basis, as at December 31, 2024, the CCAA Debtors had assets with a net book value of \$861.2 million and total liabilities of \$598.1 million.

186. However, the realizable value of certain categories of these assets may be lower than the book values reported in these statements. In particular, the net book value attributable to the Rochester Hub is \$601.1 million, which represents nearly 70% of the net book value of the entire global enterprise. As noted above, the Rochester Hub has experienced significant cost overruns and other challenges which have resulted in construction being paused and significant additional equity and/or financing commitments being required in order for construction to be resumed. It is reasonable to expect that the realizable value of the Rochester Hub in its current state of semi-construction may be materially less than the book value.

187. As noted above, the total net book value of the CCAA Debtors' assets excluding the Rochester Hub (\$260.1 million) is less than just the convertible debt owing to Glencore and Koch (being an aggregate of \$363.1 million).

188. Furthermore, the total liabilities of \$598.1 million reported on Li-Cycle's financial statements do not include:

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- (a) Holdings' contingent liability for the New York Securities Action, the Ontario Securities Action and the New York Derivative Action; and
- (b) any costs associated with the realization of its assets, such as damages for breach of any contracts that Li-Cycle was unable to perform.

189. Accordingly, I believe that the assets of the CCAA Debtors at fair valuation are insufficient to satisfy in full their liabilities.

190. As noted above, the majority of the Li-Cycle's cash is held by Holdings. None of the other Applicants are independently profitable at this time and they each rely on continued equity contributions from Holdings in order to meet their liabilities as they generally become due. As a result of the insolvency of Holdings and its inability to continue to make these equity contributions, all of the other Applicants will be unable to meet their respective obligations as they generally become due.⁴

(ii) Stay of Proceedings

A. Applicants

191. A stay of proceedings is necessary at this time to, among other things, allow Li-Cycle breathing space so that it can focus its efforts on conducting a sale and realization process in a court-supervised process with the ability to obtain relief from the CCAA court that will allow it to achieve the most beneficial outcome for its stakeholders in the circumstances.

⁴ For clarity, this statement does not include Europe Parent and Germany SpokeCo for which an independent solution is being negotiated.

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(iii) Payments During the CCAA Proceedings

192. As set out in the proposed Initial Orders, is the CCAA Debtors are seeking authorization to pay certain expenses, whether incurred prior to, on or after the Initial Filing Date, in respect of:

- (a) outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants (as such term is defined in the proposed Initial Orders) retained or employed by the CCAA Debtors.

193. The continued payment of these obligations is necessary for the continued operation of the business or in connection with the CCAA proceedings and efforts to address Li-Cycle's current financial circumstances. Li-Cycle believes it is in the best interests of its stakeholders that such expenses continue to be paid in the normal course, regardless of whether such expenses were incurred prior to, on or after the Initial Filing Date.

194. In the proposed Initial Orders, Holdings is also seeking the authority to pay all reasonable expenses incurred in carrying on the Business in the ordinary course after the Initial Filing Date, including (a) expenses and capital expenditures reasonably necessary for the preservation of the CCAA Debtors' Business or property; (b) expenses required to ensure compliance with any

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governmental, regulatory, or other enforcement action; and (c) payment for goods and services supplied or to be supplied to the CCAA Debtors after the date of the Initial Filing Date.

(iv) Securities Reporting

195. The Board has determined that devoting additional time or money towards continuing to meet its continuous disclosure obligations as a reporting issuer and reporting company is not appropriate at this juncture. In the opinion of the Board, the time and resources of Li-Cycle are better directed towards conducting its sale and realization process. Equity holders will receive regular reporting on the business and financial situation of Li-Cycle through the court materials, monitor's reports and cash flows that will be filed with the Court during the course of these proceedings.

196. In the proposed Initial Orders, Holdings is seeking the authorization of this Court to proceed accordingly. Holdings is not asking the Court to exempt it from its continuous disclosure obligations, or bar any securities regulators or trading facilities from taking steps within their discretion as a result of any non-reporting by Li-Cycle. Holdings is also asking the Court to order that none of the directors, officers, employees, and other representatives of Li-Cycle, the Monitor (and its directors, officers, employees and representatives), nor the CRO (as defined below) or the CFO shall have any personal liability for Li-Cycle proceeding in this manner and not making the securities filings.

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(v) Intercompany Advances

197. As noted above, the operations and expenses of the other Applicants are funded in the ordinary course through equity contributions and non-interest-bearing advances from Holdings. The CCAA Debtors are seeking relief in the Initial Orders to allow the CCAA Debtors to continue to make non-interest bearing advances to the other CCAA Debtors during the CCAA proceedings and minimize any prejudice to the creditors of the advancing CCAA Debtor through a priority charge on the assets of the other CCAA Debtors. Pursuant to the Initial Orders, among other things:

- (a) The CCAA Debtors (each, an **“Intercompany Lender”**) will be authorized to make intercompany advances to each of the other CCAA Debtors (each, an **“Intercompany Borrower”**) to fund their ongoing expenditures and other amounts permitted by the Initial Orders;
- (b) any intercompany advances will be subject to Monitor review and approval;
- (c) the Intercompany Lender will be entitled to a charge (the **“Intercompany Charge”**) on all of the Property of each of the Intercompany Borrowers as security for the intercompany advances made to such Intercompany Borrower; and
- (d) the Intercompany Charge will not secure any intercompany advances made by the Intercompany Lender to the Intercompany Borrowers before the Initial Filing Date.

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198. In the Initial Order, Intercompany Advances will be limited to \$1 million, which is the amount that is reasonably necessary for the continued operations of the Intercompany Borrowers in the ordinary course of business during the initial 10-day stay period.

(vi) Approval of CRO Engagement

199. William E. Aziz of BlueTree Advisors Inc. (“**BlueTree**”) has been acting as the CRO of Li-Cycle since April 28, 2025. The Applicants are seeking to have the CRO’s engagement approved so that he can continue to act as CRO in these CCAA Proceedings. The CRO’s continued engagement is necessary given the expected changes to the company’s management described below. The CRO has consented to act in these proceedings.

200. Mr. Aziz is a well-known and experienced CRO. Mr. Aziz has acted as CRO in the following complex CCAA proceedings, among others: JTI-Macdonald, U. S. Steel Canada, Walter Energy Canada, Mobilicity Group and Cash Store.

201. Pursuant to an engagement letter between Holdings and BlueTree dated April 28, 2025 (the “**CRO Engagement Letter**”), BlueTree will be compensated for Mr. Aziz’s services in the form of:

- (a) a monthly work fee of \$75,000; and
- (b) a restructuring fee equal to the greater of 5% of the gross proceeds, or USD \$500,000 payable on the completion of a sale or sales (including a reverse vesting order transaction) or plan of arrangement or other restructuring for all or

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substantially all assets of the CCAA Debtors. A copy of the CRO Engagement letter is attached as **Exhibit “N”**.

202. The CCAA Debtors are seeking to have the CRO’s engagement recognized and approved by this Court and the fees detailed in the CRO Engagement Letter secured by court-ordered charges as follows:

- (a) the monthly work fees would be secured as a component of the Administration Charge; and
- (b) the restructuring fees would be secured as a component of the Transaction Fee Charge (to be sought by the Applicants at the Comeback Hearing).

203. I have been advised by legal counsel that the Proposed Monitor is of the view that the relief sought with respect to the CRO is appropriate in the circumstances and consistent with established precedent.

(vii) Engagement of CFO and Maplebriar Engagements

204. Following Craig Cunningham’s resignation as Chief Financial Officer, Li-Cycle retained Michelle T. Faysal to act as the CFO pursuant to an engagement letter between Holdings and the CFO dated April 28, 2025 (the “**CFO Engagement Letter**”). The CRO and CFO are siblings. The CFO Engagement Letter provides for the CFO to be paid a work fee of \$50,000 per month. The CFO Engagement Letter does not include a success fee upon the completion of a transaction in the CCAA Proceedings.

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205. The Initial Order provides that the CCAA Debtors will pay the CFO in accordance with the CFO Engagement Letter and the CFO's fees will be secured as part of the Administration Charge. A copy of the CFO Engagement letter is attached as **Exhibit "O"**.

206. Prior to the commencement of the CCAA Proceedings, I expressed my intention to resign as President and Chief Executive Officer of Li-Cycle. I agreed to remain in these roles until May 15, 2025 to facilitate the orderly commencement of these CCAA Proceedings and to swear this affidavit given my in-depth knowledge of the business and the markets in which Li-Cycle operates.

207. The Special Committee asked me to stay on as a consultant to Li-Cycle to support the orderly conduct of the CCAA Proceedings, in particular the sale process that the CCAA Debtors intend to run with the assistance of the Financial Advisor. My holding company, Maplebriar Holdings Inc., entered into an engagement letter with Holdings dated May 1, 2025 (the "**Maplebriar Engagement Letter**") to provide my services during the course of the CCAA Proceedings. The Maplebriar Engagement Letter provides for Maplebriar to be compensated for my services in the form of:

- (a) a work fee of \$50,000 per month; and
- (b) a restructuring fee on the completion of all aspects of the restructuring equal to \$200,000 if the restructuring includes a credit bid, or \$500,000 if the restructuring results in net cash proceeds to the CCAA Debtors of at least \$10 million and is not primarily a liquidation of assets.

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208. The Initial Order provides that the CCAA Debtors will pay Maplebriar in accordance with the Maplebriar Engagement Letter. At the Comeback Hearing, the CCAA Debtors will seek:

- (a) Authorization to pay the amount of USD \$150,000 to the Monitor to be held as security for the “Work Fee” set out in the Maplebriar Engagement Letter, which represents three months of the “Work Fee” which will be held by the Monitor and secured by a KERP Charge on those funds; and
- (b) A Transaction Fee Charge securing, among other things, payment of the “Restructuring Fees” set out in the Maplebriar Engagement Letter.

209. A copy of the Maplebriar Engagement letter is attached as **Exhibit “P”**.

(viii) Approval of Financial Advisor Engagement

210. Pursuant to an engagement letter between Holdings and the Financial Advisor dated May 8, 2025 (the “**Financial Advisor Engagement Letter**”), Holdings retained the Financial Advisor to assist the CCAA Debtors in conducting a court-supervised sale and investment solicitation process (the “**SISP**”) to supplement the broad canvassing of the market that was undertaken by Moelis over the course of approximately 1.5 years. A copy of the Financial Advisor Engagement letter is attached as **Exhibit “Q”**.

211. The Financial Advisor Engagement Letter contemplates that the Financial Advisor will be compensated based on hourly rates. The Financial Advisor Engagement Letter does not

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include a success fee upon the completion of a transaction in the CCAA Proceedings. The Financial Advisor's mandate will be led by Hugh Rowan-Legg.

212. Li-Cycle solicited expressions of interest from numerous investment banking firms to assist Li-Cycle in conducting the SISP and the Realization Process. The Special Committee selected the Financial Advisor due to its expertise, its reach in Canada and the United States, and its proposed fees. Li-Cycle believes that retaining the Financial Advisor will allow it to pursue a value-maximizing outcome for its business and property for the benefit of its stakeholders by conducting a further market canvass for parties interested in acquiring or investing in the CCAA Debtors, leveraging the work previously done by Moelis.

213. The Financial Advisor's compensation pursuant to the Financial Advisor Engagement Letter would be secured by the Administration Charge.

(ix) Appointment of Monitor

214. The CCAA Debtors are seeking the appointment of Alvarez & Marsal Canada Inc. ("A&M") as the proposed CCAA monitor in these proceedings. The consent of A&M to act as the Monitor is attached at Tab 3 of the Application Record.

(x) Charges

A. Administration Charge

215. The proposed Initial Orders provide for a Court-ordered charge over the assets, property and undertaking of the CCAA Debtors (the "**Administration Charge**") in favour of the Monitor, the CRO, the Financial Advisor, the CFO, legal counsel to the Monitor and legal counsel to the

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CCAA Debtors in respect of their fees and disbursements incurred at their standard rates and charges, in order to ensure the active involvement and assistance of such persons during the CCAA proceedings.

216. The proposed Administration Charge is in an aggregate amount of \$2 million in the Initial Order, and in an aggregate amount of \$2.5 million in the Amended and Restated Initial Order. The amount of the proposed Administration Charge has been reviewed with the proposed monitor.

B. Directors' Charge

217. The proposed Initial Orders contemplates an indemnification of former, current or future directors and officers of the CCAA Debtors, the CRO and the CFO (the “**Directors' Charge**”) and the creation of a charge over the present and after-acquired assets of the CCAA Debtors as security to protect them from claims and liabilities relating to the failure of the CCAA Debtors to pay or perform certain obligations that may arise after the filing date (including but not limited to outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses, expenses and other like amounts).

218. Li-Cycle maintains directors' and officers' liability insurance (the “**D&O Insurance**”) for the directors and officers. However, it is uncertain whether all claims for which the directors, officers, the CRO and the CFO may be personally liable will be covered by the D&O Insurance given the exclusions provided for under the D&O Insurance and potential coverage positions that may be taken by the insurer. It is also uncertain whether the amount of coverage provided by the D&O Insurance will be sufficient to adequately protect the directors, officers, the CRO and the

- 74 -

CFO from liability and to incentivize the directors and officers to continue their service with Li-Cycle.

219. In light of the complexity and scope of the overall enterprise and potential liabilities and the uncertainty surrounding available indemnities and insurance, the directors and officers have indicated to the CCAA Debtors that their continued service to Li-Cycle and involvement in this proceeding is conditional upon the granting of an order under the CCAA which grants a charge in favour of the directors and officers of the CCAA Debtors the amount of \$450,000 during the initial 10-day period and \$450,000 thereafter, on the property of Li-Cycle (the “**Directors’ Charge**”). The amount of the proposed Directors’ Charge has been reviewed with the proposed monitor and is based on the average payrolls and obligations of the CCAA Debtors, accrued vacation pay, withholding taxes and the amounts outstanding or average monthly remittances for sales taxes. The Directors’ Charge is proposed to be subordinate to the Administration Charge but shall rank in priority to all the other charges.

220. The Directors’ Charge is necessary so that Li-Cycle may benefit from their directors’ and officers’ experience with Li-Cycle’s business and industry, and so that its directors and officers can guide Li-Cycle’s restructuring efforts.

C. Transaction Fee Charge

221. The proposed Amended and Restated Initial Order to be sought at the Comeback Hearing provides for a court-ordered charge over the present and after-acquired assets of the CCAA Debtors (the “**Transaction Fee Charge**”) as security for:

- 75 -

- (a) the fees and expenses of the CRO other than the “Work Fee” as defined and set out in the CRO Engagement Letter; and
- (b) the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter.

D. KERP Charge

222. The proposed Amended and Restated Initial Order also provides for a court-ordered charge (the “**KERP Charge**”) over:

- (a) The amounts of CAD \$869,973.92 and USD \$672,075.46 to be paid by the CCAA Debtors to the Monitor for the benefit of participants in the CCAA Debtors’ key employee retention plan; and
- (b) The amount of \$150,000 to be paid by the CCAA Debtors to the Monitor to be held as security for the “Work Fee” of Maplebriar pursuant to the Maplebriar Engagement Letter

(collectively, the “**KERP Funds**”).

223. The CCAA Debtors’ key employee retention plan will be described in a separate affidavit from the CRO prior to the Comeback Hearing.

224. The KERP Charge will only apply against the KERP Funds held by the Monitor and will not apply against any of the other Property of the CCAA Debtors.

- 76 -

E. DIP Financing

225. Li-Cycle is in discussions to obtain a stalking horse bid and debtor-in-possession financing which will be described in a subsequent affidavit prior to the comeback hearing if it is obtained. Any debtor-in-possession financing would be secured by a charge against the property of the Applicants (the “**DIP Lender’s Charge**”).

F. Priority of Charges

226. Li-Cycle believes that the amounts and priorities of the Administration Charge, the Directors’ Charge, the KERP Charge, the DIP Lender’s Charge, the Transaction Fee Charge and the Intercompany Charge (collectively, the “**Charges**”) in the Initial Orders are appropriate in the circumstances.

227. It is contemplated that the priorities of the Charges will be as follows in the Initial Order:

- (a) First – Administration Charge (to the maximum amount of \$2 million);
- (b) Second – Directors’ Charge (to the maximum amount of \$450,000); and
- (c) Third – Intercompany Charge.

228. It is contemplated that the priorities of the Charges will be as follows in the Initial Order:

- (d) First – Administration Charge (to the maximum amount of \$2.5 million);
- (e) Second – Directors’ Charge (to the maximum amount of \$450,000);
- (f) Third – KERP Charge (solely as against the KERP Funds);

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- (g) Fourth – DIP Lender’s Charge;
- (h) Fifth – Transaction Fee Charge (to the maximum amount of \$1 million); and
- (i) Sixth – Intercompany Charge.

229. The Initial Order sought by the CCAA Debtors provides for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise, (collectively, the “**Encumbrances**”), other than those of secured creditors who have not been given notice of the initial hearing.

230. The Amended and Restated Initial Order to be sought by the CCAA Debtors provides for the Charges to rank in priority to all Encumbrances. The CCAA Debtors will provide notice of the Comeback Hearing to all secured creditors who are likely to be affected by the Charges.

(xi) Service and Notice

231. Holdings is also seeking approval of its proposed manner of service and notice of the Initial Orders and the Comeback Hearing authorized pursuant to the Initial Order. In particular, the CCAA Debtors propose that the Monitor shall provide notice by way of publication, by making the Initial Orders publicly available as prescribed in the CCAA, and by sending a notice (which shall include the date of the comeback motion) to known creditors with claims over \$1000, except with respect to the pending litigation, in which cases the Monitor shall only send a notice to counsel of record.

232. The CCAA Debtors are seeking the Court’s authorization to deliver the notices to known creditors by e-mail instead of physical mail. If the CCAA Debtors do not have e-mail addresses

- 78 -

on file for a particular known creditor, the Monitor will send a notice by physical mail in the usual manner.

233. The proposed Initial Order also provides that the CCAA Debtors may rely on the notice provided by the Monitor (as described above) to provide notice of the Comeback Hearing and shall only be required to serve motion materials in relation to the Comeback Hearing on those parties who serve a Notice of Appearance in the proceeding or otherwise request service of such materials or to be added to the service list, in writing, in advance of the Comeback Hearing.

(xii) Foreign Proceedings

234. In light of the operations that Li-Cycle has in the United States, Li-Cycle intends to seek recognition of these proceedings and the Initial Order as soon as practicable from the United States Bankruptcy Court for the Southern District of New York pursuant to Chapter 15 of title 11 of the United States Code (the “**US Bankruptcy Code**”). The Initial Orders contemplate that the CRO will be appointed as the foreign representative and authorized to seek recognition of these proceedings in the United States.

235. As set out above, there are three Applicants that are incorporated and existing in the United States: North America OpCo, US SpokeCo, and US HubCo. However, it is appropriate for proceedings to be commenced under the CCAA with respect to these Applicants as they are each part of the highly-integrated business of Li-Cycle that has its centre of main interests in Ontario for the following reasons, among others:

- 79 -

- (a) all material financial, strategic, management, marketing and personnel decisions are made from the corporate headquarters at the Head Office in Toronto;
- (b) the key management personnel of Li-Cycle are employed by Global HQ which is incorporated and domiciled in Ontario;
- (c) eight of the ten senior officers of the Company reside in Ontario (with one residing in Singapore and one in the United States);
- (d) the operations of all of the Li-Cycle entities are generally funded from equity contributions or intercompany advances from Holdings;
- (e) all intellectual property used in the Li-Cycle business – which is a key asset in this highly-specialized, cutting-edge business – is owned by Global HQ;
- (f) all research and development for the business is undertaken by Global HQ; and
- (g) the books and records of Li-Cycle are kept in Ontario at Global HQ.

236. The proposed Initial Order contemplates that the Court will authorize the CRO to seek recognition of the CCAA Proceedings in the United States pursuant to Chapter 15 of the US Bankruptcy Code, and seek the recognition and enforcement of the stay of proceedings and related relief in the United States. As detailed above, Li-Cycle is subject to various mechanics' liens, securities and civil litigation and other proceedings in the United States and if the stay of proceedings and related relief is not enforced in the United States at the outset of the process, Li-Cycle is concerned that creditors and counterparties will take enforcement steps that will

- 80 -

prejudice its other stakeholders and will be detrimental to Li-Cycle's ability to maximize the value of its business for the benefit of all of its stakeholders.

VI. CONCLUSION

237. The CCAA Debtors seek CCAA protection at this time due to the significant liquidity challenges that Li-Cycle has encountered. The relief requested in the proposed Initial Orders will stabilize the business and provide Li-Cycle with an opportunity to address its current challenges and produce a value-maximizing outcome for the benefit of all of its stakeholders.

238. The relief requested in the proposed Initial Orders is therefore in the best interests of the CCAA Debtors and their stakeholders. The relief sought in the proposed Initial Order is limited to relief that is reasonably necessary for the continued operations of the CCAA Debtors in the ordinary course of business during the initial 10-day stay period.

SWORN BEFORE ME over videoconference this 12th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant and commissioner were both located in the City of Toronto, in the Province of Ontario.

Meena

A Commissioner for taking Affidavits, etc.
Name: Meena Alnajar LSO#: 89626N

Ajay Kochhar

Ajay Kochhar

Tab A

This is Exhibit "A" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Ministry of Public and
Business Service Delivery

Profile Report

LI-CYCLE HOLDINGS CORP. as of April 30, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LI-CYCLE HOLDINGS CORP.
Ontario Corporation Number (OCN)	5051214
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation/Amalgamation	August 10, 2021
Registered or Head Office Address	207 Queens Quay W, 590, Toronto, Ontario, M5J1A7, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name	SUSAN WOLFF ALBAN
Address for Service	207 Queens Quay W, 590, Toronto, Ontario, M5J1A7, Canada
Resident Canadian	No
Date Began	April 27, 2023
Name	JACQUELINE A. DEDO
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian	No
Date Began	August 08, 2022
Name	AJAY KOCHHAR
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian	Yes
Date Began	August 10, 2021
Name	DIANE M. PEARSE
Address for Service	207 Queens Quay W, 590, Toronto, Ontario, M5J1A7, Canada
Resident Canadian	No
Date Began	April 27, 2023
Name	SCOTT PROCHAZKA
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian	No
Date Began	August 10, 2021

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V. Quintanilla W.

Director/Registrar

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Name	KUNAL SINHA
Address for Service	330 Madison Avenue 7th Floor, New York, New York, 10017, United States
Resident Canadian	No
Date Began	May 31, 2022

Name	ANTHONY TSE
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian	No
Date Began	August 10, 2021

Name	MARK WELLINGS
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian	Yes
Date Began	August 10, 2021

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V. Quintanilla W.

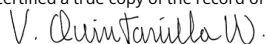
Director/Registrar

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Active Officer(s)

Name	CRAIG CUNNINGHAM
Position	Chief Financial Officer
Address for Service	207 Queens Quay West, Suite 590, Toronto, Ontario, M5J1A7, Canada
Date Began	March 26, 2024
Name	CARL DELUCA
Position	Secretary
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Date Began	August 10, 2021
Name	AJAY KOCHHAR
Position	President
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Date Began	August 10, 2021
Name	AJAY KOCHHAR
Position	Chief Executive Officer
Address for Service	207 Queens Quay West, 590, Toronto, Ontario, M5J 1A7, Canada
Date Began	August 10, 2021

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Director/Registrar

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Corporate Name History

Name

Effective Date

LI-CYCLE HOLDINGS CORP.

August 10, 2021

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V. Quintanilla W.

Director/Registrar

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Amalgamating Corporations**Corporation Name****Ontario Corporation Number**

PERIDOT ACQUISITION CORP.

5051196

Corporation Name**Ontario Corporation Number**

LI-CYCLE HOLDINGS CORP.

2816198

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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Director/Registrar

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Document List

Filing Name	Effective Date
BCA - Restated Articles of Incorporation	July 18, 2024
Annual Return - 2023 PAF: GLORIA BERGER	June 19, 2024
BCA - Articles of Amendment	June 03, 2024
CIA - Notice of Change PAF: GLORIA BERGER	June 03, 2024
CIA - Notice of Change PAF: GLORIA BERGER	April 03, 2024
Annual Return - 2022 PAF: GLORIA BERGER	May 02, 2023
Annual Return - 2021 PAF: GLORIA BERGER	May 02, 2023
CIA - Notice of Change PAF: GLORIA BERGER	April 27, 2023
CIA - Notice of Change PAF: Gloria BERGER	October 03, 2022
Archive Document Package	August 10, 2022
CIA - Notice of Change PAF: Gloria BERGER	June 13, 2022
CIA - Notice of Change PAF: Gloria BERGER	June 13, 2022
CIA - Notice of Change PAF: Deborah KAY	February 03, 2022
CIA - Initial Return PAF: Deborah KAY	February 03, 2022

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V. Quintanilla W.

Director/Registrar

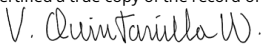
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BCA – Articles of Arrangement

August 10, 2021

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Tab B

This is Exhibit "B" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Ministry of Public and
Business Service Delivery

Profile Report

LI-CYCLE CORP. as of April 30, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LI-CYCLE CORP.
Ontario Corporation Number (OCN)	2547013
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 18, 2016
Registered or Head Office Address	207 Queens Quay West, Suite 590, Toronto, Ontario, M5J 1A7, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name AJAY KOCHHAR
Address for Service 207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Resident Canadian Yes
Date Began November 18, 2016

Name CONOR SPOLLEN
Address for Service 207 Queens Quay West, Suite 590, Toronto, Ontario, M5J1A7, Canada
Resident Canadian No
Date Began March 26, 2024

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V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	CRAIG CUNNINGHAM
Position	Chief Financial Officer
Address for Service	207 Queens Quay West, Suite 5590, Toronto, Ontario, M5J1A7, Canada
Date Began	March 26, 2024
Name	CARL DELUCA
Position	Secretary
Address for Service	207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Date Began	June 23, 2022
Name	AJAY KOCHHAR
Position	President
Address for Service	207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Date Began	November 18, 2016
Name	AJAY KOCHHAR
Position	Chief Executive Officer
Address for Service	207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Date Began	November 18, 2016

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Director/Registrar

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Corporate Name History

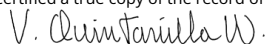
Name

LI-CYCLE CORP.

Effective Date

November 18, 2016

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Director/Registrar

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Active Business Names

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2023 PAF: GLORIA BERGER	June 19, 2024
CIA - Notice of Change PAF: GLORIA BERGER	April 09, 2024
Annual Return - 2022 PAF: GLORIA BERGER	September 29, 2023
CIA - Notice of Change PAF: GLORIA BERGER	April 14, 2023
Archive Document Package	August 10, 2022
CIA - Notice of Change PAF: Gloria BERGER	June 30, 2022
Annual Return - 2021 PAF: Gloria BERGER	June 29, 2022
CIA - Notice of Change PAF: Gloria BERGER	June 24, 2022
BCA – Articles of Arrangement	August 10, 2021
Annual Return - 2020 PAF: BRUCE MACINNIS - DIRECTOR	May 23, 2021
BCA - Articles of Amendment	November 13, 2020
Annual Return - 2019 PAF: BRUCE MACINNIS - DIRECTOR	June 07, 2020
CIA - Notice of Change PAF: WILLIAM KERR - OTHER	April 06, 2020
CIA - Notice of Change PAF: WILLIAM KERR - OTHER	August 28, 2019

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V. Quintanilla W.

Director/Registrar

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Annual Return - 2018 PAF: BRUCE MACINNIS - DIRECTOR	May 26, 2019
CIA - Notice of Change PAF: WILLIAM B. KERR - OTHER	March 07, 2019
CIA - Notice of Change PAF: WILLIAM KERR - OTHER	January 17, 2019
Annual Return - 2017 PAF: AJAY KOCHHAR - DIRECTOR	October 07, 2018
Annual Return - 2017 PAF: AJAY KOCHHAR - DIRECTOR	March 13, 2018
CIA - Initial Return PAF: WILLIAM KERR - OTHER	December 08, 2016
BCA - Articles of Incorporation	November 18, 2016

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Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

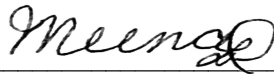
V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Tab C

This is Exhibit "C" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Ministry of Public and
Business Service Delivery

Profile Report

LI-CYCLE AMERICAS CORP. as of April 30, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LI-CYCLE AMERICAS CORP.
Ontario Corporation Number (OCN)	1000009977
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 27, 2021
Registered or Head Office Address	207 Queens Quay West, Suite 590, Toronto, Ontario, M5J 1A7, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name AJAY KOCHHAR
Address for Service 207 Queens Quay West, Suite 590, Toronto, Ontario, M5J 1A7, Canada
Resident Canadian Yes
Date Began October 27, 2021

Name CONOR SPOLLEN
Address for Service 207 Queens Quay West, Suite 590, Toronto, Ontario, M5J1A7, Canada
Resident Canadian No
Date Began March 26, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

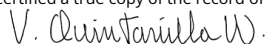
Director/Registrar

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Active Officer(s)

Name	CRAIG CUNNINGHAM
Position	Chief Financial Officer
Address for Service	207 Queens Quay West, Suite 590, Toronto, Ontario, M5J1A7, Canada
Date Began	March 26, 2024
Name	CARL DELUCA
Position	Secretary
Address for Service	207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Date Began	October 27, 2021
Name	AJAY KOCHHAR
Position	Chief Executive Officer
Address for Service	207 Queens W Quay, 590, Toronto, Ontario, M5J1A7, Canada
Date Began	June 23, 2022
Name	AJAY KOCHHAR
Position	President
Address for Service	207 Queens Quay West, Suite 590, Toronto, Ontario, M5J1A7, Canada
Date Began	October 27, 2021

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Director/Registrar

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Corporate Name History

Name

Effective Date

LI-CYCLE AMERICAS CORP.

October 27, 2021

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2023 PAF: GLORIA BERGER	June 19, 2024
CIA - Notice of Change PAF: GLORIA BERGER	April 09, 2024
Annual Return - 2022 PAF: GLORIA BERGER	May 02, 2023
CIA - Notice of Change PAF: GLORIA BERGER	April 14, 2023
CIA - Initial Return PAF: Deborah KAY	November 17, 2021
BCA - Articles of Incorporation	October 27, 2021

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

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V. Quintanilla W.

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Tab D

This is Exhibit "D" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena Alnajar", with a stylized flourish at the end.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Business Entity Search Report

Type of Search	Business Entity Search
Jurisdiction/Filing Office	State of Delaware
Estimated Currency Date	Same as State
Search Key Entered	LI-CYCLE U.S. INC.

Results

Based on a search of the business entity database of the Department of State, Division of Corporations of Delaware, there are no records other than those set out below. Information reflected in this report is based on the searcher's individual search parameters, and the search key entered.

This is only information extracted from the organic record and may not be accurate. Certification can only be obtained through the office of the Delaware Department of State, Division of Corporations

Corporate Name Report

Entity Name: LI-CYCLE U.S. INC.
 Entity ID: 6336477
 Date of Incorporation: 20211031
 Domicile: DE USA

Mailing Address:
 City/State/Zip:
 Country: USA

Type of Entity: Corporation
 Status of Entity: Good Standing

Registered Agent: THE CORPORATION TRUST COMPANY
 Mailing Address: CORPORATION TRUST CENTER
 1209 ORANGE ST
 City/State/Zip: WILMINGTON DE 19801
 Country: US

We assume no liability with respect to the identity of any party named or referred to in this report, nor with respect to the validity, legal effect or priority of any matter shown herein; nor, due to our inability to independently verify the accuracy of this data as provided by government and other sources, do we make any guaranty or representation as to its accuracy.

----- END OF REPORT -----

Tab E

This is Exhibit "E" referred to in the
Affidavit of **Ajay Kochhar**,
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A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Business Entity Search Report

Type of Search	Business Entity Search
Jurisdiction/Filing Office	State of Delaware
Estimated Currency Date	Same as State
Search Key Entered	LI-CYCLE INC.

Results

Based on a search of the business entity database of the Department of State, Division of Corporations of Delaware, there are no records other than those set out below. Information reflected in this report is based on the searcher's individual search parameters, and the search key entered.

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Corporate Name Report

Entity Name: LI-CYCLE INC.
 Entity ID: 7348939
 Date of Incorporation: 20190328
 Domicile: DE USA

Mailing Address:
 City/State/Zip:
 Country: USA

Type of Entity: Corporation
 Status of Entity: Good Standing

Registered Agent: THE CORPORATION TRUST COMPANY
 Mailing Address: CORPORATION TRUST CENTER
 1209 ORANGE ST
 City/State/Zip: WILMINGTON DE 19801
 Country: US

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A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

Business Entity Search Report

Type of Search	Business Entity Search
Jurisdiction/Filing Office	State of Delaware
Estimated Currency Date	Same as State
Search Key Entered	LI-CYCLE NORTH AMERICA HUB + Multiple

Results

Based on a search of the business entity database of the Department of State, Division of Corporations of Delaware, there are no records other than those set out below. Information reflected in this report is based on the searcher's individual search parameters, and the search key entered.

This is only information extracted from the organic record and may not be accurate. Certification can only be obtained through the office of the Delaware Department of State, Division of Corporations

Corporate Name Report

Entity Name: LI-CYCLE NORTH AMERICA HUB, INC.
 Entity ID: 3584630
 Date of Incorporation: 20200902
 Domicile: DE USA

Mailing Address:
 City/State/Zip:
 Country: USA

Type of Entity: Corporation
 Status of Entity: Good Standing

Registered Agent: THE CORPORATION TRUST COMPANY
 Mailing Address: CORPORATION TRUST CENTER
 1209 ORANGE ST
 City/State/Zip: WILMINGTON DE 19801
 Country: US

We assume no liability with respect to the identity of any party named or referred to in this report, nor with respect to the validity, legal effect or priority of any matter shown herein; nor, due to our inability to independently verify the accuracy of this data as provided by government and other sources, do we make any guaranty or representation as to its accuracy.

----- END OF REPORT -----

Tab G

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A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024
OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from to .
Commission file number 001-40733

Li-Cycle Holdings Corp.
(Exact Name of Registrant as Specified in Its Charter)

Province of Ontario, Canada
(State or other jurisdiction of incorporation or organization)

Not Applicable
(I.R.S. Employer Identification No.)

207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (877) 542-9253

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: Common shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
		Emerging growth company	<input type="radio"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common shares held by non-affiliates, based on the closing sale price as reported by the New York Stock Exchange on June 28, 2024, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$125.0 million.

Common shares beneficially owned by each executive officer, director and holder of more than 10% of common stock have been excluded in that such persons may be deemed to be affiliates.
As of March 18, 2025, the registrant had 44,541,690 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

None.

LI-CYCLE HOLDINGS CORP.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws.

Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this Annual Report on Form 10-K include but are not limited to statements about: the expectation that Li-Cycle will recover critical battery-grade materials to create a domestic closed-loop battery supply chain for a clean energy future; the expectation that the steps taken under the Cash Preservation Plan will result in cash savings; expectations regarding cash outflows; expectations regarding Li-Cycle’s ability to raise additional capital for operating expenses and liquidity requirements; expectations regarding the DOE Loan Facility, including Li-Cycle’s ability to access funds under such facility; expectations that Li-Cycle will require significant funding before restarting the Rochester Hub project; expectations that Li-Cycle will be able to restart the Rochester Hub project and raise the capital needed to complete the Rochester Hub project; expectations that Li-Cycle will be stopping or slowing operations at its remaining operating Spokes and re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term; Li-Cycle’s expectation to recognize revenue from the sale of critical battery-grade materials; expectation regarding other capital expenditures; the expectation that Li-Cycle will need to secure an alternative short or long-term financing in the near term or else it will not have sufficient cash and cash equivalents on hand or other resources to support current operations for the twelve months following the filing of this Annual Report on Form 10-K; expectations related to potential financing and other strategic alternatives; expectations related to the outcome of future litigation, including the disclosure of certain mechanic’s liens against Li-Cycle and the amount owed; expectations regarding the ability to attract new suppliers; expectations regarding annual growth rate of the number of EVs; expectations regarding the price and supply of nickel and cobalt; expectations regarding expected growth in the amount of LIB materials available for recycling; expectations regarding the total number of shares into which the Glencore Convertible Notes may be convertible at any time; expectations that streamlined permitting processes and reduced regulatory burdens may further enhance the growth of domestic battery manufacturing; expectations that Li-Cycle stands to gain from related potential increases in batteries available for recycling; and expectations that that Li-Cycle will continue to work with the DOE with respect to the Company’s DOE Loan Facility. These statements are based on various assumptions, whether or not identified in this Annual Report on Form 10-K, made by Li-Cycle’s management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects, including paused projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s expectations regarding workforce reductions; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms or execute any strategic transactions; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; the success of the Cash Preservation Plan, the outcome of the review of the go-forward strategy of the Rochester Hub; Li-Cycle’s ability to attract new suppliers or expand its supply pipeline from existing suppliers; general economic conditions; currency exchange and interest rates; compensation costs; inflation; and Li-Cycle’s ability to satisfy the drawdown conditions and access funding under the Company’s DOE Loan Facility. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. The risk factors and cautionary language discussed in this Annual Report on Form 10-K provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- Li-Cycle’s inability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries;
- Li-Cycle’s inability to develop the Rochester Hub and other future projects as anticipated or at all in a timely manner or on budget or that those projects will not meet expectations with respect to their productivity or the specifications of their end products;

- Li-Cycle's history of losses and expected significant expenses for the foreseeable future as well as additional funds required to meet Li-Cycle's liquidity needs and capital requirements not being available to Li-Cycle on acceptable terms or at all when it needs them;
- Li-Cycle's estimated total addressable market;
- risk and uncertainties related to Li-Cycle's ability to continue as a going concern;
- uncertainty related to the success of Li-Cycle's Cash Preservation Plan and related past and possible further workforce reductions or any strategic alternatives;
- Li-Cycle's inability to attract, train and retain top talent who possess specialized knowledge and technical skills;
- Li-Cycle's failure to oversee and supervise capital projects and obtain financing and other strategic alternatives;
- Li-Cycle's ability to service its debt and the restrictive nature of the terms of its debt;
- Li-Cycle's potential engagement in strategic transactions, including acquisitions, that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in incurrence of debt, or prove not to be successful;
- one or more of Li-Cycle's current or future facilities becoming inoperative, capacity constrained or disrupted, or lacking sufficient feed streams to remain in operation;
- the potential impact of the pause in construction of the Rochester Hub on the authorizations and permits granted to Li-Cycle for the operation of the Rochester Hub and the Spokes on pause;
- Li-Cycle's failure to materially increase recycling capacity and efficiency;
- Li-Cycle expects to continue to incur significant expenses and may not achieve or sustain profitability;
- Li-Cycle's inability to maintain and increase feedstock supply commitments as well as secure new customers and off-take agreements;
- a decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies;
- decreases in benchmark prices for the metals contained in Li-Cycle's products;
- changes in the volume or composition of feedstock materials processed at Li-Cycle's facilities;
- the development of an alternative chemical make-up of lithium-ion batteries or battery alternatives;
- Li-Cycle's expected revenues for the Rochester Hub are expected to be derived significantly from a limited number of customers;
- Li-Cycle's reliance on the experience and expertise of senior management and key personnel;
- the potential of Li-Cycle's directors and officers who hold Company common shares to have interest that may differ from, or be in conflict with, the interests of other shareholders;
- Li-Cycle's insurance may not cover all liabilities and damages;
- Li-Cycle's reliance on limited number of commercial partners to generate revenue;
- customer demand for recycled materials;
- an active, liquid trading market for our common shares may not be sustained;

- Li-Cycle's inability to compete successfully;
- increases in income tax rates, changes in income tax laws or disagreements with tax authorities;
- the potential impact of natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts, geo-political events and changes to regulation or regulatory agencies to which Li-Cycle is subject;
- failure to protect or enforce Li-Cycle's intellectual property;
- Li-Cycle may be subject to intellectual property rights claims by third parties;
- Li-Cycle may be subject to cybersecurity attacks, including, but not limited to, ransomware;
- Li-Cycle's failure to effectively remediate the material weaknesses in its internal control over financial reporting that it has identified or its failure to develop and maintain a proper and effective internal control over financial reporting;
- the risk that Li-Cycle may lose access to funding under the DOE Loan Facility;
- risk of litigation or regulatory proceedings that could materially adversely impact Li-Cycle's financial results; and
- risks related to the terms of the Warrants.

These and other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections titled "*Part I - Item 1A. Risk Factors*", "*Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" and elsewhere in this Annual Report on Form 10-K. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statements.

Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle's assessments as of any date subsequent to the date of this Annual Report on Form 10-K.

Unless otherwise indicated, the estimates included in this Annual Report on Form 10-K, including with respect to the size of the EV market globally and in any individual component market, the price and supply of nickel and cobalt and the supply of battery-grade materials for recycling, are based on the good faith estimates of our management, which in turn are based upon our management's review of internal surveys, independent industry surveys and publications, including reports by third party research analysts and publicly available information. These data involve a number of assumptions and limitations and you are cautioned not to give undue weight to such data. We have not independently verified the accuracy or completeness of the data contained in such sources.

FREQUENTLY USED TERMS

As used in this Annual Report on Form 10-K, unless the context otherwise requires or indicates otherwise, references to “**we**,” “**us**,” “**our**,” “**Li-Cycle**” or the “**Company**” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries.

In this document:

“**A&R Glencore Convertible Notes**” means, collectively, the First A&R Glencore Note and Second A&R Glencore Note.

“**Alabama Spoke**” means Li-Cycle’s Spoke near Tuscaloosa, Alabama, which commenced operations on October 13, 2022.

“**Allocation Agreement**” means the North American Black Mass and Refined Products Allocation Agreement dated March 25, 2024, among Li-Cycle, certain of Li-Cycle’s affiliates, Traxys and Glencore.

“**Amalgamation**” means the amalgamation of Peridot Ontario and NewCo in accordance with the terms of the Arrangement.

“**ancillary processing capacity**” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB through dry shredding, powder processing and baling.

“**Arizona Spoke**” means Li-Cycle’s Spoke in Gilbert, Arizona, which commenced operations on May 17, 2022.

“**Arrangement**” means the plan of arrangement (including the Business Combination) in substantially the form attached as Annex C to the proxy statement/prospectus forming a part of the registration statement on Form F-4, filed by the Company with the SEC on July 6, 2021.

“**ATM Program**” means “at the market” equity offering program for offer and sale of common shares pursuant to the At The Market Issuance Sales Agreement between the Company and B. Riley Securities, Inc. dated June 28, 2024.

“**ATVM Program**” means the DOE LPO’s Advanced Technology Vehicles Manufacturing Program.

“**BESS**” means battery energy storage systems, which store electricity in rechargeable batteries for later use, helping to balance energy supply and demand.

“**black mass**” means a powder-like substance obtained from recycling LIB which contains a number of valuable metals, including nickel, cobalt and lithium.

“**Black Mass & Equivalents**” or “**BM&E**” means black mass and products analogous to black mass that have a similar metal content.

“**Board**” means the board of directors of the Company.

“**Borrower Entities**” means Li-Cycle U.S. Inc., Li-Cycle Inc. and Li-Cycle North America Hub, Inc.

“**Business Combination**” means the transactions contemplated by the Business Combination Agreement.

“**Business Combination Agreement**” means the Business Combination Agreement, dated as of February 15, 2021, as amended, by and among Peridot, Li-Cycle Corp. and NewCo.

“**B. Riley**” means B. Riley Securities, Inc.

“**Cash Preservation Plan**” means the Company’s cash preservation plan, initiated on November 1, 2023, which includes reducing staffing in its corporate support functions, commencing closure activities at its Ontario Spoke, curtailing operations at its New York Spoke, and implementing a plan to manage lower levels of Black Mass & Equivalents production and otherwise slow down operations at its remaining operating Spokes in order to reduce expenses and slow cash outflows as well as reviewing existing plans for bringing on additional Spoke capacity and taking other steps to

preserve the Company's available cash, while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.

"CECL" means current estimated credit losses.

"CODM" means chief operating decision maker.

"common shares" means the common shares of the Company, without par value.

"Consolidated Financial Statements" means the annual consolidated audited financial statements included in Item 8 of this Annual Report on Form 10-K.

"Continuance" means the continuance of Peridot from the Cayman Islands under the Companies Act to the Province of Ontario, Canada as a corporation existing under the OBCA.

"Conversion Price" means the applicable per share price that may be used to convert the Glencore Convertible Notes and the KSP Convertible Note into common shares, which is subject to the anti-dilution adjustments that could be triggered by the future issuance of common shares or instruments convertible into or exchangeable for common shares, including as a result of the Underwritten Offering. Unless otherwise stated all conversion prices mentioned in this Annual Report on Form 10-K are on a post Share Consolidation basis.

"CTC" means cost to complete.

"DFS" means definitive feasibility study.

"DOE" means the United States Department of Energy.

"DOE Loan Facility" means, collectively, the LARA and the Financing Documents (as defined in the LARA) related thereto, providing for a loan facility of up to \$475.0 million (including up to \$445.0 million of principal and up to \$30.0 million in deferred and accrued interest).

"EVs" means electric vehicles, including battery electric vehicles, plug-in hybrid electric vehicles and hybrid electric vehicles.

"First Advance" means the first drawing down on the DOE Loan Facility.

"First A&R Glencore Note" means the first tranche of the amended and restated Glencore Unsecured Convertible Note in the original principal amount of \$116,551,170.40 and having an original conversion price of \$9.95 per common share on March 25, 2024 (as adjusted to \$79.60 per common share on the Share Consolidation date), as amended and restated from time to time.

"Germany Spoke" means the Company's Spoke in Magdeburg, Germany, which commenced operations on August 1, 2023.

"Glencore" means Glencore plc and its subsidiaries.

"Glencore Convertible Notes" means, collectively, the A&R Glencore Convertible Notes and the Glencore Senior Secured Convertible Note, together with any capitalized PIK interest accrued thereon.

"Glencore Nominees" means three directors that may be nominated to the Board by Glencore and its subsidiaries.

"Glencore Senior Secured Convertible Note" means the senior secured convertible note in the original aggregate principal amount of \$75.0 million and having an original conversion price of \$0.53 per share (as adjusted to \$4.24 per common share on the Share Consolidation date) issued to an affiliate of Glencore plc on March 25, 2024 pursuant to the Glencore Senior Secured Convertible Note Purchase Agreement, as amended and restated from time to time.

"Glencore Senior Secured Convertible Note Purchase Agreement" means the agreement dated March 11, 2024 and amended and restated on March 25, 2024 and further amended on January 31, 2025, by and between the Company, an

affiliate of Glencore plc and the other parties named therein for the issuance of the Glencore Senior Secured Convertible Note, as amended and restated from time to time.

“Glencore Unsecured Convertible Note” means the unsecured convertible note in the principal amount of \$200.0 million due May 31, 2027 issued to an affiliate of Glencore plc on May 31, 2022.

“Glencore Unsecured Convertible Notes” means the Glencore Unsecured Convertible Note together with PIK Notes issued in satisfaction of interest due and payable thereon, as subsequently amended and restated into the First A&R Glencore Note and Second A&R Glencore Note.

“Glencore Warrants” means warrants to be issued by the Company to the holder of any of the Glencore Convertible Notes in connection with an optional redemption of the applicable Glencore Convertible Note that entitles the holder to acquire, until the maturity date of such Glencore Convertible Note, a number of common shares equal to the principal amount of such Glencore Convertible Note being redeemed divided by the then-applicable conversion price.

“Governance Letter Agreement” means side letter agreement entered into by the Company with Glencore Ltd., Glencore Canada Corporation and Glencore plc and its subsidiaries.

“Hub” means a centralized facility for large-scale production of specialty materials that achieves economies of scale in recycling and resource recovery.

“HubCo” means Li-Cycle North America Hub, Inc.

“Hubiack Securities Action” means Hubiack v. Li-Cycle Holdings Corp., et al., 1:23-cv-09894 (S.D.N.Y.).

“ICFR” means internal control over financial reporting.

“KPMG” means KPMG LLP.

“KSP Convertible Note” means the unsecured convertible note in the principal amount of \$100.0 million and original conversion price of \$13.43 per common share (as adjusted to \$107.44 per common share on the Share Consolidation date) due September 29, 2026 originally issued to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) pursuant to the KSP Note Purchase Agreement on September 29, 2021 and subsequently assigned on May 1, 2022, to one of its affiliates, Wood River Capital, LLC, and amended on May 5, 2022, February 13, 2023 and March 25, 2024, as such note may be further amended from time to time.

“KSP Convertible Notes” means the KSP Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“KSP Note Purchase Agreement” means the Note Purchase Agreement, dated as of September 29, 2021, between the Company and Spring Creek Capital, LLC, and assigned on May 1, 2022, to Wood River Capital, LLC, as amended from time to time.

“LARA” means the Loan Arrangement and Reimbursement Agreement, dated as of November 7, 2024, by and among the Borrower Entities and DOE, as amended from time to time.

“LGC” means LG Chem, Ltd.

“LGES” means LG Energy Solution, Ltd.

“LIB” means lithium-ion batteries, including lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

“LIBOR” means the London Inter-Bank Offered Rate.

“lienors” means certain contractors, subcontractors, consultants and suppliers.

“Long-Term Incentive Plan” means the Company’s 2021 Incentive Award Plan.

“LPO” means DOE’s Loan Programs Office.

“main line processing capacity” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB using Li-Cycle’s patented submerged shredding process or “wet shredding” designed specifically for battery-grade materials that contain electrolyte and have risk of thermal runaway.

“Marcum” means Marcum Canada LLP.

“MasTec” means MasTec Industrial Corp.

“MHP” means mixed hydroxide precipitate, containing nickel, cobalt and manganese.

“MHP payables” means the value of the payable metals (nickel and cobalt) that the Company would receive on the sale of MHP.

“MHP scope” means a scope for the Rochester Hub project that focuses only on those process areas needed to produce lithium carbonate and MHP.

“Moelis” means Moelis & Company LLC.

“NewCo” means Li-Cycle Holdings Corp. prior to the Amalgamation.

“New York Spoke” means Li-Cycle’s Spoke in Rochester, New York, the operations which were curtailed as of November 7, 2024.

“Norway Spoke” means Li-Cycle’s planned Spoke in Moss, Norway, the development of which is currently paused.

“Note Guarantors” means Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle Inc., Li-Cycle North America Hub, Inc., Li-Cycle Europe AG and Li-Cycle Germany GmbH.

“NYSE” means the New York Stock Exchange.

“OBCA” means the Ontario Business Corporations Act.

“OEM” means an original equipment manufacturer.

“Ontario Spoke” means Li-Cycle’s Spoke in Kingston, Ontario, the operations of which were paused on November 1, 2023 and where work toward closure is underway.

“OTCQX” means OTC Markets Group, Inc.’s OTCQX® Best Market.

“Peridot” means, before the Continuance, Peridot Acquisition Corp., a Cayman Islands exempt company and, after the Continuance, Peridot Ontario.

“Peridot Ontario” means Peridot as continued under the OBCA following the Continuance.

“PIK” means payment in-kind.

“PIK interest” means interest paid in kind.

“PIK Notes” means the additional unsecured convertible notes that have been or may be issued by Li-Cycle from time to time in satisfaction of the interest due and payable on the KSP Convertible Notes, and the Glencore Unsecured Convertible Note or the Glencore Convertible Notes, as the case may be, as such notes may be amended from time to time.

“Pike” means Pike Conductor DEV 1, LLC.

“Planned Portovesme Hub” means the planned joint development project with Glencore to produce critical battery-grade materials at a Hub facility in Portovesme, Italy.

“PSUs” means performance share units.

“Rochester Hub” means Li-Cycle’s planned, first commercial-scale Hub, under development in Rochester, New York, the construction of which is currently paused.

“RSUs” means restricted share units.

“SEC” means the U.S. Securities and Exchange Commission.

“Second A&R Glencore Note” means the second tranche of the amended and restated Glencore Unsecured Convertible Note in the original principal amount of \$114,615,632 and original conversion price of \$9.95 per common share on March 25, 2024 (as adjusted to \$79.60 per common share on the Share Consolidation date), as amended and restated from time to time.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Share Consolidation” means the share consolidation of all the common shares at a ratio of one post-consolidation common share for every eight pre-consolidation common shares, effective June 3, 2024.

“shredded metal” means shredded copper and aluminum material obtained from recycling LIB.

“SOFR” means the Secured Overnight Financing Rate.

“Special Committee” means the Special Committee comprised of independent directors that was established in connection with the comprehensive review of the go-forward strategy of the Rochester Hub project.

“Spoke” means a decentralized facility that mechanically processes batteries close to sources of supply and handles the preliminary processing of end-of-life batteries and battery manufacturing scrap.

“SpokeCo” means Li-Cycle Inc.

“Traxys” means Traxys North America LLC.

“Underwritten Offering” means the Company’s underwritten public offering in the United States for gross proceeds of approximately \$15.0 million when it closed on January 16, 2025 and an additional \$2.25 million after the over-allotment option was subsequently exercised on January 27, 2025.

“U.S. GAAP” means United States Generally Accepted Accounting Principles.

“Warrants” means the eight-month warrants to purchase one common share per warrant, the five-year warrants to purchase one common share per warrant and the pre-funded warrants to purchase one common share per warrant issued pursuant to the Underwritten Offering.

References to **“dollar,” “USD,” “US\$”** and **“\$”** are to U.S. dollars.

This Annual Report on Form 10-K includes certain trademarks, service marks and trade names that we own or otherwise have the right to use, such as “Li-Cycle” and “Spoke & Hub Technologies” which are protected under applicable intellectual property laws and are our property. We have, or are in the process of obtaining, the exclusive right to use such trademarks, service marks and trade names in the countries in which we operate or may operate in the future. This Annual Report on Form 10-K also contains additional trademarks, tradenames, and service marks belonging to other parties, which are the property of their respective owners. Solely for convenience, our trademarks, service marks and trade names referred to in this Annual Report on Form 10-K may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other parties’ trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply a relationship with, or endorsement or sponsorship of us by, these other parties.

PART I**ITEM 1. BUSINESS****Our Company Overview**

Li-Cycle (OTCQX: LICYF) is a leading global lithium-ion battery ("**LIB**") resource recovery company. Established in 2016, and with major customers and partners around the world, Li-Cycle's mission is to recover critical battery-grade materials to create a domestic closed-loop lithium-ion battery supply chain for a clean energy future by offering an innovative and environmentally-friendly recycling solution. The Company's proprietary "**Spoke & Hub**" recycling and resource recovery process is designed (a) at its Spokes, or pre-processing facilities, to process battery manufacturing scrap and end-of-life batteries to produce "**black mass**", a powder-like substance which contains lithium, nickel and cobalt, and other intermediate products, and (b) at its future Hubs, or post-processing facilities, to process black mass to produce critical battery-grade materials for the lithium-ion battery supply chain, including lithium carbonate. Lithium-ion batteries increasingly power products and solutions in a range of industries, including consumer electronics, electric vehicles ("**EVs**") and battery energy storage systems ("**BESS**").

In addition to producing black mass, the Company produces certain other intermediate products analogous to black mass that have a similar metal content, and, as a result, the Company tracks its production using a unit of measure called black mass and black mass equivalents ("**Black Mass & Equivalents**" or "**BM&E**").

Our Industry, Market Trends and Supply Chain

Li-Cycle is at the intersection of three broad and accelerating trends that it believes are key drivers for its business: the increased use of lithium-ion batteries, including in larger-scale applications such as electric vehicles and battery energy storage systems; sustainability with emphasis on a circular economy; and localized investments in battery production to establish and grow secure domestic supplies of critical materials.

As battery manufacturers and automotive OEMs in the lithium-ion battery supply chain increasingly establish localized manufacturing operations in North America and Europe, the lithium-ion battery market continues to develop in terms of the growth and need for recycling batteries of various form factors (shape, size, configuration, and arrangement) and chemistries (chemical composition). Many of Li-Cycle's key commercial partners are cathode producers and battery OEMs.

In addition to Li-Cycle, other key players in the North American and European lithium-ion battery recycling market include Ascend Elements, Inc., Cirba Solutions, Redwood Materials Inc., BASF, Umicore and SK-Tes.

Our Integrated Spoke & Hub Strategy and Network

Li-Cycle's strategic goal is to be a preferred global recycler of lithium-ion batteries and battery manufacturing scrap to produce critical materials for the battery supply chain.

Prior to the pause in construction of the Rochester Hub, the slowdown of operations at the North American Spokes, and the re-evaluation of the Company's strategy for its current North American Spokes and potential future Spoke and Hub capacity, the Company worked to position its network in multiple regions within the battery supply chain where there was growth of manufacturing of lithium-ion batteries in order to capture and process manufacturing scrap and end-of-life lithium-ion batteries available for recycling. The Company sought to develop a network of Spokes that were strategically located and intended to produce a sustainable supply of black mass for hydrometallurgical processing at future centralized large-scale battery material refining facilities, or Hubs.

Batteries for recycling are broken down at our Spokes through a "submerged shredding" process and separated into black mass, shredded metal and mixed plastics. Our Spoke processing technology has evolved over three generations, from a stick-built design with a single shredder, to a modular design with multi-stage shredding and the capability to shred EV battery packs without dismantling. With each subsequent Spoke generation rollout, the Company has also incorporated capacity and processing upgrades to flex with our current and potential customers' growing volumes and mix of battery material form factors. Our sources of recycling feed are derived primarily from three key sources: 1) battery manufacturing scrap; 2) end-of-life lithium-ion batteries; and 3) damaged, defective, or recalled lithium-ion batteries.

We anticipate that, at our future Hub facilities, the black mass from our Spokes would be further refined through the hydrometallurgical circuit to produce critical materials needed for battery production. Our hydrometallurgical process provides an efficient and environmentally-friendly alternative to traditional pyrometallurgical processes, which use high temperatures to process battery materials. We expect that the hydrometallurgical process will become the preferred approach to lithium-ion battery recycling among manufacturers that are focused on product stewardship and environmental sustainability.

On October 23, 2023, the Company announced that it was pausing construction work on its first planned commercial scale Hub project, in Rochester, New York (the “**Rochester Hub**”), pending completion of a comprehensive review of the go-forward strategy for the project. The pause in construction was due to escalating costs and the expectation that aggregate costs to complete the existing scope of the project would exceed the previously disclosed budget of \$560.0 million. Li-Cycle has since completed a technical review of a revised scope for the Rochester Hub project that focuses only on those process areas needed to produce lithium carbonate and MHP (the “**MHP scope**”) and confirmed its technical viability through an internal study that allows the project to proceed on a schedule aligned with the Company’s current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits and regulatory approvals, if needed, and additional financing. The construction, commissioning and operating costs for process areas associated with production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub, were not included in the technical review, and there are no current plans that include production of nickel sulphate and cobalt sulphate. However, the areas dedicated to the production of nickel sulphate and cobalt sulphate would be left intact under the MHP scope, to allow for the potential construction, completion, and integration of these areas in the future, although no such plans are contemplated at this time. As previously reported, Li-Cycle’s estimated project cost for the Rochester Hub project is approximately \$960.2 million for the MHP scope, which amount excludes costs for project commissioning, ramp-up, working capital or financing. The Company’s current estimate of cost to complete is approximately \$483.3 million, including \$89.7 million of costs incurred but not yet paid related to the Rochester Hub project as of December 31, 2024. In addition, in connection with the comprehensive review, Li-Cycle also paused or slowed down operations at its North American Spokes and is currently re-evaluating the Company’s strategy for its North American Spokes, which may include further pauses or slowdowns. For additional details, see the section titled “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Rochester Hub Project Review.*”

As at December 31, 2024, Li-Cycle had three operational Generation 3 Spokes in North America and Europe, which were located in Gilbert, Arizona (the “**Arizona Spoke**”), Tuscaloosa, Alabama (the “**Alabama Spoke**”), and Magdeburg, Germany (the “**Germany Spoke**”). During 2024, we commenced closure activities at our Spoke in Kingston, Ontario, Canada (the “**Ontario Spoke**”), which had been paused since 2023, curtailed operations at our Spoke in Rochester, New York (the “**New York Spoke**”), and slowed operations at our other North American and European operating Spokes, as we continued to review the timing and BM&E needs of the planned Rochester Hub. We continue to pursue our Spoke optimization initiatives, which we believe will improve cash flows from our Generation 3 Spokes in Arizona, Alabama and Germany, with a view to establishing a self-sufficient and financially accretive Spoke business. The goals of these initiatives include increasing throughput and recoveries, reducing costs and enhancing the quality of the black mass produced at our Generation 3 Spokes.

In May 2023, the Company announced it had signed a letter of intent with Glencore International AG, a wholly owned subsidiary of Glencore plc (“**Glencore**”), to jointly study the feasibility of, and later, develop a Hub facility in Portovesme, Italy (the “**Planned Portovesme Hub**”) to produce critical battery-grade materials. The Planned Portovesme Hub would repurpose part of the existing Glencore metallurgical complex, which would enable what we expect would be an expedited and cost-efficient development plan. Work on the definitive feasibility study had been paused until December 2024, when Li-Cycle and Glencore announced that they had resumed their collaboration to assess the technical and economic viability of the Planned Portovesme Hub, including a concept and pre-feasibility study. The study is expected to be led by Glencore, with Li-Cycle providing technical support.

Our Diversified In-Take and Off-Take Commercial Contracts

In-Take Commercial Contracts for Feed to Spokes

Li-Cycle procures a wide variety of lithium-ion battery-grade materials, including EV and BESS batteries, battery manufacturing scrap, and consumer batteries. Lithium-ion batteries available for recycling can come from OEMs/transportation companies (such as damaged, defective or recalled units) as well as end-of-life units. Manufacturing scrap is sourced from battery material, component and pack manufacturing facilities, including gigafactories. Li-Cycle has a

portfolio of multi-year commercial contracts with leading global companies in the EV and lithium-ion battery ecosystem for whom we provide recycling solutions. The Company's revenue primarily comes from six key customers and in 2024, the largest source of the Company's battery feedstock was a U.S.-headquartered, vertically integrated EV and battery manufacturer with a substantial global EV market share. Throughout 2024, Li-Cycle supported approximately 13 prominent EV manufacturers and approximately 15 key battery cell and material producers with the Company's sustainable recycling services.

Off-Take Commercial Contracts for Black Mass and Battery Grade Materials

Traxys Off-Take Agreements

Li-Cycle has entered into two off-take agreements with Traxys, covering (i) 100% of its production of black mass, from Li-Cycle's North American Spokes, other than such black mass as Li-Cycle has determined is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain refined products from Li-Cycle's Rochester Hub, including lithium carbonate. Effective March 25, 2024, pursuant to the terms of the Allocation Agreement, Traxys waived its rights over 50% of the volume of black mass and refined products that would otherwise have been sold to Traxys under the Company's existing commercial agreements with Traxys, and such material has been deemed to be Glencore-committed material under the terms of the Company's commercial agreements with Glencore, described below. Traxys earns marketing fees under each of the off-take agreements and the Allocation Agreement based on the final sales prices of the materials. The agreements extend for a term expiring seven years after the achievement of certain commercial production milestones at the Rochester Hub.

Glencore Strategic Global Commercial Arrangements

On June 1, 2022, the Company announced the entry into commercial agreements (collectively, the **"Glencore Commercial Agreements"**) with Glencore, including the Master Commercial Agreement, the Amended & Restated Global Feed Sourcing Agreement, the Black Mass Sourcing Agreement, the Sulfuric Acid Supply Agreement, the Black Mass Off-Take Agreement, the End Products Off-Take Agreement and the By-Products Off-Take Agreement.

Subject to existing commitments of the Company and other exceptions (including materials required for the Company's operations), under the terms of the Glencore Commercial Agreements, Glencore will source and supply lithium-ion battery manufacturing scrap and other lithium-ion battery-grade materials to the Company for use at the Company's Spokes; Glencore will source and supply black mass to the Company for use at the Company's Hubs; Glencore will supply sulfuric acid for use at the Company's Hubs; and Glencore will purchase, for its internal consumption or on-sale to third party end customers, black mass, battery-grade end products and certain by-products produced at the Company's Spokes and Hubs. Pursuant to the Glencore Commercial Agreements, Glencore will earn (i) sourcing fees on all feed flowing into the Company's Spokes; (ii) sourcing fees on all third party black mass flowing into the Company's Hubs; (iii) marketing fees on all black mass flowing out of the Company's Spokes and not flowing into the Company's Hubs; and (iv) end products marketing fees on all end products flowing out of the Company's Hubs or any third party processing sites that the Company may utilize.

On October 31, 2024, the Company amended and restated certain of its commercial agreements with Glencore and Traxys to provide that, should the Company complete the Rochester Hub under the MHP scope, Glencore will purchase 100% of the MHP produced at the Rochester Hub on agreed commercial terms based on market prices for the nickel and cobalt contained within the MHP.

The term of each of the Glencore Commercial Agreements will, unless earlier terminated in accordance with the termination provisions of the Master Commercial Agreement, continue until the later to occur of (i) ten years from the date on which the Company's next Hub (after the completion of the Rochester Hub) achieves a specified level of commercial production, and (ii) the date by which such Hub has processed a minimum quantity of black mass. The term of the Glencore Commercial Agreements will automatically renew on an evergreen basis for subsequent terms of five years after the expiry of the initial term, subject to the Company's right to terminate all (but not less than all) of the Glencore Commercial Agreements upon 365 days' prior notice to Glencore and payment of a termination fee based upon five times the aggregate value of the sourcing and marketing fees and certain other amounts invoiced in the preceding twelve months.

Our Competitive Strengths

Customer-Centric Solutions Provider

We provide sustainable and customer-centric solutions for each of our customers' battery recycling needs. We provide the support necessary along each step of the process to ensure that our customers' battery recycling experience is handled in a manner that is safe, professional, and economically viable. In particular:

- we work closely with a reliable network of logistics partners to support customers in transporting their batteries to our facilities;
- we offer our customers a home for the secure destruction of materials containing IP-sensitive design information, such as research and development batteries and battery-grade materials. We have adopted procedures to protect the privacy and confidentiality of our customers' trade secrets; and
- in addition to providing advice on packaging and support with procurement, we provide spare battery storage, manage comprehensive battery replacement campaigns and customize programs and services to individual customers' needs.

While we strive to maintain the level of service we provided to our customers prior to the pause in construction of the Rochester Hub, our ability to do so has been strained following the implementation of the Cash Preservation Plan and the changes we have made to right-size and right-shape our organization, including steps taken to significantly reduce our workforce. For additional details, see *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."*

Proprietary and Innovative Technology

We have established proprietary technology that we believe sets us apart from competitors because our technology has the ability to adapt to changes in inputs to the battery recycling process, including different form factors and battery chemistries. Our Spoke & Hub process will produce the fundamental building blocks of lithium-ion batteries—cathode precursor input chemicals, cathode input chemicals and raw materials that can be reused in batteries or the broader economy. By contrast, competitive emerging technologies such as cathode-to-cathode recycling produce end-products that have a higher risk of obsolescence due to continuous cathode technology advancement.

Past significant workforce reductions that formed part of our Cash Preservation Plan have reduced our ability to engage in research and development ("**R&D**") efforts to expand the scope of our processing capacities and drive other process improvements. However, we continue to engage in various improvement activities led by our operations team.

Focus on Quality and Sustainability

We have implemented an Integrated Management System ("**IMS**"), developed in alignment with International Standards Organization ("**ISO**") standards, to guide our approach to health and safety, environmental stewardship and quality management ("**HSEQ**") practices.

Li-Cycle's IMS is designed to generally conform to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health & Safety) and there is a requirement that the IMS be adopted across all our global operations. In 2024, our Germany Spoke was certified to ISO 9001, ISO 14001, and ISO 45001 standards. We are currently evaluating our organizational strategy for registration of our Arizona Spoke and Alabama Spoke under these ISO standards.

We prioritize the safety of our employees, suppliers, contractors and visitors, aiming for a "zero-harm" workplace. We ensure compliance with all applicable occupational health and safety laws, regulations and standards in the jurisdictions in which we operate. Our employees receive comprehensive training on quality, health and safety and environmental requirements. Additionally, our facilities (including lines, machinery and tools used) are equipped with safety instructions, regularly practice emergency procedures and are maintained to ensure safe, clean and well-organized environments. All operating facilities meet applicable environmental, safety, and building code requirements and permits.

We measure our environmental and sustainability impacts in accordance with global standards and industry best practices, including the Sustainability Accounting Standards Board ("**SASB**") Waste Management Standard and the Task Force on Climate-related Financial Disclosures ("**TCFD**"). Our efforts include tracking energy usage, waste streams, and Scope 1 and Scope 2 emissions globally. We also monitor Health, Safety, Security, and Environmental incidents across our operations and implement correction actions as needed.

Li-Cycle is a proud signatory of the United Nations Global Compact (“**UNGC**”), underscoring our commitment to the UNGC’s Ten Principles, which align with the United Nations’ broader goals to foster an inclusive, ethical, and sustainable global future. In July 2024, we submitted our first annual UNGC Communication on Progress, highlighting our efforts towards these principles.

In May 2024, we published our 2023 Sustainability Report, which details our strategy, initiatives, and impacts on material environmental, social, and governance (ESG) topics. The full text of our 2023 Sustainability Report does not constitute a part of this Annual Report on Form 10-K and is not incorporated by reference herein.

Commitment to Environmental Stewardship

Our proprietary Spoke & Hub Technologies™ are specifically designed to minimize wastewater discharge, generate minimal solid waste, and operate with no direct greenhouse gas (“**GHG**”) emissions from our recycling processes.

Li-Cycle’s commitment to the environment stewardship has been recognized through several prestigious awards. Most recently, in 2024, we were honored with the Platts Global Energy Award for Commercial Technology of the Year, reflecting our advancements in sustainable solutions for the battery-grade materials supply chain. In 2023, Li-Cycle received the Bloomberg New Energy Finance Pioneers Award, acknowledging our contributions to building a more sustainable battery-grade materials supply chain and accelerating decarbonization. Additionally, in 2022, we were named to Corporate Knight’s “Future 50” list as one of Canada’s fastest-growing sustainable companies. Other notable accolades include being recognized by Cleantech Group as the 2022 Graduate of the Year in the Resources and Environment category and being named to Fortune magazine’s Change the World list for 2022, highlighting our commitment to driving meaningful change through innovation.

These recognitions, alongside our industry-leading technologies, reinforce our competitive advantage. Unlike traditional smelting or thermal processing methods - which typically involve burning lithium-ion batteries and can produce toxic off-gas emissions and direct GHG output - we believe Li-Cycle’s submerged shredding and hydrometallurgical processes offer a substantially smaller environmental footprint. Li-Cycle’s recycling process not only meets stringent municipal, state, and federal permitting requirements for the development of our Spokes and the Rochester Hub but also aligns with our customers’ growing demand for both quality and sustainable practices.

Support from Government Programs

On November 7, 2024, Li-Cycle entered into an agreement for a loan facility of up to \$475.0 million (including up to \$445.0 million of principal and up to \$30.0 million in capitalized interest) through the U.S. Department of Energy (“**DOE**”) Loan Programs Office’s (“**LPO**”) Advanced Technology Vehicles Manufacturing (“**ATVM**”) program following the DOE’s detailed technical, market, financial and legal due diligence. This loan supports the development of Li-Cycle’s flagship Rochester Hub project and demonstrates Li-Cycle’s important role in the U.S. battery materials supply chain as a domestic supplier of recycled critical battery materials to support energy independence for America, while bolstering the country’s national security. The first advance under the DOE Loan Facility is subject to satisfaction or waiver of certain conditions and requirements, including completing the Company’s base equity contribution to the Rochester Hub project and must occur on or prior to November 7, 2025. For more information, see the sections titled “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Liquidity and Financing Initiatives” and “Item 1A. Risk Factors — Risks Relating to Li-Cycle’s Business — Completion of our Rochester Hub is substantially contingent on our ability to fully draw down on our DOE Loan Facility, which contains a number of restrictive covenants and conditions precedent to the first and each draw. Failure to satisfy the conditions required to fully draw down on our DOE Loan Facility would have a material adverse effect on our business, financial condition and results of operations.”

On April 30, 2024, Li-Cycle received \$5.8 million (€5.3 million) of the \$6.9 million (€6.4 million) approved grant from the State of Saxony-Anhalt, Germany as a part of the “Improving the Regional Economic Structure” program. For more information, see Note 7 (Property, plant and equipment, net) to the Consolidated Financial Statements.

Intellectual Property

As of December 31, 2024, Li-Cycle had a total of 61 pending utility patent applications and issued utility patents, grouped into ten patent families based on common priority details, which cover aspects of Li-Cycle’s innovative

technologies and include issued patents or pending patent applications in Australia, Canada, China, Europe, Hong Kong, Japan, South Korea, United States, Belgium, Germany, France, United Kingdom, Netherlands, Sweden, Spain, Italy, Switzerland, Estonia, Finland, Croatia, Hungary, Norway, Poland and the World Intellectual Property Office. These applications and patents have filing dates between 2018 and 2023, and therefore will expire between 2038 and 2043.

All patents and patent applications are 100% owned by Li-Cycle.

Regulatory Landscape

There continues to be increased activity in lithium-ion battery regulation globally in recent years, with a continued focus to create domestic supply chains.

The North American regulatory landscape is governed by laws and regulations to establish environmental standards that impact Li-Cycle's operations, including, among other subjects, water use and air emissions, and the treatment, handling, transportation, and disposal of hazardous materials. Complying with federal, state, and local environmental regulations is integral to Li-Cycle's ability to operate in our communities.

Related to the treatment, handling, transportation and disposal of hazardous materials, the U.S. Environmental Protection Agency ("EPA") has been having discussions with participants in the battery recycling industry and developing proposals for universal waste standards for lithium-ion batteries. This proposed universal waste standard will be separate from the existing general battery universal waste category. Their proposal is intended to create standards that are in line with current industry best practices and is meant to harmonize battery management across the industry to improve safety standards and reduce fires from end-of-life lithium-ion batteries. Li-Cycle continues to monitor the development of this proposal.

We believe Li-Cycle is well-positioned to comply with heightened battery regulations across the globe. Li-Cycle holds all licenses currently required in connection with its technologies and operations. Li-Cycle has engaged a third-party consultant to provide support with permitting and regulatory compliance across all Li-Cycle products, and to update Li-Cycle regularly regarding legal and regulatory developments applicable to its business.

In 2023, important legislative developments took place in Europe to support faster growth of the cleantech industry and incentivize localization of battery supply chains. The European Union's Battery Regulation entered into force in August 2023. It stands as a pioneer regulation covering the entire life cycle of batteries, including end-of-life. The regulation progressively introduces binding recycling targets, including minimum material recovery rates of 90% for both cobalt and nickel, and 50% for lithium by December 2027 (increasing to 95% and 80%, respectively, by December 2031). Moreover, the regulation stipulates recycled content requirements for new batteries (being 16% recycled cobalt, 6% recycled nickel, and 6% recycled lithium by August 2031; and 26%, 15%, and 12%, respectively, by August 2036). Additionally, the European Union recently passed the Critical Raw Materials Act, whereby at least 25% of the European Union's consumption of strategic raw materials should come from domestic recycling by 2030. We believe this regulation will expedite permitting and facilitate access to public finance for selected battery recycling projects across the European Union. Local sourcing of raw materials, including through recycling, is seen as key to a more sovereign and sustainable use of resources. Continuous efforts are made to restrain the export of strategic raw materials, including battery waste containing lithium, nickel, and cobalt, outside of Europe. The European Union is expected to update the classification of waste battery material in 2025 and may prohibit black mass export to non-OECD countries. Finally, certain European member states have proposed a ban on per- and polyfluoroalkyl substances ("PFAS") in all products, which could, in the longer term, prevent batteries containing fluoropolymers from being placed on the European market.

Human Capital Resources

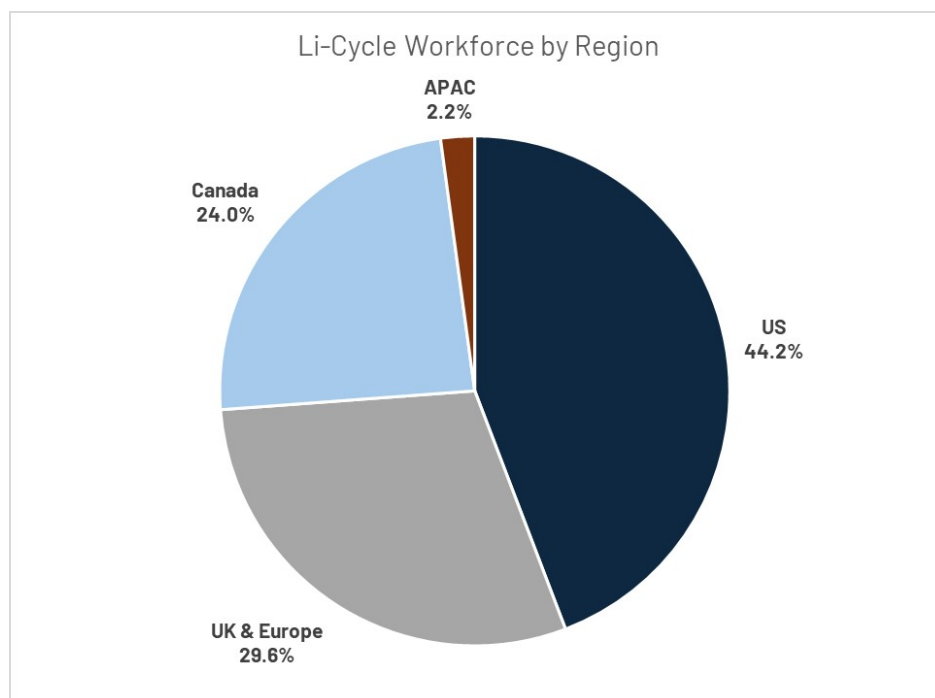
Li-Cycle's corporate values of safety, integrity, agility and sustainability reflect the principles that guide how we operate. At Li-Cycle, we are committed to supporting our employees through effective leadership, communication, management systems, training, and accountability. We believe in empowering high-performing employees to take ownership of their positions to build up the team around them and create a workplace culture of excellence.

Our Code of Business Conduct helps us build a workplace where we are all valued and promotes an environment in which we can all contribute and develop our talents, and where we all keep an open mind to new and innovative ideas and points of view. We believe that our business, our partners, and the communities that we serve benefit from unique perspectives, experiences, and skills.

In 2024, our commitment to safety continued to be a top priority and has been embedded in our tailored training programs for employees with particular focus on our Spoke operators. To fortify our safety initiatives, we conducted on-the-job and computer-based safety training, reinforcing secure practices across the organization.

We have established Environmental, Health and Safety management systems that are aligned with ISO Standards (14001, 45001 and 9001). Li-Cycle's Integrated Business Policy ("**IBP**") encompasses environmental, health and safety, and quality best practices. The IBP articulates our responsibility to operate in compliance, prevent pollution, continuously improve our processes, and to strive to be leaders in all aspects of the lithium-ion battery recycling industry.

As of December 31, 2024, we had a combined workforce of approximately 240 employees (full-time and full-time equivalents). We operate in the United States, Canada, Europe, and Asia. The graph below, illustrates the geographical distribution of our workforce.



Available Information

We file electronically with the SEC our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements and other information that we file with the SEC electronically. We will make available on our investor relations website at <http://investors.li-cycle.com>, free of charge, copies of these reports and other information as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report on Form 10-K and is not incorporated by reference herein.

ITEM 1A. RISK FACTORS

An investment in our securities carries a significant degree of risk. You should carefully consider all risk factors set forth in this Annual Report on Form 10-K, including our Consolidated Financial Statements and related notes in connection with your ownership of our securities. If any of these risks actually occur, our business and financial results could be materially adversely affected. This could cause the trading price of our securities to decline, perhaps significantly, and you therefore may lose all or part of your investment. These risks are not exhaustive and do not comprise all of the risks associated with an investment in the Company. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may also have a material adverse effect on our business, financial condition and results of operations.

Summary of Risk Factors

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in these “Item 1A. Risk Factors” for a more thorough description of these and other risks:

Risks Relating to Li-Cycle’s Business

- There is substantial doubt about Li-Cycle's ability to continue as a going concern and to achieve or sustain profitability. The Cash Preservation Plan, including the efforts to pursue financing options or strategic alternatives, may not achieve its intended results.
- The development of Li-Cycle's Rochester Hub is dependent on drawing on the DOE Loan Facility and the development of the Rochester Hub, Spokes and other future projects may not be completed on time or at the cost estimated and may not meet productivity or end product expectations.
- We require additional-third party financing or investment to fund our operations, satisfy the conditions to draw down on our DOE Loan Facility and to repay our liabilities, and we can provide no assurance that we will be able to obtain additional third-party financing or investment in our business, on attractive terms or at all.
- Li-Cycle may not be able to service its indebtedness or sustain its operations, the terms of its debt contain restrictive covenants, Li-Cycle may not be able to obtain necessary waivers or cure events of default under its debt instruments and its indebtedness is secured by a substantial portion of its assets.
- Li-Cycle may not be able to successfully implement its growth strategy, including any international expansion, and may be unable to manage future growth effectively. Any strategic transaction that Li-Cycle may engage in may be disruptive, dilute shareholders or otherwise adversely affect Li-Cycle's business.
- Li-Cycle may not be able to economically and efficiently source, recover and recycle lithium-ion battery materials, as well as third-party black mass, and to meet the market demand.
- Failure to materially increase recycling capacity and efficiency could materially adversely affect Li-Cycle. Li-Cycle is and will be dependent on the continuing operation and capacity of its recycling facilities and maintaining and sourcing sufficient feedstock.
- Problems with the handling of lithium-ion battery cells, the development of an alternative chemical make-up of lithium-ion batteries or battery alternatives or a decline in EV adoption rates or government support for “green” energy technologies could materially adversely affect Li-Cycle's revenues and results of operations.
- Li-Cycle's business is subject to operational and project development risks and the unavailability or cancellation of insurance coverage.
- Li-Cycle relies on a limited number of commercial partners to generate most of its current and expected revenue.
- Decreases in demand and fluctuations in benchmark prices for the metals contained in Li-Cycle's products and changes in the volume and composition of lithium-ion battery feedstock materials processed by Li-Cycle could significantly impact Li-Cycle's costs, revenues and results of operations.

- Li-Cycle's reliance on the experience and expertise of its senior management and key personnel may cause material adverse impacts on it if a senior management member or key employee departs.
- Li-Cycle relies on third-party consultants for its regulatory compliance and could be materially adversely impacted if the consultants do not correctly inform Li-Cycle of the regulatory changes. Further, Li-Cycle is subject to the risk of litigation, foreclosure or regulatory proceedings, which could materially adversely impact its financial results.
- Li-Cycle may not be able to complete its recycling processes as quickly as customers may require, which could cause it to lose supply contracts and could harm its reputation. Li-Cycle operates in an emerging, competitive industry and failure to compete successfully could materially adversely affect revenue and profitability.
- Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could materially adversely affect Li-Cycle's business, results of operations and financial condition.
- Li-Cycle's operating and financial results may vary significantly from period to period and fluctuations in foreign currency exchange rates could result in increases in Li-Cycle's operating costs.
- Unfavorable economic or geopolitical conditions, including disruptions in the global supply chain and inflation, natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events could have a material adverse effect on Li-Cycle's business, results of operations and financial condition.
- Failure to protect or enforce Li-Cycle's intellectual property could materially adversely affect its business, and Li-Cycle may be subject to intellectual property rights claims by third parties, which could be costly to defend, could require us to pay significant damages and could limit the Company's ability to use certain technologies.

Risks Relating to Ownership of Our Securities

- Our by-laws could limit shareholders' ability to obtain a favorable judicial forum for disputes.
- We may issue additional common shares or other equity securities without shareholder approval, which would dilute the ownership interests of existing shareholders and may depress the market price of our common shares. Our executive officers and directors may also have interests that are different than yours.
- The market price of our common shares has been and may continue to be volatile and we do not currently intend to pay dividends.
- An active, liquid trading market for our common shares may not be sustained.
- We have identified material weaknesses in our ICFR. Failure to develop and maintain an effective ICFR could have a material adverse effect on our business, results of operations and trading price of our common shares.
- We need to incur significant expense, time and resources to comply with the rules applicable to "U.S. domestic issuers".
- The Company becoming a "passive foreign investment company" could have material adverse U.S. federal income tax consequences for U.S. Holders.
- Our inability to meet expectations and projections in any analyst reports, or a lack of coverage by securities or industry analysts, could result in a depressed market price and limited liquidity for its shares.
- The Company's substantial convertible debt may cause substantial dilution or, depending on certain future events, a change of control of the Company, affecting the trading price of our common shares and the shareholders' interests.
- We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and share price.

- We may not be able to repurchase or make cash payments required by the Warrants and the provisions of the Warrants may discourage an acquisition of us by a third party.

Risks Relating to Li-Cycle's Business

There is substantial doubt about Li-Cycle's ability to continue as a going concern.

As of December 31, 2024, Li-Cycle held cash and cash equivalents of \$22.6 million. For the year ended December 31, 2024, Li-Cycle's net loss and net cash used in operating activities amounted to \$137.7 million and \$106.4 million, respectively. Li-Cycle has also incurred significant losses since inception, expects to incur net losses in the future and has a declining cash balance. Li-Cycle expects to continue to have a net cash outflow from operations for the foreseeable future. Li-Cycle will require significant additional capital in order to satisfy the conditions to draw on the DOE Loan Facility and to restart the Rochester Hub project. The Company can provide no assurance as to when, if ever, or how much, if any, funds will be available or received from the DOE Loan Facility. The Company also requires capital to fund existing and remaining capital commitments related to the Rochester Hub, as well as for general business operations. Certain contractors, subcontractors, consultants and suppliers (together, the "lienors") have filed purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses, and also commenced a lien foreclosure action, which has been stayed pending completion of the arbitration proceedings. See "**Risks Relating to Li-Cycle's Business—The development of Li-Cycle's Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others**" and "Item 3. Legal Proceedings". In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, meet quality, engineering, design or production standards, or meet the required production volumes to successfully grow into a viable, cash flow positive business. Other circumstances such as a continued rise in inflation, commodity and labor prices, adverse regulatory and policy changes and other challenging macroeconomic conditions, may also arise, which could have a material and adverse effect on the Company's cash flow and anticipated cash needs, which in turn could result in significant additional funding needs. As a result, Li-Cycle requires additional short or long-term financing in the near term in order to have sufficient cash and cash equivalents on hand to support current operations for the twelve months following the filing of this Annual Report on Form 10-K. This casts substantial doubt upon the Company's ability to continue as a going concern without access to additional capital through financing transactions or otherwise. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital in the near term and may therefore need to significantly modify or terminate operations or dissolve and liquidate its assets under applicable bankruptcy laws or otherwise file for bankruptcy protection.

The development of Li-Cycle's Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others.

Li-Cycle's Rochester Hub, Spoke network and other future projects are subject to development risks, including with respect to engineering, permitting, procurement, construction, commissioning and ramp-up. Because of the uncertainties inherent in estimating construction and labor costs, including as a result of unfavorable market conditions, and the potential for the scope of a project to change, it is relatively difficult to evaluate accurately the total funds that will be required to complete the Rochester Hub, Spoke network or other future projects. Further, Li-Cycle's estimates of the amount of time and cost it will take to complete the Rochester Hub, Spoke network or other future projects are based on assumptions about the timing of engineering studies, financing and availability of financing, permitting, procurement, construction, commissioning and ramp-up, all of which can vary significantly from the time an estimate is made to the time of completion.

On October 23, 2023, Li-Cycle announced that it was pausing construction work on its Rochester Hub, pending completion of a comprehensive review of the go-forward strategy for the project. The pause in construction was due to escalating costs and the expectation that aggregate costs to complete the existing scope of the project would exceed the previously disclosed budget of \$560.0 million. As at December 31, 2024, the Company had incurred total costs of \$566.6 million on the project including costs incurred but not yet paid of \$89.7 million. Total costs incurred also includes the contribution for the construction of process buildings and warehouse of \$96.7 million.

As part of the comprehensive review, Li-Cycle completed a technical review of the MHP scope for the Rochester Hub and confirmed the technical viability of the MHP scope through an internal study that allows the project to proceed on a schedule aligned with the Company's current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits and regulatory approvals, if needed, and additional financing. The construction, commissioning and operating costs for process areas associated with production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub, were not included in the technical review, and there are no current plans that include production of nickel sulphate and cobalt sulphate. However, the areas dedicated to the production of nickel sulphate and cobalt sulphate would be left intact under the MHP scope, to allow for the potential construction, completion, and integration of these areas in the future, although no such plans are contemplated at this time. As previously reported, Li-Cycle's estimated project cost for the Rochester Hub project is approximately \$960.2 million for the MHP scope, which excludes costs for project commissioning, ramp-up, working capital or financing. The Company's current estimate of cost to complete is approximately \$483.3 million, including \$89.7 million of costs incurred but not yet paid related to the Rochester Hub project as of December 31, 2024. As a result, the Company has determined that it will require significant additional funding before restarting the Rochester Hub project on the basis of the MHP scope or otherwise. In addition, in connection with the comprehensive review, Li-Cycle also paused or slowed down operations at its North American Spokes and is currently re-evaluating the Company's strategy for its North American Spokes, which may include further pauses or slowdowns. For additional details, see the section titled "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Operational Initiatives."

Certain contractors, subcontractors, consultants and suppliers (together, the "lienors") have filed purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project, under New York Lien Law, given alleged delays in making payments to those lienors. As at March 18, 2025, there were liens on the Company's interests in the Rochester Hub property filed by contractors and suppliers to the Company of approximately \$64.0 million and filed by subcontractors to the Company's contractors of approximately \$36.0 million, as well as liens on the Company's interests in the warehouse and administrative building for the Rochester Hub filed by the Warehouse Landlord of approximately \$5.1 million. Such liens may restrict the Company's ability to dispose of its interest in such properties or pledge its interests in such properties as collateral for future financing arrangements while they remain in place. In addition, the lienors may enforce their liens by court action and courts may cause the Company's interest in the applicable properties to be sold to satisfy such liens. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses, and also commenced a lien foreclosure action, which has been stayed pending completion of the arbitration proceedings. There can be no assurances that any efforts by the Company to negotiate payment plans with the lienors will be successful, timely or on terms favorable to the Company. Further, the lienors could have priority over the Company's shareholders in the event of bankruptcy or similar proceedings and, as a result, the amount of distributions our shareholders could receive in such bankruptcy or a similar proceeding could be reduced. For additional details, see the section titled "Item 3. Legal Proceedings".

Li-Cycle cannot guarantee that the costs of the Rochester Hub, the Spoke network or other future projects will not be higher than estimated, or that it will have sufficient capital to cover such costs, or that it will be able to complete the Rochester Hub, Spoke network or other future projects within expected timeframes. Any such cost increases or delays could negatively affect Li-Cycle's results of operations and ability to continue to grow, particularly if the Rochester Hub, the Spoke network or any other future project cannot be completed. Further, there can be no assurance that the Rochester Hub or the Spoke network will perform at the expected production rates or unit costs, or that their respective end products will meet the intended specifications.

Completion of our Rochester Hub is substantially contingent on our ability to fully draw down on our DOE Loan Facility, which contains a number of restrictive covenants and conditions precedent to the first and each draw. Failure to satisfy the conditions required to fully draw down on our DOE Loan Facility would have a material adverse effect on our business, financial condition and results of operations.

As part of our Cash Preservation Plan, we paused construction work on our Rochester Hub in October 2023, pending completion of a comprehensive review of the project's future strategy. The cost to recommence and complete construction of the Rochester Hub under the proposed MHP scope is currently estimated at \$483.3 million. Our DOE Loan Facility, which closed on November 7, 2024, provides for up to \$475.0 million of loans under the DOE's ATVM Program to recommence construction on the Rochester Hub Project. We cannot, however, access these funds immediately or at once, but only through periodic draws, assuming eligible costs are incurred, and the first draw must occur prior to November 7, 2025. Our ability to draw on the DOE Loan Facility is subject to satisfaction of additional conditions and requirements, including, among others (i) obtaining financing of approximately \$173.0 million of the base equity contribution to fund reserve accounts required under the DOE Loan Facility (the "**Reserve Accounts**") (of which up to approximately \$97.0 million can be satisfied via letters of credit), and (ii) satisfying a minimum unrestricted cash condition, both prior to and following completion of the Rochester Hub. We are presently aware of no such sources of financing to fund the base equity contribution we are required to provide as a condition to drawing on the DOE Loan Facility. There can be no assurance that the Company will be able to secure such additional funding, under reasonable commercial terms or at all.

If we are unable to satisfy the conditions required to borrow under the DOE Loan Facility, we may not have access to sufficient funding to complete the Rochester Hub, which would have a material adverse effect on our business, financial condition, and results of operations. On January 20, 2025, U.S. President Donald Trump signed the "Unleashing American Energy" Executive Order, which, among other things, paused the disbursement of funds appropriated through the Inflation Reduction Act of 2022 or the Infrastructure Investment and Jobs Act by all federal agencies, including the DOE. While we intend to continue to work closely with the DOE with respect to the DOE Loan Facility, there can be no assurances that we will be able to draw down the anticipated funds under the DOE Loan Facility. If we are unable to draw down the anticipated funds under the DOE Loan Facility, or we are delayed in making such draw downs, we will need to obtain additional or alternative financing to complete our Rochester Hub. Such additional or alternative financing may not be available on attractive terms, if at all, and could be more costly for us to obtain.

The DOE Loan Facility documents contain covenants that include, among others, a requirement that the Rochester Hub project be conducted in accordance with the business plan for the project, compliance with all requirements of the DOE's ATVM Program, and limitations on our and our subsidiaries' ability to incur indebtedness, incur liens, make investments or loans, enter into mergers or acquisitions, dispose of assets, pay dividends or make distributions on capital stock, prepay indebtedness, pay management, advisory or similar fees to affiliates, enter into certain material agreements and affiliate transactions, enter into new lines of business and enter into certain restrictive agreements. These restrictions may limit our ability to operate our business and may cause us to take actions or prevent us from taking actions we believe are necessary from a competitive standpoint or that we otherwise believe are necessary to grow our business. In addition, if we are unable to comply with the restrictive covenants under the DOE Loan Facility, we may default under the terms of the DOE Loan Facility. If there is an event of a default, we would not be eligible to draw funds under the DOE Loan Facility and such event of default, if not cured or waived, could result in the acceleration of outstanding loans under the DOE Loan Facility.

Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future and may never achieve or sustain profitability.

Li-Cycle was until 2020 a development stage company with no commercial revenues. The Company incurred a net loss of \$137.7 million for the year ended December 31, 2024, a net loss of \$138.0 million for the year ended December 31, 2023, a net income of \$1.6 million for the two months ended December 31, 2022, and net losses of \$50.3 million for the year ended October 31, 2022 and \$70.5 million for the year ended October 31, 2021. Li-Cycle expects to incur net losses in the future and may never achieve sustained profitability. Net losses have had, and will continue to have, an adverse effect on working capital, total assets and shareholders' equity. The Company has concluded that under ASC 205 – *Presentation of financial statements*, there is substantial doubt about its ability to continue to as a going concern.

Our ability to continue as a going concern is dependent on our ability to obtain the necessary financing to meet our obligations and repay our liabilities arising from the ordinary course of business operations when they become due. Li-Cycle expects to continue to have a net cash outflow from operations for the foreseeable future as it continues its efforts to pursue a financing or alternative strategic transaction in addition to funding existing and remaining capital commitments related to its Rochester Hub and general business operations. In addition, certain contractors, subcontractors, consultants and suppliers (together, the "**lienors**") have filed purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to

seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses, and also commenced a lien foreclosure action, which has been stayed pending completion of the arbitration proceedings. See “ – *Risks Relating to Li-Cycle’s Business—The development of Li-Cycle’s Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others*”. As a result, the Company’s ability to satisfy claims of all its creditors in full as well as any other payment obligations is uncertain. There are also inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business. Other circumstances such as a continued rise in inflation, commodity and labor prices, adverse regulatory and policy changes and other challenging macroeconomic conditions may also arise, which could have a material and adverse effect on the Company’s cash flow and anticipated cash needs, which in turn could result in significant additional funding needs. In addition, the closed loop resource recovery, logistics management, secure destruction and add-on services of Li-Cycle’s lithium-ion battery recycling operations are capital-intensive. While we have implemented the Cash Preservation Plan in order to reduce expenses and slow cash outflows and have been evaluating financing and strategic alternatives, including the letter received from Glencore on March 14, 2025 expressing its interest in a potential transaction involving Li-Cycle, the outcome of these initiatives cannot be predicted with any certainty at this time. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital in the near term and may therefore need to significantly modify or terminate our operations or dissolve and liquidate our assets under applicable bankruptcy laws or otherwise file for bankruptcy protection.

Because of the numerous risks and uncertainties associated with the current status of Li-Cycle’s business, even if Li-Cycle is able to address its liquidity needs, Li-Cycle is unable to predict if it will become profitable or maintain profitability. Li-Cycle’s inability to achieve, and then maintain, profitability would negatively impact its business, financial condition, results of operations, and cash flows.

There can be no assurance that the Cash Preservation Plan or the efforts to pursue financing options or strategic alternatives will achieve any of the intended results.

On November 1, 2023, the Company initiated the implementation of the Cash Preservation Plan, which has resulted in a reduction of staffing in the Company’s corporate support functions, commencement of closure activities at its Ontario Spoke, curtailing of operations at its New York Spoke and implementing a plan to manage lower levels of BM&E production, and slow down operations at its remaining operating Spoke locations. The Cash Preservation Plan also involves reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company’s available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project. There can be no assurances that the Cash Preservation Plan will be successful.

In light of our liquidity position and anticipated funding requirements, the Special Committee engaged Moelis to assist with exploring financing options and evaluate strategic alternatives. While Li-Cycle was successful in closing the Glencore Senior Secured Convertible Note investment, the Company will require a significant amount of financing in addition to the proceeds of the Glencore Senior Secured Convertible Note, the ATM Program and the Underwritten Offering in order to meet its funding needs. While we have been evaluating financing and strategic alternatives, including the letter from Glencore on March 14, 2025 expressing its interest in a potential transaction involving Li-Cycle, we can provide no assurance as to the outcome of any of these efforts. The process of evaluating any funding options or strategic alternatives is costly, time-consuming and complex. Li-Cycle has incurred, and may in the future incur, significant costs related to this evaluation, as well as additional unanticipated expenses. A considerable portion of these costs have been and will continue to be incurred regardless of whether any such course of action is implemented, or any transaction is completed. Any such costs will decrease the remaining cash available for use in Li-Cycle’s business. Any delays in this process will cause Li-Cycle’s cash balance to continue to deplete, which could make it less attractive as a counterparty. The continued review of Li-Cycle’s options may also create continued uncertainty for its employees, including as a result of the past and future reductions in workforce, and the Cash Preservation Plan. This uncertainty may adversely affect the Company’s ability to retain key employees necessary to maintain its ongoing operations or to execute any potential financing or a strategic transaction. In addition, a strategic alternative process can require a significant amount of management and other employee’s time and focus, which diverts attention from operating the business. If we fail to achieve some or all of the expected benefits of the financing options and strategic alternatives review, we may need to

significantly modify or terminate our operations or dissolve and liquidate our assets under applicable bankruptcy laws or otherwise file for bankruptcy protection.

Further, the market capitalization of Li-Cycle has sharply declined following the announcement of the construction pause on the Rochester Hub project on October 23, 2023, as well as following the suspension of trading of our common shares on the NYSE after market close on February 26, 2025 and the commencement of trading of our common shares on the OTCQX on February 27, 2025. As a result, there is a risk that minimal or no value will be assessed on Li-Cycle's assets by potential counterparties, and that Li-Cycle may not be able to complete any transaction before its cash position is reduced such that it will need to terminate operations or dissolve and liquidate its assets under applicable bankruptcy laws or otherwise file for bankruptcy protection.

The Cash Preservation Plan and any financing or other strategic transaction that Li-Cycle may consummate in the future could harm our business, operating results and financial condition and there can be no assurances that any future financing or strategic transaction will lead to increased shareholder value or achieve any of the anticipated results. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant further dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common shares. See *"Risks Relating to the Ownership of Our Common Shares—The issuance of our common shares in connection with the conversion of the KSP Convertible Notes and the Glencore Convertible Notes would cause substantial dilution, and could materially affect the trading price of our common shares and your interests and any future financings may cause further dilution"*. Furthermore, any additional financing may be insufficient to provide sufficient liquidity for ongoing operations, fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs, and additional financing may have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future financing.

If Li-Cycle is successful in continuing to implement the Cash Preservation Plan or completing any further financing or other strategic alternative, it may still be subject to other operational and financial risks, including but not limited to, increased near-term and long-term expenditures; higher than expected financing or other strategic transaction costs; the incurrence of substantial debt or dilutive issuances of equity securities to fund future operations; write-downs of assets; impairment of relationships with key suppliers or customers due to changes in structure, management or ownership; the inability to retain key employees; and the possibility of future litigation.

Li-Cycle may not be able to generate or raise sufficient cash to service its debt and sustain its operations.

As of December 31, 2024, we had substantial indebtedness outstanding, including an aggregate principal amount of \$133.7 million outstanding under the KSP Convertible Note, \$124.1 million outstanding under the First A&R Glencore Note, \$121.8 million outstanding under the Second A&R Glencore Convertible Note and \$81.6 million outstanding under the Glencore Senior Secured Convertible Note. Our ability to make principal or interest payments when due on our indebtedness, including obligations under the KSP Convertible Notes and the Glencore Convertible Notes, and to fund our ongoing operations, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these *"Item 1A. Risk Factors"*, many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, will achieve revenue growth, or that cost savings and operating improvements will be realized or that future debt and/or equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the KSP Convertible Notes and the Glencore Convertible Notes, or to fund our other liquidity needs. See *"—Risks Relating to Li-Cycle's Business—Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future and may never achieve or sustain profitability"* and *"—Risks Relating to Li-Cycle's Business—There can be no assurance that the Cash Preservation Plan or the efforts to pursue financing options or strategic alternatives will achieve any of the intended results."* In addition, the terms of the KSP Convertible Notes and the Glencore Convertible Notes contain mandatory redemption provisions that are triggered upon the occurrence of certain events. See Note 13 (Convertible debt) to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. We may not have sufficient available cash or be able to obtain financing at the time of a mandatory redemption. Our failure to redeem any or all of the KSP Convertible Notes and the Glencore Convertible Notes, as applicable, as required by their respective terms, will constitute a default thereunder, as applicable. Such a default could also lead to a default and cross-acceleration under agreements

governing our other present or future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the interest on such indebtedness.

If our future cash flows from operations and other capital resources are insufficient to service our debt obligations and repay the same as they mature, or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the KSP Convertible Notes and the Glencore Convertible Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital-raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay all of our debt.

Any failure to make payments on our existing debt on a timely basis could result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business, financial condition and results of operations. There can be no assurance that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If our business does not generate sufficient cash flows from operations and if we are unsuccessful in raising additional capital, we may not have sufficient cash to service our debts and repay the same when due, including the KSP Convertible Notes and the Glencore Convertible Notes, or to fund our other liquidity needs.

We require additional-third party financing or investment to fund our operations, satisfy the conditions to draw down on our DOE Loan Facility and to repay our liabilities, and we can provide no assurance that we will be able to obtain additional third-party financing or investment in our business, on attractive terms or at all.

We require additional financing to meet our obligations and repay our liabilities arising from the ordinary course of business operations when they become due in order to continue as a going concern. We are presently aware of no such additional sources of financing to meet our obligations and repay our liabilities arising from the ordinary course of business. In addition, in order to draw on the DOE Loan Facility we must, among other things, obtaining financing of approximately \$173.0 million of the base equity contribution to fund reserve accounts required under the DOE Loan Facility. We are presently aware of no such sources of financing to fund the base equity contribution we are required to provide as a condition to drawing on the DOE Loan Facility. The Special Committee continues to explore financing options and evaluate strategic alternatives. On March 14, 2025, we received a letter from Glencore, expressing its interest in a potential transaction involving Li-Cycle. We can provide no assurance that we will enter into a strategic transaction with Glencore, on terms attractive to our shareholders and other stakeholders, or at all. Given the Company's current financial position, the terms of any such strategic transaction may assign limited or no value to the Company's existing equity. If we are unable to obtain additional financing or enter into a strategic transaction, we will need to significantly modify or terminate operations and may need to dissolve and liquidate our assets under applicable bankruptcy laws or otherwise file for bankruptcy protection. See the section titled "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

The Glencore Senior Secured Convertible Note contains restrictive debt covenants that limit our operating and financial flexibility, including a liquidity covenant that requires the Company to maintain a minimum amount of liquidity.

The Glencore Senior Secured Convertible Note contains covenants that impose significant operating and financial restrictions on us. These covenants limit our ability to, among other things:

- incur or guarantee additional indebtedness;
- make certain restricted payments, restricted debt payments and investments;

- merge, consolidate or transfer or sell assets;
- enter into transactions with affiliates;
- create or incur certain liens;
- make certain loans, investments or acquisitions; and
- create or incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us.

All of these restrictions are subject only to limited exceptions and qualifications. In particular, we have very limited ability to incur or guarantee additional debt, create or incur liens and make loans, investments or acquisitions. In addition, we will be required to redeem a portion of the Glencore Senior Secured Convertible Note upon the occurrence of certain events and to redeem the Glencore Senior Secured Convertible Note as well as the First A&R Glencore Note and the Second A&R Glencore Note upon the occurrence of a change of control. The covenants to which we are subject pursuant to the Glencore Senior Secured Convertible Note could limit our ability to implement our business plan, to finance our future operations and capital needs and to pursue business opportunities and activities that may be in our interest. The Glencore Senior Secured Convertible Note also contains a minimum liquidity covenant that requires us to maintain a minimum amount of liquidity of \$10.0 million, tested monthly. In addition, the Glencore Senior Secured Convertible Note also contains a capital expenditure covenant that restricts our ability to make capital expenditures in excess of \$2.0 million in any transaction or series of related transactions, subject to certain exceptions. Any uncured breach of the covenants contained in the Glencore Senior Secured Convertible Note, including the minimum liquidity covenant, could result in the occurrence of an event of default under the Glencore Senior Secured Convertible Note, which would enable the holder of the Glencore Senior Secured Convertible Note to potentially accelerate the maturity of the principal amount due under the Glencore Senior Secured Convertible Note and foreclose on the collateral which secures the obligations under the Glencore Senior Secured Convertible Note.

The Glencore Senior Secured Convertible Note, the First A&R Glencore Note and the DOE Loan Facility are, and the Second A&R Glencore Note will be, secured by a substantial portion of the assets of the Company and its subsidiaries, resulting in the lack of substantial remaining assets available for incurring additional secured indebtedness.

The Glencore Senior Secured Convertible Note and the First A&R Glencore Note are, and the Second A&R Glencore Note will be, guaranteed by certain subsidiaries of the Company and the Glencore Senior Secured Convertible Note and the First A&R Glencore Note are, and the Second A&R Glencore Note will be, secured by perfected first priority security interests (subject to customary exceptions and permitted liens) over the assets of the Company and of its U.S. and Canadian subsidiaries, including intellectual property, and a pledge of the equity interests of each U.S. and Canadian subsidiary. In addition, the Glencore Senior Secured Convertible Note and the First A&R Glencore Note are, and the Second A&R Glencore Note will be, secured by grants of perfected first-priority security interests (subject to customary exceptions and permitted liens) in all the material intragroup receivables and the material bank accounts of Li-Cycle Germany GmbH and Li-Cycle Europe AG held by such entities in their respective jurisdictions of organization, and by the equity interests in Li-Cycle Germany GmbH and Li-Cycle Europe AG held by Li-Cycle Europe AG and the Company, respectively.

The obligations under the DOE Loan Facility are secured on a first priority basis (subject to customary exceptions and permitted liens) by, and among other things, the assets of the Borrower Entities, the shares of the Borrower Entities, and certain rights, title and interests in the Rochester Hub.

Because a substantial portion of the Company's assets secure the Glencore Senior Secured Convertible Note, the First A&R Glencore Note and the DOE Loan Facility, and will secure the Second A&R Glencore Note, we do not have substantial remaining assets available to secure other indebtedness. Accordingly, we may not be able to incur additional secured indebtedness in the future. In addition, the terms of each of the Glencore Convertible Notes and the DOE Loan Facility significantly limit our ability to incur additional debt, including secured debt. If we are unable in the future to incur additional indebtedness, including secured indebtedness, to finance our operations and projects, such limitation could have an adverse effect on our business plans or our ability to obtain future financing, financial condition and results of operations.

Li-Cycle may not be able to successfully implement its global growth strategy, on a timely basis or at all.

Li-Cycle's future global growth, results of operations and financial condition depend upon its ability to successfully implement its growth strategy, which, in turn, is dependent upon a number of factors, some of which are beyond Li-Cycle's control, including its ability to:

- Economically recycle and recover LIB and meet customers' business needs;
- Effectively introduce methods for higher recovery rates and solutions to recycling of LIB;
- Complete the construction of its future facilities, including the Rochester Hub, the Planned Portovesme Hub and the Spoke network, at a reasonable cost on a timely basis;
- Invest and keep pace in technology, research and development efforts, and the expansion and defense of its intellectual property portfolio;
- Secure and maintain required strategic supply arrangements;
- Secure and maintain leases for future Spoke & Hub facilities at competitive rates and in favorable locations;
- Apply for and obtain the permits necessary to operate Spoke & Hub facilities on a timely basis;
- Effectively compete in the markets in which it operates; and
- Attract and retain management or other employees who possess specialized knowledge and technical skills.

There can be no assurance that Li-Cycle can successfully achieve any or all of the above initiatives in the manner or time period that it expects. On October 23, 2023, Li-Cycle announced that it was pausing construction work on its Rochester Hub, pending completion of a comprehensive review of the go-forward strategy for the project. In view of the pause in construction of the Rochester Hub project, the Company has commenced closure activities at the Ontario Spoke, curtailed operations at the New York Spoke, and slowed down operations at its operating Spokes in North America and Europe. The Company is also re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term and has paused the expansion of its Spoke network. See the section titled "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Cash Preservation Plan. As a result, the Company's global growth strategy is subject to significant change. Further, achieving growth strategy objectives will require investments that may result in both short-term and long-term costs without generating any current revenue and therefore may be dilutive to earnings.

Li-Cycle cannot provide any assurance that it will realize, in full or in part, the anticipated benefits it expects to generate from its growth strategy. Failure to realize those benefits could have a material adverse effect on Li-Cycle's business, results of operations and financial condition.

Li-Cycle may be unable to manage future global growth effectively.

Our plans for future global growth are currently paused as we continue to review the go-forward strategy of our business. Even if we are subsequently able to successfully implement a global growth strategy, any failure to manage our growth effectively could materially and adversely affect Li-Cycle's business, results of operations and financial condition. Any such expansion would require us to hire and train new employees in different countries; accurately forecast supply and demand, production and revenue; source and maintain supplies of LIB and third-party black mass; control expenses and investments in anticipation of expanded operations; establish new or expand current design, production, and sales and service facilities; and implement and enhance administrative infrastructure, systems and processes. Future growth may also be tied to acquisitions, and Li-Cycle cannot guarantee that it will be able to effectively acquire other businesses or integrate businesses that it acquires.

Li-Cycle's success will depend on its ability to economically and efficiently source, recover and recycle lithium-ion battery-grade materials, as well as third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

Li-Cycle's future business depends in large part on its ability to economically and efficiently source, recycle and recover lithium-ion battery-grade materials (including end-of-life batteries and battery manufacturing scrap), as well as

third-party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries. Although it currently recycles and recovers lithium-ion battery-grade materials at Spoke facilities in Arizona, Alabama and Germany, Li-Cycle will need to scale its recycling capacity in order to implement its growth strategy. In view of the pause in construction of the Rochester Hub, the Company has commenced closure activities at the Ontario Spoke, curtailed operations at the New York Spoke and slowed down operations at its operating Spokes in North America and Europe. The Company is also re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term and expects to continue to pause or slow down operations at its operational Spokes in North America and has paused the expansion of its Spoke network. See the section titled “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Cash Preservation Plan*”. As a result, there can be no assurances that Li-Cycle can scale its recycling capacity on a timely basis or at all.

Although Li-Cycle has experience in recycling lithium-ion battery-grade materials in its existing Spoke facilities, Li-Cycle has not yet developed or operated a Hub facility on a commercial scale to produce and sell battery grade materials. Li-Cycle does not know whether it will be able to develop efficient, automated, low-cost recycling capabilities and processes, or whether it will be able to secure reliable sources of supply, in each case that will enable it to meet the production standards, costs and volumes required to successfully recycle LIB and meet its business objectives and customer needs. Even if Li-Cycle is successful in high-volume recycling in its current and future facilities, it does not know whether it will be able to do so in a manner that avoids significant delays and cost overruns, including as a result of factors beyond its control, such as problems with suppliers, or in time to meet the commercialization schedules of future recycling needs or to satisfy the requirements of its customers. Li-Cycle’s ability to effectively reduce its cost structure over time is limited by the fixed nature of many of its planned expenses in the near-term, which are currently under review and subject to change, and its ability to reduce long-term expenses is constrained by its need to continue investment in its future growth. Any failure to develop and scale such manufacturing processes and capabilities within Li-Cycle’s projected costs and timelines could have a material adverse effect on its business, results of operations and financial condition.

Failure to materially increase recycling capacity and efficiency could have a material adverse effect on Li-Cycle’s business, results of operations and financial condition.

Although Li-Cycle’s operating Generation 3 Spokes in Arizona, Alabama and Germany currently have total main line processing capacity and ancillary processing capacity of over 50,000 tonnes of LIB per year, the future success of Li-Cycle’s business depends in part on its ability to significantly increase recycling capacity and efficiency at its facilities. Li-Cycle may be unable to expand its business, satisfy demand from its current and new customers, maintain its competitive position and achieve profitability if it is unable to build and operate future facilities. The construction of future facilities will require significant cash investments and management resources and may not meet Li-Cycle’s expectations with respect to increasing capacity, efficiency and satisfying additional demand. For example, if there are delays in any future planned Hub, such as the Rochester Hub, construction of any future planned Spoke network and/or the future construction of other Spoke & Hub facilities, or if its facilities do not meet expected performance standards or are not able to produce materials that meet the quality standards Li-Cycle expects, Li-Cycle may not meet its target for adding capacity, which would limit its ability to increase sales and result in lower than expected sales and higher than expected costs and expenses. In view of the pause in construction of the Rochester Hub project, the Company has slowed operations at its North American Spokes by commencing closure activities at the Ontario Spoke, curtailing operations at the New York Spoke and slowing down operations at its Arizona and Alabama Spokes. The Company is also re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term and has paused the expansion of its Spoke network. See the section titled “*Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Cash Preservation Plan*”. As a result, there can be no assurances that Li-Cycle can increase its recycling capacity on a timely basis or at all. Failure to drastically increase recycling and processing capacity or otherwise satisfy customers’ demands may result in a loss of market share to competitors, damage Li-Cycle’s relationships with its key customers, a loss of business opportunities or otherwise materially adversely affect its business, results of operations and financial condition.

Li-Cycle may engage in strategic transactions, including acquisitions, that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in the incurrence of debt, or prove not to be successful.

From time to time, Li-Cycle may enter into transactions to acquire other businesses or technologies, to enter into joint ventures or to develop additional commercial relationships and its ability to do so successfully cannot be ensured. As previously announced, Li-Cycle and Glencore recently resumed collaboration to assess the technical and economic viability of developing a new Hub facility in Portovesme, Italy, including a concept and pre-feasibility study. Li-Cycle will

be dependent on its strategic partners with respect to any joint ventures in the future. Conflicts or disagreements between Li-Cycle and its strategic partners, or failure of Li-Cycle's strategic partners to commit sufficient resources to a joint venture may, among other things, delay or prevent the successful development or operation of any joint ventures, which could have a material adverse effect on Li-Cycle's business, financial condition, results of operations and prospects. Li-Cycle's acquisitions or other strategic transactions could include the payment of the purchase price in whole or in part using Li-Cycle's common shares, which would have a dilutive impact on existing shareholders. Li-Cycle may also decide to incur debt in connection with an acquisition or any other strategic transaction. Even if Li-Cycle identifies suitable opportunities for acquisitions, joint ventures or other strategic transactions, Li-Cycle may not be able to make such transactions on favorable terms or at all. Any strategic transactions Li-Cycle makes may not strengthen its competitive position, and these transactions may be viewed negatively by customers, suppliers or investors. Li-Cycle could incur losses resulting from undiscovered liabilities of an acquired business that we failed to or were unable to discover or were unable to quantify in the course of performing due diligence and that are not covered by any indemnification Li-Cycle may obtain from the seller. In addition, Li-Cycle may not be able to successfully integrate the acquired personnel, technologies and operations into its existing business in an effective, timely and non-disruptive manner. Strategic transactions may also divert management attention from day-to-day responsibilities, increase Li-Cycle's expenses and reduce Li-Cycle's cash available for operations and other uses. In addition, Li-Cycle may not be able to fully recover the costs of such acquisitions, joint ventures or other strategic transitions or be successful in leveraging any of them into increased business, revenue or profitability. Li-Cycle also cannot predict the number, timing or size of any future transactions or the effect that any such transactions might have on its results of operations. Accordingly, although there can be no assurance that Li-Cycle will undertake or successfully complete any acquisitions, joint ventures or other strategic transactions, any transactions that Li-Cycle does complete may be subject to the foregoing or other risks and may have a material adverse effect on Li-Cycle's business, financial condition, results of operations and prospects.

Operating or expanding internationally involves risks that could delay any of our future expansion plans and/or prohibit us from entering markets in certain jurisdictions, which could have a material adverse effect on our results of operations.

International operations are subject to certain risks inherent in doing business abroad, including:

- political, civil and economic instability;
- risks of war and other hostilities;
- corruption risks;
- trade, customs and tax risks;
- currency exchange rates and currency controls;
- limitations on the repatriation of funds;
- insufficient infrastructure;
- economic sanctions;
- restrictions on exports, imports and foreign investment;
- increases in working capital requirements related to long supply chains;
- changes in labor laws and regimes and disagreements with the labor force;
- difficulty in protecting intellectual property rights and complying with data privacy and protection laws and regulations; and
- different and less established legal systems.

Expanding our business in international markets, including the operation of the Germany Spoke and any construction of additional international Spokes was an important element of our strategy prior to the pause in the

construction of the Rochester Hub, and it is currently on pause. There is a risk that any future workforce reductions could exacerbate our exposure to the risks described above if there is less oversight to address them. The likelihood of such occurrences and their potential effect on our business and results of operations will vary from country to country and are unpredictable, but could have a material adverse effect on our ability to execute our strategy and accordingly on our business, results of operations and financial condition.

Li-Cycle is and will be dependent on its recycling facilities. If one or more of its current or future facilities become inoperative, capacity constrained or if operations are disrupted, Li-Cycle's business, results of operations and financial condition could be materially adversely affected.

Li-Cycle's revenue is and will be dependent on the continued operations of its existing Spoke facilities as well as its future facilities, including its planned Rochester Hub, and any other facilities it develops in the future. To the extent that Li-Cycle experiences any operational risk events including, among other things, fire and explosions, severe weather and natural disasters (such as floods, windstorms, wildfires and earthquakes), failures in water supply, major power failures, equipment failures (including any failure of its process equipment, information technology, air conditioning, and cooling and compressor systems), a cyber-attack or other incident, failures to comply with applicable regulations and standards, labor force and work stoppages, including those resulting from local or global pandemics or otherwise, or if its current or future facilities become capacity constrained, Li-Cycle may be required to make capital expenditures or make operational changes even though it may not have sufficient available resources at such time. Additionally, there is no guarantee that the proceeds available from any of Li-Cycle's insurance policies will be sufficient to cover such capital expenditures or operational changes. Li-Cycle's insurance coverage and available resources may prove to be inadequate for events that may cause significant disruption to its operations. Any disruption in Li-Cycle's recycling processes could result in delivery delays, scheduling problems, increased costs or production interruption, which, in turn, may result in its customers deciding to send their end-of-life lithium-ion batteries and battery manufacturing scrap to Li-Cycle's competitors. Li-Cycle is and will be dependent on its current and future facilities, which will in the future require a high degree of capital expenditures. If one or more of Li-Cycle's current or future facilities become inoperative, capacity constrained or if operations are disrupted, its business, results of operations and financial condition could be materially adversely affected.

Problems with the storage and handling of lithium-ion battery cells that affect Li-Cycle's operations or result in less usage of lithium-ion batteries could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Lithium-ion battery cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion battery cells. Negative public perceptions regarding the safety or suitability of lithium-ion battery cells for automotive applications, the social and environmental impacts of mining for critical minerals or incidents involving lithium-ion battery cells, such as a vehicle or warehouse fires, even if such incidents do not involve Li-Cycle directly, could have a negative impact on the market for lithium-ion batteries, reducing the number of batteries in the market and Li-Cycle's revenue.

In addition, Li-Cycle is subject to risks associated with storage and handling of lithium-ion battery cells, which could cause disruption to the operation of Li-Cycle's current or future facilities. Li-Cycle stores a significant number of lithium-ion battery cells at the warehouse facilities associated with its Spokes and Li-Cycle transports lithium-ion batteries from its customer facilities to its Spokes and, for inventory management purposes, between its Spokes. While Li-Cycle has implemented safety procedures related to the handling of these materials, fires or safety issues have in the past and could in the future disrupt Li-Cycle's recycling operations. Any impact on revenue from the interruption of operations at Li-Cycle's own facilities, or resulting from reduced demand for lithium-ion batteries from actual or perceived safety or security issues, could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle's business is subject to operational and project development risks that could disrupt our business, some of which may not be insured or fully covered by insurance.

Our operations (including any potential future operations such as our Rochester Hub, the Planned Portovesme Hub project and possible future additions to our Spoke network), notwithstanding the current pause on those projects and future expansion plans, are subject to risks inherent in the lithium-ion battery recycling industry and risks associated with the construction and development of new facilities, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage, some of which risks may not be insured or fully covered at any time by insurance.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure, as well as disrupt our operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy, including coverage for director and officer liability, general liability, property liability, automobile liability, U.S. workers' compensation liability as well as coverage for our U.S. facilities. In addition, our operations (including any potential future operations such as our Rochester Hub, the Planned Portovesme Hub project and possible future additions to our Spoke network, notwithstanding the current pause on those projects) and future expansion plans, are subject to risks inherent in the lithium-ion battery recycling industry and risks associated with the construction and development of new facilities, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage, some of which may not be insured or fully covered at any time by insurance. The availability of, and the ability to collect on, insurance coverage is subject to various factors some of which are beyond our control and is not guaranteed to cover any or all of our losses in every circumstance. Li-Cycle's insurance coverage at any time may also be inadequate to fully cover hazard risk exposures related to any such operational risks.

Li-Cycle has no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. Moreover, Li-Cycle may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements or at all. In addition, if any of Li-Cycle's landlords for its Spoke facilities are unable to obtain insurance coverage, Li-Cycle may have to seek such coverage from its own insurance providers and there can be no assurance that such efforts will be successful. Any failure to obtain adequate insurance as well as the occurrence of a significant uninsured loss, or a loss in excess of the insurance coverage limits maintained by Li-Cycle, could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle's revenue depends on maintaining and increasing feedstock supply commitments as well as securing new sources of supply.

Li-Cycle is reliant on obtaining lithium-ion batteries and battery manufacturing scrap for recycling at its Spokes through its contracts with third-party suppliers. Li-Cycle also expects to procure black mass from third parties for processing at any future Hubs, to supplement its internal production. Li-Cycle's cash flows are premised on the expectation that it will attract new suppliers by differentiating itself based on the sustainability of its process and the robustness of its technology, which in turn will enable Li-Cycle to offer competitive terms to suppliers. However, it is difficult to predict whether and when Li-Cycle will secure such commitments due to the current state of its business, competition for suppliers and the lengthy process of negotiating supplier agreements, which may be affected by factors that Li-Cycle does not control, such as market and economic conditions, the level of competition for feedstock, Li-Cycle's ability to differentiate itself from its competitors to secure feedstock including on price and service delivery levels, financing arrangements, commodity prices, environmental issues and government approvals. Suppliers may change or delay supply under their contracts for any number of reasons, including force majeure or government approval factors that are unrelated to Li-Cycle.

There can be no assurance that Li-Cycle will attract new suppliers or expand its supply pipeline from existing suppliers or that its relationship, including payment terms, with current suppliers will not continue to be adversely affected as a result of the current status of its business, the continued slow down of production at the Company's operating Spokes, the Cash Preservation Plan or any other actions taken by the Company. Any decline in supply volume from existing suppliers, the discontinuation of any supplier relationships or an inability to source new supplier relationships could have a negative impact on Li-Cycle's results of operations and financial condition.

Li-Cycle relies on a limited number of commercial partners to generate most of its current and expected revenue.

Li-Cycle relies on a limited number of customers from whom we generate most of our revenue. Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of lithium-ion battery packs and modules, including damaged and defective materials, we are increasing our opportunity to earn recycling service revenues. We also seek to maximize the commercial value of our purchased battery cell manufacturing scrap by re-selling a portion of these materials, whether directly or after processing through the ancillary lines at our Spokes, directly to third parties, primarily in the Asia-Pacific region. In selling directly to third parties, we may assume additional risks, including credit risk and transportation risk. Given that these third-party contracts are generally short-term commitments, there can be no assurances that we will continue to obtain or renew such contracts on similarly favorable terms, which could have a material adverse effect on our business, results of operation and financial condition.

Our commercial agreements with Glencore provide for the procurement of feedstock for our Spoke facilities, and procurement of black mass for our future Hub facilities, to supplement the volumes we are currently either independently sourcing or producing. Although these agreements are not exclusive for either party, they also do not commit either party to a specific performance threshold, and therefore a substantial reduction in Glencore's supply of either product or an unwillingness or inability to fulfill its contractual obligations to us could have a material adverse effect on our business, results of operations and financial condition.

Li-Cycle has entered into two off-take agreements with Traxys covering (i) 100% of its production of black mass, from Li-Cycle's North American Spokes, other than such black mass as Li-Cycle has determined (in its sole discretion) is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain refined products from Li-Cycle's Rochester Hub, including lithium carbonate. The Company's commercial agreements with Glencore cover the off-take of substantially all of our other Spoke and Hub products. Effective March 25, 2024, pursuant to the terms of the Allocation Agreement, Traxys waived its rights to 50% of the volume of black mass and refined products under its off-take agreements with the Company, and such material has been deemed to be Glencore-committed material under the terms of the Company's commercial agreements with Glencore. If we or our off-take partners are unwilling or unable to fulfill our respective contractual obligations to each other, if either party fails to perform under the relevant contract, or if these off-take partners otherwise terminate such agreements prior to their expiration, our business could suffer and we may not be able to find other off-take partners on similar or more favorable terms, which could have a material adverse effect on our business, results of operations and financial condition.

On October 31, 2024, the Company amended and restated certain of its commercial agreements with Glencore and Traxys to provide that, should the Company complete the Rochester Hub under the MHP scope, Glencore will purchase 100% of the MHP produced at the Rochester Hub on agreed commercial terms, based on market prices for the nickel and cobalt contained within the MHP. The Company's off-take arrangements for MHP with Glencore remain subject to further finalization of commercial terms as a condition for the Company to draw under the DOE Loan Facility. There can be no assurances that the Company will be successful in finalizing its agreement for MHP off-take on favorable terms or at all, and any failure to secure or maintain customer relationships for the anticipated products of the Rochester Hub could have a material adverse effect on our business, results of operations and financial condition.

Any change from the original scope of the Rochester Hub, including the development of the Rochester Hub under the MHP scope could adversely affect our existing commercial agreements related to Rochester Hub products. For example, our commercial contracts with LGC and LGES require the supply of at least 20,000 tonnes of nickel contained in nickel sulphate over the period from 2025 to 2032, or 2028 to 2032 in the case of LGES, including approximately 1,850 tonnes of nickel contained in nickel sulphate (being approximately 840 tonnes of nickel sulphate) in 2025. Any failure to satisfy such volume commitments, could lead to indemnification obligations for us in favor of LGC and LGES, which in turn could have a material adverse effect on our business, results of operations and financial condition.

A decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies, could adversely affect the demand for Li-Cycle's recycling services and products, and materially harm Li-Cycle's financial results and ability to grow its business.

The demand for Li-Cycle's recycling services and products is driven in part by projected increases in the demand for EVs (including automobiles, e-bikes, scooters, buses and trucks). A decline in the adoption rate of EVs or a decline in the support by governments for "green" energy technologies could reduce the demand for Li-Cycle's recycling services and products, which could materially harm Li-Cycle's financial results and ability to grow its business. A decline in volume under existing contracts or an inability to source new supplier relationships could also have a material adverse effect on Li-Cycle's results of operations and cash flow.

In addition, incentives set by federal or state governments, as well as other government commitments and initiatives, may expire on a particular date, end when the allocated funding is exhausted, or may be reduced, modified, paused or terminated as a matter of regulatory, executive or legislative policy. The impact of the U.S. Inflation Reduction Act of 2022 and other governmental initiatives to support energy transition, including regulatory requirements and restrictions that may impact our ability, as well as the ability of our competitors, to take advantage of such initiatives, cannot be known with any certainty at this time, and we may not reap any or all of the expected benefits of the Inflation Reduction Act of 2022 or other governmental initiatives to support energy transition.

Decreases in demand and fluctuations in benchmark prices for the metals contained in Li-Cycle's products could significantly impact Li-Cycle's costs, revenues and results of operations.

The prices that Li-Cycle pays for battery feedstock for its Spokes, and the revenue that Li-Cycle recognizes from the sale of Black Mass & Equivalents and shredded metal produced at Li-Cycle's Spokes, are impacted by the commodity prices for the metals contained in those battery feedstocks or products, notably nickel, cobalt, lithium and copper. If the Rochester Hub becomes operational, and Li-Cycle starts processing black mass internally, Li-Cycle expects to recognize revenue from the sale of end products, including lithium carbonate and MHP, which it expects would be priced relative to reference prices for the metals contained in these products, notably lithium, nickel and cobalt. As a result, fluctuations in the prices of these commodities will affect Li-Cycle's costs and revenues and declines in the prices of these commodities could have a material adverse impact on Li-Cycle's revenues and result in fluctuations in its margins. Any significant decline in Li-Cycle's revenues and margins will have a material impact on its results of operations and cash flow.

In addition to commodity prices, Li-Cycle's revenues are primarily driven by the volume and composition of LIB processed at its facilities and changes in the volume or composition of LIB processed could significantly impact Li-Cycle's revenues and results of operations.

Li-Cycle's revenues depend on processing high volumes of LIB at its facilities, and its revenues are directly impacted by the chemistry of the LIB processed, particularly as market chemistries shift. Certain feedstock chemistries such as those containing higher amounts of nickel and cobalt command higher prices than others. A decline in overall volume of feedstock processed, or a decline in volume of LIB chemistries with higher-priced content relative to other LIB chemistries, could result in a significant decline in Li-Cycle's revenues, which in turn would have a material impact on its results of operations.

The development of an alternative chemical make-up of lithium-ion batteries or battery alternatives could materially adversely affect Li-Cycle's revenues and results of operations.

The development and adoption of alternative battery technologies could materially adversely affect Li-Cycle's prospects and future revenues. Current and next generation high energy density lithium-ion batteries for use in products such as EVs use nickel and cobalt as significant inputs. Cobalt and nickel tend to be in lower supply and therefore command higher prices than certain other raw materials. Alternative chemical makeups for lithium-ion batteries or battery alternatives are being developed and some of these alternatives could be less reliant on cobalt and nickel or use other lower-priced raw materials such as lithium-iron phosphate chemistries, which contain neither cobalt nor nickel. A shift in production to batteries using lower-priced raw materials could affect the value of the end products produced by Li-Cycle, lowering its revenues and negatively impacting its results of operations.

Li-Cycle's reliance on the experience and expertise of its senior management and key personnel may cause material adverse impacts on it if a senior management member or key employee departs.

Li-Cycle depends on key personnel for the success of its business. Li-Cycle's business may be severely disrupted if it loses the services of its key executives and employees or fails to add new senior and middle managers to its management.

Li-Cycle's future success is heavily dependent upon the continued service of its key executives. Li-Cycle also relies on a number of key technology and professional staff for its continued operation. Li-Cycle's future success is also dependent upon its ability to attract and retain qualified senior and middle managers to its management team. If one or more of its current or future key executives or employees are unable or unwilling to continue in their present positions, Li-Cycle may not be able to easily replace them, and its business may be severely disrupted. In addition, if any of these key executives or employees joins a competitor or forms a competing company, Li-Cycle could lose customers and suppliers and incur additional expenses to recruit and train personnel.

On October 31, 2023, the Board authorized a reduction in workforce plan across Li-Cycle, on March 25, 2024, the Board approved additional plans to reduce approximately 17% of the Company's global workforce, and additional steps may be taken based on our go-forward strategic objectives and the Cash Preservation Plan to right-size and right-shape our organization. Li-Cycle cannot provide any assurance that it will be able to retain adequate staffing levels among its remaining workforce or retain key employees who would not otherwise be subject to a workforce reduction. If employees who were not affected by any reduction in workforce seek alternative employment, this could require us to seek contractor support at unplanned additional expense or otherwise harm our productivity. Furthermore, the inability to retain highly skilled employees could adversely affect its business.

Li-Cycle relies on third-party consultants for its regulatory compliance and Li-Cycle could be materially adversely impacted if the consultants do not correctly inform Li-Cycle of legal changes.

Li-Cycle depends on third-party consultants to work with it across all of its projects to ensure correct permitting, maintain regulatory compliance and keep Li-Cycle apprised of legal changes, as well as to assist with finance and accounting functions. This reliance on third-party consultants has grown following the workforce reductions authorized by the Board on October 31, 2023 and March 25, 2024 and may grow further following additional steps that the Company may take based on its go-forward strategic objectives and the Cash Preservation Plan to right-size and right-shape the organization. Li-Cycle may face non-compliance challenges if the third-party consultants do not inform Li-Cycle of the proper compliance measures or if Li-Cycle fails to maintain its engagement with third-party consultants, including the ability to pay them in a timely manner. If Li-Cycle is not in compliance with the current regulations, it could face litigation, sanctions and fees, which could materially adversely impact its business, results of operations and financial condition.

Li-Cycle is subject to the risk of litigation or regulatory proceedings, which could materially adversely impact its financial results.

From time to time, we are subject to various litigation and regulatory proceedings arising in the normal course of business. Due to the inherent uncertainty of the litigation process, we may not be able to predict with any reasonable degree of certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome, any legal or regulatory proceeding, including any legal proceeding related to purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project (see "*Risks Relating to Li-Cycle's Business—The development of Li-Cycle's Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others*" for additional details) could have a material adverse impact on Li-Cycle's business, financial condition and results of operations due to defense costs, the diversion of management resources, potential reputational harm and other factors.

Three shareholder suits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, being (i) *Davis v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (a putative U.S. federal securities class action filed in the U.S. District Court for the Southern District of New York), (ii) *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP (a putative Ontario securities class action claim filed in the Ontario Superior Court of Justice), and (iii) *Nieves v. Johnston, et. Al.*, Index No. E2023014542 (a shareholder derivative action filed in the Supreme Court of the State of New York, Monroe County). See also Note 17 (*Commitments and contingencies*) in our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K and the section titled "*Item 3. Legal Proceedings*." Regardless of the outcome, these suits could result in substantial costs to the Company, divert management's attention and resources and harm our business, prospects, financial condition and results of operations.

Li-Cycle may not be able to complete its recycling processes as quickly as customers may require, which could cause it to lose supply contracts and could harm its reputation.

Li-Cycle may not be able to complete its recycling processes to meet the supply it receives from its customers. Operating delays and interruptions can occur for many reasons, including, but not limited to:

- equipment failures;
- personnel shortage;
- labor disputes; or
- transportation disruptions.

The recycling process for LIB, as well as black mass, is complex. If Li-Cycle fails to complete its recycling processes in a timely fashion, its reputation may be harmed. Any failure by Li-Cycle to complete its recycling processes in a timely

fashion may also jeopardize existing orders and cause Li-Cycle to lose potential supply contracts and be forced to pay penalties.

Li-Cycle operates in an emerging, competitive industry and if it is unable to compete successfully its revenue and profitability will be materially adversely affected.

The lithium-ion battery-grade materials recycling market is competitive. As the industry evolves and the demand increases, Li-Cycle anticipates that competition will increase. Li-Cycle currently competes against companies that may have a substantial competitive advantage because of factors such as greater financial and workforce resources, more extensive recycling infrastructure, stronger existing customer relationships, greater name recognition or longer operating histories. National or global competitors could enter Li-Cycle's traditional markets in North America and Europe. Competitors could focus their substantial resources on developing a more efficient recovery solution than Li-Cycle's recovery solutions. Competition also places pressure on Li-Cycle's contract prices and gross margins, which presents it with significant challenges in its ability to maintain strong growth rates and acceptable gross margins. If Li-Cycle is unable to meet these competitive challenges, it could lose market share to its competitors and experience a material adverse impact to its business, financial condition and results of operations.

Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle is subject to income taxes in the United States, Canada and in certain foreign jurisdictions in which it operates. Increases in income tax rates or other changes in income tax laws that apply to its business could reduce Li-Cycle's after-tax income from such jurisdiction and could materially adversely affect its business, financial condition and results of operations. Li-Cycle's operations outside the United States generate a significant portion of its revenue. In addition, the United States has recently made or is actively considering changes to existing tax laws. Additional changes in the U.S. tax regime, including changes in how existing tax laws are interpreted or enforced, could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle is also subject to regular reviews, examinations and audits by the IRS and other taxing authorities with respect to income and non-income-based taxes. Economic and political pressures to increase tax revenues in jurisdictions in which it operates, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult and the final resolution of tax audits and any related litigation could differ from its historical provisions and accruals, resulting in a material adverse impact on its business, financial condition and results of operations. In addition, in connection with the Organization for Economic Co-operation and Development Base Erosion and Profit Shifting project, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in various countries.

Li-Cycle's operating and financial results may vary significantly from period to period due to fluctuations in its operating costs and other factors.

Li-Cycle expects its period-to-period operating and financial results to vary based on a multitude of factors, some of which are outside of Li-Cycle's control. Li-Cycle expects its period-to-period financial results to vary based on operating costs, which it anticipates will fluctuate with the pace at which it increases its operating capacity. As a result of these factors and others, Li-Cycle believes that quarter-to-quarter comparisons of its operating or financial results, especially in the short term, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, Li-Cycle's financial results may not meet expectations of equity research analysts, ratings agencies or investors, who may be focused only on quarterly financial results. If any of this occurs, the trading price of our common shares could fall substantially, either suddenly or over time.

Fluctuations in foreign currency exchange rates could result in increases in Li-Cycle's operating costs when translated to U.S. dollars for reporting purposes.

Li-Cycle reports its financial results in U.S. dollars. Its sales are mainly made in U.S. dollars and its cash is mainly denominated in U.S. dollars, but its operating costs and capital expenditure are also realized in currencies other than the U.S. dollar, including Canadian dollars, Euros, Swiss Francs and certain other currencies. If the value of any of the other currencies in which Li-Cycle's operating costs and capital expenditure are realized appreciates relative to the U.S. dollar, Li-Cycle's operating costs and capital expenditure will increase when translated to U.S. dollars for reporting purposes. Fluctuations in foreign currency exchange rates, particularly the U.S.-Canadian dollar exchange rate, could create

discrepancies between Li-Cycle's operating costs and capital expenditure in a given currency that could have a material adverse effect on its business, results of operations and financial condition.

While Li-Cycle monitors its exposure to foreign-exchange rate fluctuations and may enter into hedging contracts from time to time, Li-Cycle does not currently have foreign-exchange hedging contracts in place. As a result, there can be no assurance that Li-Cycle's approach to managing its exposure to foreign-exchange rate fluctuations will be effective in the future or that Li-Cycle will be able to enter into foreign-exchange hedging contracts as deemed necessary on satisfactory terms.

Unfavorable economic or geopolitical conditions, including disruptions in the global supply chain and inflation, could have a material adverse effect on Li-Cycle's business, results of operations and financial condition.

Li-Cycle's operations, costs and timelines may be affected by global economic or geopolitical conditions, including recessions, slow economic growth, economic and pricing instability, inflation levels, increase of interest rates and credit market volatility and adverse regulatory and policy changes, all of which could impact demand in the worldwide transportation industries or otherwise have a material adverse effect on Li-Cycle's business, results of operations and financial condition. For example, Russia's invasion of Ukraine and the war in the Middle East have and may continue to disrupt the global supply chain. Shortages, price increases and/or delays in shipments of supplies, equipment and raw materials have occurred and may continue to occur in the future which may result in increased operational or construction costs or operational or construction slowdowns. Increased tensions between the United States, China and their significant trading partners has and may continue to give rise to unexpected changes in regulatory requirements, tariffs and trade barriers, including policies targeting the flow of batteries and related materials, which may lead to challenges in managing Li-Cycle's inventory and operations, as well as increased costs. In addition inflation can also adversely affect us by increasing the costs of labor, materials, and other costs required to manage and grow our business. This may affect our capital projects, including the Rochester Hub project, which could increase our capital costs, and our Spoke operations, which could reduce our profit margins and returns. In addition, inflation is often accompanied by higher interest rates. The potential impact of high interest rates and uncertainty regarding future rate increases, may increase uncertainty and volatility in the global financial markets. In addition, the possibility of high inflation and an extended economic downturn could reduce our ability to incur debt or access capital and adversely impact our business, results of operations and financial condition. If current global market and political conditions continue or worsen, Li-Cycle's business, results of operations and financial condition could be materially adversely affected.

Changes to regulations and regulatory agencies to which Li-Cycle is subject could materially adversely affect its business

In January 2025, the current U.S. Administration began making changes to regulatory agencies to restructure federal agencies and spending, which potentially includes the DOE, which administers the DOE Loan Facility that Li-Cycle intends to use in the completion of its planned Rochester Hub. The scope and magnitude of these changes are potentially significant, and may result in unexpected changes in regulatory requirements, unanticipated changes regarding agency funding and availability of funds. There is limited visibility in the timing of potential future regulatory changes which may increase Li-Cycle's cost of compliance and/or impair its ability to plan and execute critical business matters with those Departments. In addition, future changes to regulations or regulatory agencies could potentially affect Li-Cycle's ability to draw on the DOE Loan Facility. Any of the above may adversely impact Li-Cycle's business, financial condition, results of operations, and cash flows.

Natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events could materially adversely affect Li-Cycle's business, results of operations and financial condition.

The occurrence of one or more natural disasters, such as fires, hurricanes and earthquakes, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents such as ransomware attacks, boycotts and geo-political events, such as civil unrest and acts of terrorism (including cyber terrorism or other cyber incidents), or similar disruptions could materially adversely affect Li-Cycle's business, power supply, results of operations and financial condition. These events could result in physical damage to property, an increase in energy prices, temporary or permanent closure of one or more of Li-Cycle's current or planned facilities, temporary lack of an adequate workforce in a market, temporary or long-term disruption in the supply of raw materials, construction delays at the Rochester Hub, new Spoke facilities or other facilities being developed, notwithstanding the current pause on those projects, temporary disruption in transport from overseas, or disruption to Li-Cycle's information systems. Li-Cycle may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, results of operations and financial condition.

Failure to protect or enforce Li-Cycle's intellectual property could materially adversely affect its business.

Li-Cycle's success depends in large part on its proprietary technology. Li-Cycle relies on various intellectual property rights, including patents, copyrights, trademarks, and trade secrets, as well as confidentiality provisions and contractual arrangements, and other forms of statutory and common law protection to protect its proprietary rights. If Li-Cycle does not protect and enforce its intellectual property rights adequately and successfully, its competitive position may suffer, which could materially adversely affect the Company's business, prospects, financial condition and results of operations.

Li-Cycle's pending patent or trademark applications may not be approved, or competitors or others may challenge the validity, enforceability, or scope of its issued patents, the scope of its copyrights, the registrability of its trademarks or the trade secret status of its proprietary information. There can be no assurance that additional patents will be filed or issued or that any of Li-Cycle's currently issued patents will provide significant protection for Li-Cycle's commercially relevant intellectual property or for those portions of its proprietary technology that are the most key to its competitive positions in the marketplace. In addition, Li-Cycle's patents, copyrights, trademarks, trade secrets, and other intellectual property rights may not provide us a significant competitive advantage. There is no assurance that the forms of intellectual property protection that Li-Cycle seeks, including business decisions about whether, when and where to file patents and when and how to maintain and protect copyrights, trade secrets, license and other contractual rights, will be adequate to protect Li-Cycle's business.

Not all countries offer the same types, standards for registrability or level of protection for the Company's intellectual property as Canada and the United States, and Li-Cycle may not pursue the same intellectual property filings or obtain the intellectual property registrations of the same scope in all of its commercially-relevant markets. If and when Li-Cycle resumes expanding its international activities, its exposure to unauthorized copying and use of its technology and proprietary information will likely increase. Effective intellectual property protection may not be available to Li-Cycle in every country in which it operates. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors, or make patents subject to compulsory licenses to third parties under certain circumstances. In these countries, patents may provide limited or no benefit.

Intellectual property laws, procedures, and restrictions provide only limited protection and any of the Company's intellectual property rights may be challenged, invalidated, circumvented, infringed, or misappropriated. The Company enters into confidentiality and invention assignment or intellectual property ownership agreements with its employees and contractors and enters into confidentiality agreements with other third parties. The Company cannot ensure that these agreements, or all the terms thereof, will be enforceable or compliant with applicable law, or otherwise effective in controlling access to, use of, reverse engineering, and distribution of Li-Cycle's proprietary information or in effectively securing exclusive ownership of intellectual property developed by its current or former employees and contractors. Despite these agreements and the Company's reasonable precautions, its intellectual property is vulnerable to misappropriation, unauthorized access and copying through employee or third-party error or actions, including malicious state or state-sponsored actors, theft, hacking, cybersecurity incidents, and other security breaches and incidents, and such incidents may be difficult to detect and may remain undiscovered or unknown for a significant period of time. Further, these agreements with the Company's employees, contractors, and other parties do not prevent other parties from independently developing technologies, products and services that are substantially equivalent or superior to the Company's technologies and services. It is possible for third parties to infringe upon or misappropriate the Company's intellectual property and to use information that Li-Cycle regards as proprietary to create services that compete with those of the Company.

Li-Cycle may need to spend significant resources securing and monitoring its intellectual property rights, and it may or may not be able to detect infringement by third parties. Li-Cycle's competitive position may be materially adversely impacted if it cannot detect infringement or enforce its intellectual property rights quickly or successfully. In some circumstances, Li-Cycle may choose not to pursue enforcement of its valid intellectual property rights for a variety of legal and business considerations, including (i) because an infringer has a dominant intellectual property position, (ii) because of uncertainty relating to the scope of the Company's intellectual property or the outcome of an enforcement action, (iii) because of the financial and reputational costs associated with enforcement or (iv) for other business reasons. In addition, competitors might avoid infringement by designing around the Company's intellectual property rights or by developing non-infringing competing technologies. Litigation brought to protect and enforce the Company's intellectual property rights could be costly, time-consuming, and distracting to management and Li-Cycle's development teams and could result in the impairment or loss of portions of its intellectual property, for example, the Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims attacking the scope, validity, and enforceability of

the Company's intellectual property rights, or with counterclaims and countersuits asserting infringement by the Company of third-party intellectual property rights. Li-Cycle's failure to secure, protect, and enforce its intellectual property rights could materially adversely affect its brand and its business, any of which could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Li-Cycle may be subject to intellectual property rights claims by third parties, which could be costly to defend, could require payment of significant damages and could limit the Company's ability to use certain technologies.

Li-Cycle is subject to the risk of third parties asserting claims of infringement of intellectual property rights or violation of other statutory, license or contractual rights in technology or data. Any such claim by a third party, even if without merit, could cause Li-Cycle to incur substantial costs defending against such claim and could distract the Company's management and its development teams from its business.

Although third parties may offer a license to their technology or data, the terms of any offered license may not be acceptable or commercially reasonable and the failure to obtain a license or the costs associated with any license could cause the Company's business, prospects, financial condition, and results of operations to be materially adversely affected. In addition, some licenses may be non-exclusive, and therefore the Company's competitors may have access to the same technology or data licensed to the Company. Alternatively, Li-Cycle may be required to develop non-infringing technology or data which could require significant effort and expense and ultimately may not be successful. Furthermore, a successful claimant could secure a judgment or the Company may agree to a settlement that prevents it from selling certain products or performing certain services in a given country or countries or that requires the Company to pay royalties, substantial damages, including treble damages if it is found to have willfully infringed the claimant's patents, copyrights, trade secrets or other statutory rights, or other fees. Any of these events could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

As of December 31, 2024, Li-Cycle's management assessed the effectiveness of the Company's internal control over financial reporting and concluded that the Company did not maintain effective internal control over financial reporting as of that date. Management has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024, and concluded that, as of that date, the Company's disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting.

While we have taken steps to address these material weaknesses and expect to continue to implement a remediation plan to address the underlying causes, any gaps or deficiencies in our internal control over financial reporting may result in us being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information. We have slowed certain aspects of the remediation plan, in view of resource constraints, including in relation to the Cash Preservation Plan. In addition, there can be no assurance that these measures will remediate the material weaknesses in our internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. For more information, see "Item 9A. Controls and Procedures".

Risks Relating to the Ownership of Our Common Shares

Our by-laws provide, subject to limited exceptions, that the Superior Court of Justice of the Province of Ontario and the appellate courts therefrom are the sole and exclusive forum for certain shareholder litigation matters, which could limit shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or shareholders.

Our by-laws require, to the fullest extent permitted by law and subject to certain exemptions for actions brought to enforce a duty or liability under certain U.S. securities laws, that (i) derivative actions brought in our name, (ii) actions against directors, officers and employees for breach of fiduciary duty, (iii) any action or proceeding asserting a claim arising pursuant to the Ontario Business Corporations Act ("OBCA") or our governing documents, and (iv) any action or proceeding asserting a claim otherwise related to our "affairs" (as defined in the OBCA) may be brought only in the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom and, if brought outside of

such forum, the shareholder bringing the suit will be deemed to have consented to the personal jurisdiction of the provincial and federal courts located within the Province of Ontario in connection with any action brought in such court to enforce the forum provisions and to service of process on such shareholder's counsel. Any person or entity purchasing or otherwise acquiring any interest in our common shares will be deemed to have notice of and consented to the forum provisions in its articles. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will have exclusive jurisdiction for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act. The exclusive forum provision in our by-laws will not apply to actions arising under the Securities Act or the Exchange Act.

This choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or shareholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our by-laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

We may issue additional common shares or other equity securities without shareholder approval, which would dilute the ownership interests of existing shareholders in the Company and may depress the market price of our common shares.

We may issue additional common shares or other equity securities in the future in connection with, among other things, capital raises, future acquisitions, repayment of outstanding indebtedness or grants under the Company's 2021 Incentive Award Plan (the "**Long-Term Incentive Plan**"), without shareholder approval in a number of circumstances. We are currently actively exploring financing options and strategic alternatives. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant further dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common shares. Pursuant to the terms of the KSP Convertible Notes and the Glencore Convertible Notes, we may issue common shares upon conversion or redemption of the KSP Convertible Notes or the Glencore Convertible Notes, as applicable, upon exercise of the Glencore Warrants, or pursuant to any other term of the KSP Convertible Notes or the Glencore Convertible Notes, as applicable, including as a result of any of the PIK provisions of the KSP Convertible Notes or the Glencore Convertible Notes, as applicable. We may also issue common shares upon the exercise of the Warrants issued to investors as part of the Underwritten Offering.

The issuance of additional shares or other equity securities could have one or more of the following effects:

- our existing shareholders' proportionate ownership will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common shares may decline.

The market price of our common shares has been and may be volatile.

The trading price of our common shares could be subject to wide fluctuations due to a variety of factors, including:

- our liquidity position, including our ability to continue as a going concern;
- updates related to our planned capital projects, including further closures, pauses or slow downs;
- our actual or anticipated operating performance and the operating performance of our competitors;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our Company, or our failure to meet the estimates or the expectations of investors;
- any major change in our Board, management, or key personnel;
- market conditions in our industry;

- general economic conditions such as recessions, inflation, interest rates, fuel prices, international currency fluctuations;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services or capabilities, acquisitions, strategic investments, partnerships, joint venture or capital commitments;
- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and
- sales or expected sales of our common shares by us, our officers, directors, significant shareholders, and employees.

The stock market in general has experienced price and volume fluctuations unrelated or disproportionate to the operating performance of the companies affected.

From March 1, 2024 to March 18, 2025, the market price of Li-Cycle's common shares fluctuated from a high of \$10.80 per share to a low of \$0.16 per share after adjustment for the Share Consolidation. The market capitalization of Li-Cycle sharply declined following the announcement of the pause on the Rochester Hub project on October 23, 2023, and again following the release of Li-Cycle's earnings report for the third quarter ended September 30, 2023, on November 13, 2023. These declines in the market price of our common shares have led to securities class action litigation against the Company. See also *Note 17 (Commitments and contingencies)* in the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K and the section titled "*Item 3. Legal Proceedings*". Regardless of the outcome, these suits could result in substantial cost to the Company, divert management's attention and resources and harm our business, financial condition and results of operations.

Our executive officers and directors may have interests different than yours and may take actions with which you disagree.

Li-Cycle's executive officers and directors have a significant stake in the Company and are likely to have influence over any critical decisions relating to Li-Cycle. Li-Cycle's executive officers and directors collectively hold, directly or indirectly, approximately 7.54% of the Company's outstanding common shares as of March 18, 2025. In particular, our co-founder, Ajay Kochhar, held approximately 7.04% of the Company's outstanding common shares as of March 18, 2025. As a result, Mr. Kochhar is likely to continue to have a significant influence in determining any matters submitted to the shareholders for approval, and to have significant influence in the management and affairs of the Company. The interests of the executive officers and directors may differ from the interests of other shareholders of Li-Cycle due to various factors and as a result, our executive officers and directors may take actions with which you disagree or which are in conflict with your interests.

An active, liquid trading market for our common shares may not be sustained.

On February 26, 2025, the Company received written notice from the NYSE indicating that it had determined to commence proceedings to delist the Common Shares as a result of the Company being not in compliance with Section 802.01C of the NYSE Listed Company Manual because the average closing price of the Common Shares was less than \$1.00 over a consecutive 30 trading-day period and the Company had effected a reverse stock split over the prior one-year period. Trading in the Common Shares on the NYSE was suspended immediately after market close on February 26, 2025. On February 27, 2025, our common shares began trading in the over-the-counter markets on the OTCQX tier of the OTC Markets, under the symbol "LICYP". The over-the-counter markets, including the OTCQX, are not stock exchanges and trading of securities on the OTCQX is more limited than on the NYSE. Quotation on the over-the-counter markets may result in a less liquid market available for existing and potential security holders to trade our common shares and could depress the trading price of our common shares. We cannot assure you that an active public market for our common shares will be sustained in the future. If an active market for our common shares is not sustained, then the price may decline. These factors may result in investors having difficulty reselling any of our common shares. Further, an inactive trading

market may also impair our ability to raise capital by selling our securities, to attract and motivate employees through equity incentive awards, or to acquire other companies, products, or technologies by using our securities as consideration.

As of January 1, 2024, we are no longer reporting to the SEC as a “foreign private issuer” and we are required to comply with the provisions of the Exchange Act, applicable to “U.S. domestic issuers”, and filing under U.S.GAAP, which will continue to require us to incur significant expense and expend time and resources.

As of June 30, 2023, we determined that we no longer qualify as a “foreign private issuer” as such term is defined in Rule 405 under the Securities Act. As a result, as of January 1, 2024, we are no longer eligible to use the rules and forms designated for foreign private issuers and we are considered a U.S. domestic issuer. We are now required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are generally more detailed and extensive than the forms available to a foreign private issuer. In addition, we are required to comply with U.S. proxy requirements and Regulation FD (Fair Disclosure) and our officers, directors and principal shareholders are subject to the beneficial ownership reporting and short-swing profit recovery requirements in Section 16 of the Exchange Act. We are also no longer eligible to rely upon exemptions from corporate governance requirements that are available to foreign private issuers or to benefit from other accommodations for foreign private issuers under the rules of the SEC, which may involve additional costs. As a result of our transition to being a “U.S. domestic issuer”, we were required to restate our financial statements for past periods from IFRS to U.S. GAAP, and implement additional corporate governance and public disclosure processes, which in turn have increased our legal and financial compliance costs and the amount of management attention that must be devoted to compliance matters.

The regulatory and compliance costs applicable to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher than the costs we previously incurred as a foreign private issuer. We expect to continue to incur significant legal, accounting, insurance and other expenses and to expend greater time and resources to comply with these requirements. In addition, we may need to develop our reporting and compliance infrastructure and may face challenges in complying with the new requirements applicable to us. If we fall out of compliance, we risk becoming subject to litigation or being delisted, among other potential problems. Further, it may be more expensive for us to maintain adequate director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors.

Failure to develop and maintain effective internal control over financial reporting could have a material adverse effect on our business, results of operations and the trading price of our common shares.

We are required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), which requires, among other things, that we evaluate annually the effectiveness of our internal control over financial reporting. Section 404(a) of the Sarbanes-Oxley Act requires management to assess and report annually on the effectiveness of internal control over financial reporting and to identify any material weaknesses in internal control over financial reporting.

We have identified material weaknesses in our internal control over financial reporting as discussed in greater detail in the sections titled “*Item 1A. Risk Factors — Risks Relating to Li-Cycle’s Business — Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired*” and “*Item 9A. Controls and Procedures*”.

If we continue to identify, or are unable to remediate existing, deficiencies in our internal control over financial reporting or if we are unable to comply with the requirements applicable to us as a public company in a timely manner, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. If this occurs, we also could become subject to sanctions or investigations by the SEC or other regulatory authorities.

Our management may not be able to effectively or on a timely basis implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to the Company, including under Section 404 of the Sarbanes-Oxley Act, including because of attrition and the impact of the workforce reductions and any additional steps that we may take to right-size and right-shape our organization based on our go-forward strategic objectives and the Cash Preservation Plan, including with respect to corporate positions, specifically in accounting. In addition, if we are unable to assert that our internal control over financial reporting is effective, investors

may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our share price may be materially adversely affected.

We expect to continue to incur costs related to our internal control over financial reporting in the upcoming years to further improve our internal control environment.

The issuance of our common shares in connection with the conversion of the KSP Convertible Notes and/or the Glencore Convertible Notes would cause substantial dilution, and could materially affect the trading price of our common shares and your interests and any future financings may cause further dilution.

As of December 31, 2024, there was an aggregate principal amount of \$133.7 million outstanding under the KSP Convertible Notes, \$124.1 million outstanding under the First A&R Glencore Note, \$121.8 million outstanding under the Second A&R Glencore Note and \$81.6 million outstanding under the Glencore Senior Secured Convertible Note.

To the extent the holders of the KSP Convertible Notes or the Glencore Convertible Notes, as applicable, convert any of their convertible notes into our common shares, substantial amounts of our common shares will be issued. In addition, under the terms of the First A&R Glencore Note, on the First Modification Date (as defined therein), which occurred on December 9, 2024, the conversion price was adjusted to \$3.03. The terms of the KSP Convertible Notes and the Glencore Convertible Notes contain anti-dilution adjustments that could be triggered by the future issuance of common shares or instruments convertible into or exchangeable for common shares, including as a result of the Underwritten Offering. Any such adjustments could significantly increase the number of common shares issuable upon conversion of the KSP Convertible Notes and/or the Glencore Convertible Notes. Any issuances of our common shares upon conversion of any of the KSP Convertible Notes and/or the Glencore Convertible Notes could result in substantial decreases to our share price and dilution to our existing shareholders.

Conversion of the Glencore Convertible Notes may result in a change of control of the Company. As of December 31, 2024, Glencore's beneficial ownership of the Company on a pro forma fully-diluted basis was approximately 67.26%. As a result, Glencore may be able to exert significant voting influence on votes requiring shareholder approval and may take actions with which you disagree or which are in conflict with your interests. Furthermore, if Glencore is an investor in any future financing, it may result in Glencore acquiring additional beneficial ownership of the issued and outstanding common shares on an actual or as-converted basis. Any concentration of share ownership may also have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combinations, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other shareholders. This concentration of share ownership may not be in the best interests of all of our shareholders. In addition, on March 25, 2024, in connection with the closing of the Glencore Senior Secured Convertible Note, the Company entered into a governance letter agreement (the "**Governance Letter Agreement**") with Glencore Ltd., Glencore Canada Corporation and Glencore, in which it granted Glencore the right to nominate two additional directors (the "**Glencore Nominees**") to the Board, for a total of three nominees. We cannot assure you that any of the governance protections Glencore committed to in the Governance Letter Agreement, including the standstill provisions, among others, would remain in place following any such future financing, which loss of governance protections may further affect your interests and shareholder rights.

It is expected that the Company will seek additional financing or strategic alternatives in the future, including to satisfy the funding condition under the DOE Loan Facility, which financing alternatives in particular could result in the issuance of additional equity or equity-linked securities, in turn resulting in further dilution to existing shareholders.

We do not currently intend to pay dividends on our common shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common shares.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board and will depend on our financial condition, results of operations, capital requirements and future agreements and financing instruments, business prospects and such other factors as our Board deems relevant. As a result, a shareholder's ability to achieve a return on their investment in our common shares will depend solely on appreciation in the price of our common shares.

Our inability to meet expectations and projections in any research or reports published by securities or industry analysts, or a lack of coverage by securities or industry analysts, could result in a depressed market price and limited liquidity for its shares.

The trading market for our common shares may be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If securities or industry analysts do not cover the Company, our share price would likely be lower than if we had such coverage, and the liquidity, or trading volume, of our common shares may be limited, making it more difficult for a shareholder to sell common shares at an acceptable price or amount. If securities or industry analysts do cover the Company, their projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of analysts covering the Company. Similarly, if one or more of the analysts who write reports on the Company downgrades our common shares or publishes inaccurate or unfavorable research about our business, our share price could decline. Some of our analysts have ceased to cover the Company or publish reports. If in the future, traditional analysts cease coverage of the Company or fail to publish reports on it regularly, our share price or trading volume could decline.

We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and share price, which could cause you to lose some or all of your investment.

We may be forced to write down or write off assets, restructure our operations, or incur impairment or other charges that could result in losses. Unexpected risks may arise and previously known risks may materialize. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we may report charges of this nature could contribute to negative market perceptions about the Company or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

We may not be able to repurchase the Warrants upon a Fundamental Transaction, or make other cash payments that may be required under the Warrants.

Upon the occurrence of a Fundamental Transaction (as defined in the Warrants), holders of Warrants may require us to purchase their Warrants for an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of their Warrants on the date of the consummation of such Fundamental Transaction. The occurrence of a change of control under the terms of certain of our existing indebtedness, including the KSP Convertible Notes and the Glencore Convertible Notes, obligates us to redeem such indebtedness at a specified price. In addition, indebtedness that we incur in the future may include similar provisions. The source of funds for any repurchase of Warrants and the redemption or other repurchase of our other indebtedness would be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the Warrants upon a Fundamental Transaction because we may not have sufficient financial resources to purchase the Warrants that holders submit for repurchase or to repurchase and repay any other indebtedness that is required to be redeemed or may otherwise become due. We may require additional financing from third parties to fund payments due upon repurchase of our indebtedness and/or the Warrants, and we may be unable to obtain such financing on satisfactory terms or at all.

In addition, the terms of our current indebtedness limits, and our future indebtedness may limit, our ability to (i) repurchase the Warrants upon the occurrence of a Fundamental Transaction, (ii) from paying the consideration in the form otherwise due to holders of the Warrants upon exercise of their Warrants following a Fundamental Transaction, which would otherwise cause the Warrants to be exercisable for common shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and if applicable any additional consideration receivable as a result of the Fundamental Transaction, or (iii) from paying cash to holders of the Warrants if we ever make cash distributions to holders of our common shares. In addition, while we have entered into a consent and waiver with the holder of the Glencore Convertible Notes in connection with the Underwritten Offering, the repurchase of the Warrants upon the occurrence of a Fundamental Transaction and the payment of consideration to the holders of the Warrants upon exercise of their Warrants following a Fundamental Transaction is only permitted to the extent that the Company shall have complied with its obligations to redeem the Glencore Convertible Notes in accordance with their terms in connection with such Fundamental Transaction prior to the Company redeeming any Warrants or paying consideration in connection with the Fundamental Transaction to holders of the Warrants. There can be no assurance that we will be successful in obtaining any similar waivers or amendments should the terms of any of our other current or future indebtedness conflict with our obligations under the Warrants.

Provisions of the Warrants could discourage an acquisition of us by a third-party.

Certain provisions of the Warrants could make it more difficult or expensive for a third-party to acquire us. Among other things, the Warrants require any successor entity in a Fundamental Transaction to assume in writing the obligations of the Company under the Warrants. Upon the occurrence of a Fundamental Transaction (as defined in the Warrants), holders of the Warrants may require us to purchase their Warrants for an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of their Warrants on the date of the consummation of such Fundamental Transaction. These and other provisions of the Warrants could prevent or deter a third-party from acquiring us even where the acquisition could be beneficial to you.

We could be or may become a passive foreign investment company, which could result in materially adverse U.S. federal income tax consequences.

It is possible that we could be classified as a “passive foreign investment company” or “PFIC” for U.S. federal income tax purposes, which could have materially adverse U.S. tax consequences for U.S. persons holding the Company’s common shares. Although we were not a PFIC for our taxable year ended December 31, 2024, and do not expect to be classified as a PFIC for the current taxable year or any taxable year in the foreseeable future, whether the Company is a PFIC is a factual determination made annually, and the Company’s status will depend among other things upon changes in the composition and relative value of its gross receipts and assets. Accordingly, no assurance can be given that we will not be classified as a PFIC for our current taxable year ending December 31, 2025, or in any future taxable year.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Information Security Risk Management and Strategy

The Company is committed to developing robust governance and oversight of cybersecurity risks and to implementing processes, controls and technologies designed to help assess, identify, and manage material risks. As described further in “—*Information and Security and Governance Oversight*” below, the Vice President of IT is responsible for Li-Cycle’s information security program and as part of its broader risk oversight, while the Board of Directors of the Company oversees risks from information security threats both directly and through the Audit Committee of the Board of Directors of the Company. Our information technology (“IT”), infrastructure, applications, and networks are susceptible to potential impacts due to the escalating sophistication and frequency of cyber-attacks and security incidents. Breaches in our technology systems, whether from circumventing security measures, denial-of-service attacks, hacking, phishing, computer viruses, ransomware, malware, employee errors, malfeasance, social engineering, vendor software supply chain compromises, physical breaches, or other actions, have the potential to compromise the confidentiality, availability, and integrity of crucial information. Such incidents may cause interruptions or malfunctions in our manufacturing systems, applications, and data processing, thereby disrupting other business operations. Additionally, critical information associated with our business operations is managed by some of our third-party vendors.

Anticipating or preventing all cyber-attacks requires an ever-present focus. A cyber-attack or a security incident leading to a breach could disrupt our business operations, harm our reputation, necessitate compliance with data breach notification laws, and subject us to litigation, regulatory investigation, or other liabilities under laws, regulations, and contractual obligations. This could result in increased costs, significant legal and financial exposure, and reputational damage.

We invest in information security and data privacy measures to safeguard our systems and data. This includes organizational investments, incident response plans, technical defenses, and employee training. We also utilize a third party to conduct vulnerability scans. Our approach to cyber-security risk management is designed to identify, assess, prioritize and manage major risk exposures that could affect our ability to execute our corporate strategy and fulfill our business objectives.

For instance, we utilize our existing information security measures to oversee operational landscapes, address suspicious events, and generate necessary reports shared during our monthly meetings. Additionally, as deemed necessary,

we request third-party service providers to furnish System and Organization Controls (“**SOC**”) reports. Simultaneously, we are in the process of revising and formulating new IT policies, standards, and procedures in harmony with certain measures from the National Institute of Standards and Technology Cybersecurity framework and security requirements that may be applicable under privacy law, such as the General Data Protection Regulation (GDPR).

In 2024, we continued to mature our enterprise-wide communication initiative, focusing on cyber threats. This ongoing effort educates employees on recognizing and responding to potential cyber threats effectively, while continuously exploring new ways to engage and inform stakeholders about evolving threats. It serves as a reminder of the critical role each individual plays in safeguarding our organization's security.

We maintain the availability of cybersecurity consultants as required and regularly conduct vulnerability scans within our environment to identify areas for ongoing enhancements. Additionally, our IT General Controls (ITGC) undergo audits, encompassing processes that overlap with cybersecurity concerns such as access control, permissions, and robust password management. The insights derived from these and other assessments guide us in refining our information security practices, procedures, and technologies.

Information Security and Governance Oversight

The Vice President of IT is responsible for Li-Cycle's information security program. In this capacity, the executive oversees the enterprise-wide cybersecurity strategy, ensuring the development of policies and standards, the implementation of processes, and the management of architectural elements. The Vice President of IT is responsible for assessing and managing material risks from cybersecurity threats, and is supported in delivering this function with a dedicated internal IT team. The Vice President of IT has over nine years of leadership experience as a Chief Information Officer and Chief Technology Officer, with experience overseeing information security, risk management, and compliance functions.

The Cybersecurity Steering Committee convenes no less than quarterly to evaluate and address significant risks stemming from cybersecurity threats.

Additionally, as part of its broader risk oversight, the Board of Directors of the Company oversees risks from information security threats both directly and through the Audit Committee of the Board of Directors of the Company. As reflected in its charter, the Audit Committee is required to periodically review and receive reports from management regarding risks and exposures related to information technology and cyber security.

The Vice President of IT submits reports to the Audit Committee and other senior management members as appropriate. These reports provide insights into the evolving threat landscape, updates on the organization's cyber risks and threats, evaluations of the information security program, and the status of initiatives aimed at improving the information security program and its systems.

ITEM 2. PROPERTIES

Our corporate and engineering offices are located in leased space in Toronto, Ontario; Birmingham, Alabama; and Baar, Switzerland.

Our Spokes are operated in leased industrial space in Gilbert, Arizona; Tuscaloosa, Alabama; Magdeburg, Germany, and Rochester, New York, and each Spoke has a related warehouse facility located either onsite or (where required by applicable laws) in a separate location. We are seeking to sublease or terminate the leases associated with certain Spoke operations and project properties that have been closed or indefinitely postponed, including in Kingston, Ontario and Moss, Norway.

Our Rochester Hub project includes several industrial buildings located on an approximately 49-acre parcel of land that is leased under a long-term ground lease (the “**Hub Ground Lease**”). We own these buildings and treat them as fixed assets under construction. The leased land is treated as an operating lease right-of-use asset. The term of the Hub Ground Lease continues for an initial term of 20 years to March 31, 2042, with rights of renewal to extend the lease term to March 31, 2071. We have entered into a lease and lease-back arrangement with the County of Monroe Industrial Development Agency (“**COMIDA**”), which is cash-neutral and enables us to receive certain local property tax incentives as lessee. Certain contractors, subcontractors, consultants and suppliers (together, the “**lienors**”) have filed purported

mechanic's liens against our Rochester Hub property, under New York Lien Law, given alleged delays in making payments to those lienors. See the section titled "*Item 3. Legal Proceedings*" for additional details.

Our Rochester Hub warehouse and administrative building is located on an approximately 24-acre parcel of land leased under a long-term ground sublease agreement (the "**A&R Ground Sublease**"). We own this building and treat it as a fixed asset. The leased land is treated as an operating lease right of use asset. The A&R Ground Sublease extends for an initial term of 25 years to March 31, 2049, with rights of renewal to extend the lease term to March 31, 2071. Under the A&R Ground Sublease, HubCo has agreed to pay the balance of the unpaid construction costs for the Warehouse (being \$5.1 million, the "**Unpaid Construction Costs**") to the landlord on or before March 1, 2026. The landlord's lien covering the Unpaid Construction Costs will be discharged only upon payment in full by HubCo of the Unpaid Construction Costs. In the event that the Unpaid Construction Costs are not paid by March 1, 2026, the Warehouse Landlord may elect to terminate the A&R Ground Sublease, take possession of the building and seek termination damages, provided that in the event that the Company voluntarily surrenders the building to the landlord free and clear of all liens and encumbrances and in good condition, the landlord will waive any termination damages otherwise due to the landlord.

ITEM 3. LEGAL PROCEEDINGS

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

Shareholder Litigation relating to the October 23, 2023 Announcement of Rochester Hub Construction Pause

Three shareholder lawsuits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, described below.

On November 8, 2023, a putative federal securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company, and certain of its officers and directors, on behalf of a proposed class of purchasers of the Company's common shares during the period from June 14, 2022 through October 23, 2023. On March 15, 2024, the lead plaintiff filed an amended complaint on behalf of a proposed class of purchasers of the Company's common shares during the period from January 27, 2022 through November 13, 2023. See *Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.) (the "**Hubiack Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. On June 10, 2024, the court granted the motion to dismiss in full and with prejudice. On July 9, 2024, the lead plaintiff filed a notice of appeal. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On November 27, 2023, a putative Ontario securities class action claim was filed in the Ontario Superior Court of Justice against the Company and its CEO. The claim was amended on February 8, 2024, again on May 6, 2024, and once more on August 26, 2024 as a result of the defendants' settled motion (described below). The claim is on behalf of a proposed class of purchasers of the Company's common shares who acquired their shares during the period from February 27, 2023 through November 10, 2023. The claim, which is captioned as *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP, alleges common law secondary market misrepresentations. It also seeks an oppression remedy under s. 248 of the Ontario Business Corporations Act, based primarily on allegations of misconduct of senior management. The Wyshynski claim alleges that the Company's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The Wyshynski claim alleges that the purported misrepresentations were publicly corrected on (i) October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of the Company's Q3 2023 earnings report. The putative class includes all Canadian resident beneficial owners who acquired Li-Cycle common shares during the class period and who held some or all of those common shares until after the release of at least one of the alleged corrective disclosures. The claim seeks compensatory damages and an award of costs, along with the appointment of a third party monitor. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. The defendants agreed to settle the motion on August 1, 2024, in exchange for certain concessions from the plaintiff which

resulted in narrowing of the claims and the proposed class. The plaintiff agreed to abandon their claims under the Ontario Securities Act and constrain the class to only the Canadian resident beneficial owners of the Company's shares. On November 15, 2024, the court ordered a timetable for the exchange of pleadings and a determination of the plaintiff's motion to certify their claim as a class action under the Ontario Class Proceedings Act. The certification motion is not scheduled to proceed to a hearing until early 2026. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of the Company (as nominal defendant) against certain of the Company's current and/or former officers and directors. The action, which is captioned as Nieves v. Johnston, et. al., Index No. E2023014542 (N.Y. Sup. Ct.), principally concerns the same alleged misstatements or omissions at issue in the Hubiack Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of the Company, an award of costs and expenses and other relief. On February 29, 2024, the parties agreed to stay the action pending resolution of the Hubiack Securities Action. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

Subrogation Liability Claim

On or around January 2, 2024, the Company received a notice of a subrogation liability claim by an insurance company on behalf of one of the other tenants of the New York Spoke's warehouse. The claim relates to a small fire which occurred at the building on December 23, 2023, involving lithium-ion batteries being stored at the warehouse. The claimant claims that the fire caused property damage valued at approximately \$2.7 million. The Company's general liability insurer is providing coverage for this claim, including defense of the claim.

Dispute with MasTec, its Subcontractors and other Contractors Regarding Rochester Hub Construction Contract

On April 9, 2024, MasTec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a mechanic's lien foreclosure action in the Supreme Court, County of Monroe, New York. Several project participants, both subcontractors to MasTec and those in direct contract with Li-Cycle North America Hub, Inc., asserted cross-claims against Li-Cycle North America Hub, Inc. to foreclose their mechanic's liens for amounts claimed to be owed. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec in the arbitration proceedings. Amounts owed to MasTec, if any, are expected to be determined in the arbitration. Additionally, on July 22, 2024, MasTec North America Inc. (an affiliate of MasTec) commenced a separate foreclosure action on behalf of several subcontractors from whom it has taken assignments. Li-Cycle North America Hub, Inc. has filed a motion to (a) stay the foreclosure actions; and (b) consolidate the MasTec North America Inc. foreclosure action with the foreclosure action commenced by MasTec, which was granted on March 17, 2025. For reporting purposes, the amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable. No reductions or set-offs have been made in relation to the Company's counter-claims.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common shares are currently traded on the OTCQX® Best Market tier of the OTC Markets under the symbol "LICYP". Prior to February 27, 2025, our common share were listed on the New York Stock Exchange.

Holders

As of March 18, 2025, there were 23 registered holders of record of our common shares. Such numbers do not include beneficial owners holding our securities through nominee names.

Dividends

We have not paid any cash dividends on our common shares to date and do not intend to pay cash dividends for the foreseeable future. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements, any future debt agreements and general financial condition. The payment of any cash dividends will be within the discretion of our Board at such time.

Taxation

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), as of the date hereof, that are generally applicable to an investor who acquires as beneficial owner common shares and who, at all relevant times, for the purposes of the Tax Act and any applicable tax treaty or convention: (i) deals at arm's length with the Company and is not affiliated with the Company; (ii) is not and is not deemed to be resident in Canada; (iii) holds the common shares as capital property; and (iv) does not use or hold, and is not deemed to use or hold, the common shares in connection with, or in the course of carrying on, a business in Canada (a "**Non-Canadian Holder**").

Special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Canadian Holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and an understanding of the current administrative policies published in writing by the Canada Revenue Agency ("**CRA**") prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative policies, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-Canadian Holder. Accordingly, Non-Canadian Holders should consult their own tax advisors with respect to their particular circumstances.

Currency

For the purposes of the Tax Act, all amounts expressed in a currency other than Canadian dollars relating to the acquisition, holding or disposition of a common share, including dividends, adjusted cost base and proceeds of disposition, must be determined in Canadian dollars using the relevant rate of exchange required under the Tax Act.

Dividends

Dividends paid or credited, or deemed to be paid or credited, on common shares to a Non-Canadian Holder generally will be subject to Canadian withholding tax. Under the Tax Act, the rate of withholding tax is 25% of the gross amount of such dividends, which rate may be subject to reduction under the provisions of an applicable income tax treaty or convention. A Non-Canadian Holder who is resident in the United States for the purposes of the Canada-United States Tax Convention, fully entitled to the benefits of such convention and the beneficial owner of the dividends, will generally be subject to Canadian withholding tax at a rate of 15% of the gross amount of such dividends.

Disposition of common shares

A Non-Canadian Holder who disposes or is deemed to dispose of a common share in a taxation year will not be subject to tax in Canada, unless the common share is, or is deemed to be, “taxable Canadian property” to the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Canadian Holder is resident.

The common shares are not currently listed on a “designated stock exchange”, as defined in the Income Tax Act. At the time of disposition, the common shares generally will not constitute taxable Canadian property of a Non-Canadian Holder at that time unless, at any time during the 60 month period immediately preceding the disposition more than 50% of the fair market value of the common shares was derived directly or indirectly from one or any combination of (a) real or immovable property situated in Canada, (b) “Canadian resource property” (as defined in the Tax Act), (c) “timber resource property” (as defined in the Tax Act), or (d) an option in respect of, an interest in, or for civil law rights in, property described in any of (a) through (c), whether or not such property exists.

Notwithstanding the foregoing, a common share may otherwise be deemed to be taxable Canadian property to a Non-Canadian Holder for purposes of the Tax Act in certain limited circumstances.

Non-Canadian Holders who dispose of common shares that are taxable Canadian property should consult their own tax advisors with respect to the requirement to file a Canadian income tax return in respect of the disposition in their particular circumstances.

Unregistered Sales of Equity Securities and Use of Proceeds

Each of the following issuances was made in a transaction not involving a public offering pursuant to an exemption from the registration requirements of the Securities Act in reliance upon Section 4(a)(2) or Regulation D of the Securities Act.

KSP Convertible Notes

On September 29, 2021, the Company issued the KSP Convertible Note to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) for a principal amount of \$100.0 million. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind (“**PIK**”), at its election. The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. The Company has elected to pay interest by PIK since the first interest payment date on the

KSP Convertible Note of December 31, 2021. The KSP Convertible Note and the PIK notes issued thereunder are referred to collectively as the “KSP Convertible Notes”, and as at December 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
PIK Note	June 30, 2024	7.2
PIK Note	December 31, 2024	7.2
Total		\$ 133.7

On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The principal and accrued interest owing under the KSP Convertible Notes may be converted at any time by the holder into the Company’s common shares at a conversion price per share equal to \$101.59 as at December 31, 2024, subject to adjustments (the “**Conversion Price**”). If the closing price per share of the Company’s common shares is above a certain price for 20 consecutive trading days, then the Company may elect to convert the principal and accrued interest owing under the KSP Convertible Notes, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the “**Make-Whole Amount**”) into the Company’s common shares at the Conversion Price.

For more information about the KSP Convertible Notes, see *Note 13 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

LG Subscription

On May 11, 2022, the Company completed the issuance to LGES and LGC of (i) an initial tranche of 4,416,960 common shares, in the aggregate, at a price of \$10.00 per share, for an aggregate initial tranche subscription price of approximately \$44.2 million, and (ii) a second tranche of 883,392 common shares, in the aggregate, at a price of \$6.60 per share (based on the volume-weighted average trading price of the Company’s common shares for the 5-trading days ending immediately prior to April 29, 2022), for an aggregate second tranche subscription price of approximately \$5.8 million.

Glencore Convertible Notes

On May 31, 2022, the Company issued the Glencore Unsecured Convertible Note for a principal amount of \$200.0 million to an affiliate of Glencore plc and, on March 25, 2024, the Company amended and restated the Glencore Unsecured Convertible Note into two tranches, being the First A&R Glencore Note and the Second A&R Glencore Note. The A&R Glencore Convertible Notes were further amended and restated on January 31, 2025. Interest on the A&R Glencore Convertible Notes is payable on a semi-annual basis, either in cash or by PIK, at the Company’s option. The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022. The principal and accrued interest owing under the First A&R Glencore Note may be converted at any time by the holder into the Company’s common shares at a per share price equal to \$3.03 as at December 31, 2024, subject to adjustments. The principal and accrued interest owing under the Second A&R Glencore Note may be converted at any time by the holder into the Company’s common shares at a per share price equal to \$75.31 as at December 31, 2024, subject to adjustments.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note for a principal amount of \$75.0 million to Glencore Canada Corporation and, on January 31, 2025, the Company amended and restated the Glencore Senior Secured Convertible Note. Interest on the Glencore Senior Secured Convertible Note is payable on a semi-annual basis, either in cash or by PIK, at the Company’s option. The Company has elected to pay interest by PIK since the first interest payment on the Glencore Senior Secured Convertible Note on December 31, 2024. The principal and accrued interest owing under the Glencore Senior Secured Convertible Note may be converted at any time by the holder into the Company’s common shares at a per share price equal to \$4.09 as at December 31, 2024, subject to adjustments.

The First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured Convertible Note are referred to collectively as the “**Glencore Convertible Notes**”, and as at December 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Senior Secured Convertible Glencore Note	March 25, 2024	75.0
PIK	December 31, 2024	21.2
Total		\$ 327.4

For more information about the Glencore Convertible Notes, see *Note 13 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Repurchases of Equity Securities by the Issuer and Affiliated Purchasers

There were no issuer repurchases of equity securities for the year ended December 31, 2024.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations ("**MD&A**") should be read together with the annual Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K (the "**Consolidated Financial Statements**"). All per share amounts, common shares outstanding and stock-based compensation amounts for all periods reflect the effect of our Share Consolidation.

In addition to historical financial information, this MD&A contains forward-looking statements based upon current expectations about the Company's financial condition, results of operations, and industry that involve risks, uncertainties and assumptions. For more information about forward-looking statements, refer to the section in this Annual Report on Form 10-K titled "*Cautionary Note Regarding Forward-Looking Statements*". Actual results and timing of selected events may differ materially from those anticipated by these forward-looking statements as a result of various factors, including those set forth in the section of this Annual Report on Form 10-K titled "*Item 1A. Risk Factors*", and elsewhere in this Annual Report on Form 10-K. The risk factors in this Annual Report on Form 10-K in the section titled "*Item 1A. Risk Factors*" should be carefully read to gain an understanding of the important factors that could cause actual results to differ materially from the Company's forward-looking statements.

Certain figures, such as interest rates and other percentages included in this MD&A, have been rounded for ease of presentation. Percentage figures included in this MD&A have in all cases been calculated on the basis of the amounts prior to rounding. For this reason, percentage amounts in this MD&A may vary slightly from those obtained by performing the same calculations using the figures in Li-Cycle's financial statements or in the associated text. Certain other amounts that appear in this MD&A may similarly not sum due to rounding.

Company Overview

Li-Cycle (OTCQX: LICYF) is a leading global LIB resource recovery company. Established in 2016, and with major customers and partners around the world, Li-Cycle's mission is to recover critical battery-grade materials to create a domestic closed-loop battery supply chain for a clean energy future. The Company leverages its innovative, sustainable and patent-protected Spoke & Hub Technologies™ to recycle all different types of lithium-ion batteries. At its Spokes, or pre-processing facilities, Li-Cycle recycles manufacturing scrap and end-of-life batteries to produce black mass, a powder-like substance which contains a number of valuable metals, including lithium, nickel and cobalt. At its future Hubs, or post-processing facilities, Li-Cycle plans to process black mass to produce critical battery-grade materials, including lithium-carbonate, for the lithium-ion battery supply chain. At its Spokes, the Company produces certain other products analogous to black mass that have a similar metal content, and, as a result, the Company tracks its production using a unit of measure called Black Mass & Equivalents or BM&E.

As at December 31, 2024, Li-Cycle had three operational Generation 3 Spokes in North America and Europe, which were located in Gilbert, Arizona (the "**Arizona Spoke**"), Tuscaloosa, Alabama (the "**Alabama Spoke**"), and Magdeburg, Germany (the "**Germany Spoke**").

We continue to focus on reviewing critical projects, executing against our Cash Preservation Plan and advancing funding opportunities.

In 2024, we recycled 9,113 tonnes of battery material consisting of full packs, manufacturing scrap and other battery types, produced 5,385 tonnes of BM&E and sold 5,919 tonnes of BM&E. Through our recycling services, we helped 13 prominent EV manufacturers and 15 key battery cell and material producers fulfill their commitments to responsibly dispose of their battery waste.

In 2024, we recognized total revenues of \$28.0 million, representing an increase of \$9.7 million, compared to the prior year. In 2024, our net loss attributable to shareholders was \$137.7 million, representing a decrease of \$0.3 million, compared to the prior year.

We have been evaluating the development of our first planned commercial scale Hub in Rochester, New York (the "**Rochester Hub**"). We have completed our technical review of the MHP scope for the Rochester Hub project and expect annual production of up to approximately 8,250 tonnes of lithium carbonate and up to approximately 72,000 tonnes of MHP. We continue to implement our Spoke optimization initiatives, which we believe will improve cash flows from our

Generation 3 Spokes in Arizona, Alabama and Germany, to establish a self-sufficient and financially accretive Spoke business.

We ended 2024 with \$22.6 million in cash and cash equivalents, representing a decrease of \$48.0 million from the end of 2023 and a decrease of \$9.6 million compared to September 30, 2024. Our cash outflows from operating activities in 2024 and 2023 were \$106.4 million and \$99.8 million, respectively, representing an increase of \$6.6 million. Capital expenditures amounted to \$23.9 million in 2024, compared to \$334.9 million in 2023, representing a decrease of \$311.0 million. Capital expenditures have declined since we paused construction of the Rochester Hub and other development projects. We expect to continue to incur reduced capital expenditures until the restart of Rochester Hub construction. We expect to recommence construction on the Rochester Hub after securing additional financing toward the cost to complete the project, which is currently estimated at \$483.3 million.

Management Priorities, Challenges and Business Outlook

Market Update - EV and Battery Material Demand and Feedstock Availability

The trends in the geographical markets in which we operate present the Company with opportunities and challenges. Our estimates, informed by available market data and our views, of the long-term demand for EVs remains robust in North America and Europe, with an expected approximately 23% compound annual growth rate in the number of vehicles forecasted to be sold between 2025 and 2030, based on an estimated 5.2 million vehicles in 2025 versus an estimated 14.9 million vehicles in 2030. However, current macroeconomic and industry trends (e.g., inflationary pressures) have reduced project commitments to build EV-related supply chains in North America and Europe. Notwithstanding the current challenging global economic environment, the long-term demand for EVs remains strong.

Our operational activities and product revenue are influenced by the commodity prices for nickel and cobalt. Both nickel and cobalt have experienced recent pricing softness, broadly driven by macroeconomic uncertainties, seasonal patterns and reduced supply-side pressures. Based on observable trends and industry data, we forecast a potential tightening of supply relative to demand in 2025. In addition to pricing for nickel and cobalt, lithium pricing is pertinent to the potential revenue from the Rochester Hub. During 2024, lithium had a surplus of available production relative to perceived market demand. We believe there has been a reduction in project commitments relating to lithium production outside of China, which is likely to contribute to a forecasted tightening of the balance of the available output relative to demand in 2025.

Considering the dynamics of planned LIB production in North America and Europe, we expect to continue to see significant growth in the amount of LIB materials available for recycling. We estimate that between 2025 and 2027, the potential amount of LIB materials available for recycling in North America and Europe could grow at a compound annual growth rate of approximately 30%. This potential growth in the available feedstock is expected to primarily be driven by manufacturing scrap, alongside further growth in EV batteries, BESS and consumer electronic batteries available for recycling. By comparison, we believe the level of post-processing capacity (i.e., capacity for the processing of black mass) in North America and Europe in 2025 may be substantially lower than the amount of black mass available in those regions. These forecasts illustrate that a significant deficit of post-processing capacity for black mass is currently expected in the medium term in North America and Europe. Additionally, we see potential for continued strong support for the localization of the battery supply chain, including post-processing of black mass (as is planned at Li-Cycle's Rochester Hub and the Planned Portovesme Hub) due to customer and regulatory drivers. These market and demand considerations continue to underpin the long-term proposition for the Rochester Hub.

Rochester Hub Project Review

We have completed our technical review of the MHP scope for the Rochester Hub and confirmed the technical viability of the MHP scope through an internal study that allows the project to proceed on a schedule aligned with our current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits, regulatory approvals, if needed, and additional financing. As previously communicated, we have also advanced the go-forward execution plan for the Rochester Hub and refined cost estimates with the local market as part of the evaluation of the project's total cost estimate. We are continuing to refine our detailed project plan and financing

strategy in line with the MHP scope. We will require significant additional funding before restarting the Rochester Hub project, on the basis of the MHP scope or otherwise.

Our estimated project cost for the Rochester Hub project, being approximately \$960.2 million for the MHP scope, remains the same as prior year, and excludes costs for project commissioning, ramp-up, working capital or financing. Our current estimate of cost to complete (“CTC”) is approximately \$483.3 million, including \$89.7 million of costs incurred but not yet paid related to the Rochester Hub project as of December 31, 2024. If in the future we decide to shift to a project scope that includes the production of nickel sulphate and cobalt sulphate, or any other changes to the MHP scope, then the estimated project costs would be higher.

The CTC estimates for the MHP scope are based solely upon our internal technical review, are subject to a number of assumptions, including refining detailed engineering, procurement, construction activities engineering, procurement and construction activities, including the cost of labor and may materially change when re-engaging and re-bidding construction subcontracts. In addition to the CTC, we will continue to incur costs during the construction pause until the potential project re-start date, which we expect to fund with current cash and required additional interim funding, including any borrowings that become available under the DOE Loan Facility. We will also incur other costs such as working capital, commissioning and ramp-up costs and financing costs which will be included in the full funding package.

Certain contractors, subcontractors, consultants and suppliers (together, the “lienors”) have filed purported mechanic’s liens against our interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. See the section titled “Item 3. Legal Proceedings” for additional details.

Cash Preservation Plan

In 2024, we continued to action our Cash Preservation Plan, announced in November 2023. Among other things, we commenced closure activities at the Ontario Spoke, curtailed operations at the New York Spoke and reduced expenditures at our other operating Spokes, as we continued to review the timing and BM&E needs of the Rochester Hub. The Ontario Spoke is expected to complete its closure activities in 2025.

On March 25, 2024, we made the strategic decision to transition from a regional management structure to a centralized model, which resulted in certain leadership changes, which are anticipated to generate approximately \$10.0 million of annualized savings in payroll and benefits. Effective as of March 26, 2024, Debbie Simpson ceased serving as the Chief Financial Officer of the Company, Richard Storrie ceased serving as the Company’s Regional President, EMEA, and Tim Johnston ceased serving as the Company’s Executive Chair and transitioned to the role of interim non-executive Chair of the Company’s Board, which he held until May 31, 2024, after which he ceased serving on the Board and as an employee. Conor Spollen was appointed as the Chief Operating Officer of the Company, Dawei Li was appointed as the Chief Commercial Officer of the Company, and Craig Cunningham was appointed as the interim Chief Financial Officer and was later appointed to the role of Chief Financial Officer of the Company, effective July 20, 2024. In conjunction with the Cash Preservation Plan at various times throughout 2024, other non-executive senior and middle management roles were eliminated.

Consistent with previous disclosures, we continue to re-evaluate our strategy for bringing on additional Spoke and Hub capacity, as well as our strategy for our Spoke and Hub network, specifically:

- **Germany Spoke (Expansion Deferred):** Line 1 capacity of 10,000 tonnes per year was operationalized in August 2023. The Company had previously announced that Line 2 capacity of 10,000 tonnes per year and ancillary capacity of up to 10,000 tonnes per year were expected to be built by the end of 2023, but these plans have been deferred (including the application to expand permitted capacity from 25,000 tonnes to 35,000 tonnes per year) and the timing of the Germany Spoke expansion is being re-evaluated as part of the go-forward strategy.
- **France Spoke (Paused indefinitely):** The Company had expected to start constructing the France Spoke in 2023 and to commence operations in 2024. We have terminated our lease in Harnes, France.
- **Norway Spoke (Paused indefinitely):** We paused the Norway Spoke project in 2023 and in 2024 we agreed with the landlord on an exit strategy which will allow us to sublease the property. We expect to continue to incur costs associated with the lease until such time as a sublease has been completed or we have otherwise exited the lease.
- **New Ontario Spoke (Paused indefinitely):** The Company had planned on replacing the existing Ontario Spoke in 2023 with an expanded Generation 3 Spoke and warehouse facility. The Ontario Spoke paused operations in 2023,

commenced closure activities in 2024 and is expected to complete closure activities in 2025. The replacement plans for a new/replacement Spoke have been postponed indefinitely as part of the go-forward strategy.

- **New York Spoke (Operations Curtailed)**: Operations have been curtailed in alignment with the Company's Spoke optimization plan and focus on Generation 3 Spokes.
- **Other Spoke Development Projects (Paused Indefinitely)**: The Company had previously disclosed that it was undertaking a site selection process for a potential new Spoke in Hungary. These plans have been postponed indefinitely as part of the go-forward strategy.
- **Planned Portovesme Hub Project**: The Planned Portovesme Hub would repurpose part of an existing Glencore metallurgical complex in Portovesme, Italy, as new Hub facility to produce critical battery grade materials, which would enable what we expect would be a cost-efficient and expedited development plan. Work on the definitive feasibility study had been paused until December 2024, when Li-Cycle and Glencore announced that they had resumed their collaboration to assess technical and economic viability of the Planned Portovesme Hub, including a concept and pre-feasibility study. Glencore is expected to lead and fund the pre-feasibility study, with Li-Cycle providing technical support.

Liquidity and Financing Initiatives

We have incurred net negative operating cash flow since inception and we expect to continue to generate net negative operating cash flow prior to completing, commissioning and operating the currently paused Rochester Hub project. Our liquidity sources include our existing cash and cash equivalents, debt, grants, and other receivables.

Notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business. Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12-month period following December 31, 2024, casting substantial doubt about the Company's ability to continue as a going concern.

We are actively exploring financing options that will address the Company's immediate liquidity needs. For further discussion, refer to the sections "—Liquidity and Capital Resources" below.

On November 7, 2024, we entered into the LARA and the Financing Documents (as defined in the LARA) related thereto (collectively, the "**DOE Loan Facility**"), providing for a loan facility of up to \$475.0 million (including up to \$445.0 million of principal and up to \$30.0 million in deferred and accrued interest). The interest rate for each advance will be set by the Federal Financing Bank based on the cost of funds to the United States Department of the Treasury for obligations of comparable maturity at the date of the advance, with 0% spread.

Our ability to borrow under the DOE Loan Facility is subject to the satisfaction or waiver of certain conditions precedent, including, among others:

- completing the first draw on the DOE Loan Facility (the "**First Advance**") prior to the date that is twelve months after the Effective Date (November 7, 2025);
- fully satisfying the obligation to make certain base equity contributions to the Rochester Hub Project (the "**Base Equity Contribution**"), on or prior to the date of First Advance; and
- settling certain existing commitments relating to the Rochester Hub Project for costs incurred but not yet paid, on or prior to the date of First Advance (approximately \$89.7 million as of December 31, 2024).

The amount of the Base Equity Contribution includes an estimated approximately \$173.0 million to fund certain reserve accounts required under the DOE Loan Facility (the "**Reserve Accounts**"), of which up to approximately \$97.0 million can be satisfied through delivery of letters of credit. The estimated amount of the Reserve Accounts required is based on the Company's current forecasts and may change prior to First Advance. The Reserve Accounts include project construction, ramp-up, and Spoke capital expenditure reserves. The majority of the Reserve Account funds are expected to be released to the Borrower on or before the completion of the Rochester Hub Project.

We are actively exploring additional financing and strategic alternatives for a complete funding package needed to restart construction at the Rochester Hub (of which the DOE Loan Facility is a key component) and for general corporate purposes. The funding package would assist in satisfying the conditions required to draw against the DOE Loan Facility,

including funding the remaining Base Equity Contribution (which includes reserve account requirements) and a minimum cash balance. There can be no assurances that the closing of the DOE Loan Facility or any other financing transaction would be sufficient to restart construction or complete the development of the Rochester Hub. The DOE Loan Facility contains customary operational and financial covenants with which we must comply, and imposes restrictions on additional financing, and other aspects of our business.

On June 28, 2024, the Company entered into an ATM Agreement to offer and sell up to an aggregate of \$75.0 million of our common shares. As of December 31, 2024, the Company generated net proceeds of \$15.5 million (gross proceeds of \$16.4 million offset by fees paid of \$0.9 million) by issuing an aggregate of 7,228,200 of the Company's common shares. As of December 31, 2024, the remaining capacity under the ATM Program was \$58.6 million.

On April 30, 2024, we received €5.3 million (\$5.8 million) of the €6.4 million (\$6.9 million) approved grant from the State of Saxony-Anhalt, Germany as a part of the "Improving the Regional Economic Structure" program. Under the financing plan, we are required to fund a proportion of the eligible investment expenditures, to engage at least 38 full-time employees and to provide a security interest in relation to certain equipment. At December 31, 2024, we satisfied and, although there can be no guarantee, we expect to continue to satisfy the conditions of the grant through the required period. In the future, should we not meet the conditions of the grant, all or part of the grant could be cancelled, and we could be required to return funds provided by the grant.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc. Concurrently, Glencore and the Company amended and restated the terms of the Glencore Unsecured Convertible Notes into two tranches, being the First A&R Glencore Note and the Second A&R Glencore Note. Following the closing of the DOE Loan Facility, the terms of the First A&R Glencore Note were modified to align with the terms of the Glencore Senior Secured Convertible Note, the First A&R Glencore Note was secured, and the guarantees were provided in respect thereof, consistent with the security and the guarantees provided by the Note Guarantors in respect of the Glencore Senior Secured Convertible Note. For more information about the Glencore Convertible Notes, see Note 13 (Convertible debt) to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Operational Initiatives

In 2024, Li-Cycle focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of lithium-ion battery packs and modules, including damaged and defective materials, we are increasing our opportunity to earn recycling service revenues and leveraging the main line processing capabilities of our Generation 3 Spokes in Arizona, Alabama and Germany. We are also seeking to maximize the commercial value of our purchased battery manufacturing scrap by re-selling some of these materials, whether directly or after processing through our ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region.

In 2024, in North America, Li-Cycle entered into a new recycling agreement with a prominent EV OEM for full battery pack batteries and extended an existing agreement with a leading battery cell manufacturer. In 2024, in Europe, we also signed new recycling agreements, and expanded and amended existing agreements, for modules and full battery pack batteries with the largest automotive EV original equipment manufacturers (OEMs) in Europe as well as signed a new agreement with a major lithium-ion battery supplier and a global battery cell manufacturer. Li-Cycle now has recycling contracts with four of the largest automotive EV OEMs in Europe.

Material Accounting Policies and Critical Estimates

Li-Cycle's Consolidated Financial Statements have been prepared in accordance with U.S. GAAP. While our significant accounting policies are more fully described in Note 2 to our Consolidated Financial Statements, the following items involve a greater degree of judgment and complexity. Accordingly, these are the accounting policies that we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the

Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead, management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable.

For the years ended December 31, 2024 and December 31, 2023, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

For the year ended December 31, 2023, management determined that the pause on the construction work on its Rochester Hub project pending completion of a comprehensive strategic review to be an indicator for potential impairment requiring it to perform a recoverability assessment. These actions represented a trigger requiring management to perform a recoverability test in line with Step 1 of the impairment assessment which compares the expected net undiscounted cash flows to be derived from the asset group for the remaining useful life of the asset group's primary asset compared to its carrying value. For the year ended December 31, 2023, the Company had not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceeded their carrying values.

Impairment was most recently tested as of March 31, 2024 in connection with the ongoing pause on the construction work and review of the Rochester Hub project. Refer to Note 2 Summary of Significant Accounting Policies in the Company's unaudited condensed interim financial statements included in the Company's Form 10-Q for the three months ending March 31, 2024. For the third quarter ended September 30, 2024, the Company has not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceed their carrying values.

The determination of the future net undiscounted cash flows used in the last completed recoverability test required significant judgment and estimate, specifically related to the North America asset group and included:

- The determination of the primary asset of the North American asset group being the combination of the ROU asset arising from the ground lease related to the Rochester Hub and the Rochester Hub buildings, due to the fact that they have the longest remaining useful life, the location of the land together with the buildings that are fundamental to the overall future operations of the Rochester Hub site and that the remainder of the equipment for this asset group would have not otherwise been acquired if not for this location and buildings.
- The life of the net undiscounted cash flow model was determined to be approximately 40 years, to address estimation uncertainty relative to the remaining useful life of 49 years for the primary asset and aligning with the renewal options for the ground lease related to the Rochester Hub. The Company considered that it is reasonably certain that it will exercise each renewal option beyond the initial term, up to the maximum of 49 years inclusive of the initial non-cancellable period. To maintain the assets in good working order to generate cash flows over the projected term, sustaining capital expenditures were included based on widely accepted industry guidance from engineering, procurement, construction management firms and institutions such as the Chemical Engineering Plant Cost Index. The total cash flows were reviewed over the 40 years relative to the asset carrying value and it was noted that the cash flows could support the carrying value of the asset group.

Significant cash inflows:

- Financing to complete the construction of the Rochester Hub is assumed to be available to Li-Cycle. The Company is pursuing funding alternatives in the form of bridge financing, project financing, and additional long-term funding alternatives. Two separate models were considered to reflect the impact of potential financing in a binary situation. The model that assumed no funding included significantly lower undiscounted net cash flows, which do not exceed the carrying amount of the North America asset group. If over time Li-Cycle does not obtain financing, there could be an impairment. The model which assumed no funding received a remote weighting when determining the amount of undiscounted net cash flows, but nevertheless, was considered for completeness. When sensitized to consider an equal weighting to the receipt of funding and lack thereof, the undiscounted net cash flows were still higher than the carrying value of the North American asset group.

- Revenues are driven by the sale of end products from the Rochester Hub in an MHP scope scenario and do not include the construction costs of the process areas required to produce nickel sulphate and cobalt sulphate. The key end product outputs are lithium carbonate and MHP. End product revenues can be further broken into price and volume.
- The Company was required to estimate the commodity prices of the constituent metals under the MHP scope over the 40-year period included in the recoverability test. The Company benchmarked the commodity prices based on external industry publications. Lithium is the most significant metal contributing to the value of net undiscounted cash flows. Additionally, the Company was required to estimate the percentage of metal payables that the Company would receive on MHP products being sold ("**MHP payables**"), which was benchmarked to historical actuals and the commercial basis per the agreement with Glencore for MHP off-take. The Company further sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices for the model's life. Separately, the Company sensitized MHP payables to increase or to decrease by 10% for the model's life. Under either sensitized assumption the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
- End product volumes are based on the Spoke network's and Rochester Hub's capacities and are further impacted by the Company's metal recoveries through the Spoke & Hub processes. When sensitized for the Rochester Hub's recoveries increasing or decreasing by 5% the undiscounted net cash flows were still higher than the carrying value of the North American asset group.

Significant cash outflows:

- Rochester Hub forecasted commissioning and operating costs which are primarily driven by the cost of reagents, labor, and utilities were developed through an internal engineering and technical report based on the Association for the Advancement of Cost Engineering to a Class 2 standard. When sensitized such that operating costs were to increase or decrease by 10%, the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
- The prices that Li-Cycle pays for battery feedstock (as applicable) for the Spoke network are generally tied to commodity prices for the metals contained in those battery feedstocks or products, notably nickel and cobalt. The Company estimated forecasted commodity prices as discussed above. When sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices, the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
- Construction costs to complete the Rochester Hub were developed based on the technical report for an MHP process. While these construction costs are not significant to the overall model, as proven through the sensitivity exercise whereby an increase or decrease of 5% in either direction does not impact the overall conclusion that the undiscounted net cash flows are higher than the carrying value of the North America asset group, they are significant in determining the funding gap which is assumed to be secured as discussed above.

The Company performed a sensitivity analysis to identify the impact of changes in its significant assumptions on the results of the recoverability test. As part of the sensitivity analysis, management stress tested the point in which a change in each significant assumption will cause the net undiscounted cash flows to no longer exceed the carrying amount of the asset group. Then, it assessed whether such a change was reasonable, considering the nature of the assumption. Further details on the sensitivity of the most critical inputs are noted above. It was determined that the recoverability test, including the considered impact of the sensitivities analysis, showed that the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Except as described above, for the year ended December 31, 2024, we did not identify any impairment triggers and we did not recognize any impairment of long-lived assets.

Results of Operations

\$ millions, except per share data	Year ended December 31,		
	2024	2023	Change
Financial highlights			
Revenue	\$ 28.0	\$ 18.3	\$ 9.7
Cost of sales	(76.6)	(81.8)	5.2
Selling, general and administrative expense	(75.3)	(93.4)	18.1
Research and development	(1.6)	(5.7)	4.1
Other income (expense)	(12.2)	24.7	(36.9)
Income tax	—	(0.1)	0.1
Net loss	(137.7)	(138.0)	0.3
Adjusted EBITDA ¹ loss	(90.5)	(156.4)	65.9
Loss per common share - basic and diluted	(5.86)	(6.22)	0.36
Net cash used in operating activities	\$ (106.4)	\$ (99.8)	\$ (6.6)

As at	December 31, 2024	December 31, 2023	Change
Cash and cash equivalents			
Cash, cash equivalents and restricted cash	\$ 31.9	\$ 80.3	(48.4)

¹ Adjusted EBITDA is a non-GAAP financial measure and does not have a standardized meaning under U.S. GAAP. Refer to the section titled 'Non-GAAP Reconciliations and Supplementary Information' below, including a reconciliation to comparable U.S. GAAP financial measures.

Revenue

Li-Cycle recognizes revenue from: (i) sales of intermediate products from Li-Cycle's Spokes, being Black Mass & Equivalents, and shredded metal; and (ii) providing services relating to recycling of LIB, which includes coordination of logistics and recycling and destruction of batteries. Sales of intermediate products are presented net of fair value gains or losses recognized in the period.

\$ millions, except sales volume	Year ended December 31,		
	2024	2023	
Product revenue recognized in the period	\$ 15.4	\$ 17.9	
Fair value pricing adjustments	0.7	(5.3)	
Product revenue	16.1	12.6	
Recycling service revenue recognized in the period	11.9	5.7	
Revenue	\$ 28.0	\$ 18.3	
Tonnes of BM&E sold	5,919	4,324	

For the year ended December 31, 2024, revenue increased to \$28.0 million, compared to \$18.3 million in the year ended December 31, 2023, primarily due to an increase in recycling service revenue as well as favorable fair value pricing adjustments of \$0.7 million, primarily related to the timing of settlements received from customers. This was partially offset by a decrease in product revenue as a result of product mix as well as decrease commodity prices for nickel and cobalt, despite an increase in volume as compared to December 31, 2023.

Recycling service revenue increased by \$6.2 million in the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to new recycling service contracts entered into in 2024, including from the Germany Spoke, which commenced operations in August 2023 and completed its first full year of operations in 2024.

As of December 31, 2024, 247.9 tonnes of Black Mass & Equivalents were subject to fair value pricing adjustments. Depending on the contractual terms, the BM&E could take up to 12 months to settle after shipment. The table below shows the expected settlement dates for the tonnes of BM&E subject to fair value price adjustments by quarter for the last sixteen months:

	Expected settlement dates for tonnes subject to fair value pricing adjustments				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
271+ days	—	—	—	—	248

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181-270 days	—	—	—	248	151
91-180 days	—	—	248	151	1,372
1-90 days	248	248	93	725	542
Total metric tonnes	248	248	341	1,124	2,313

The following tables set out the period end and period average commodity prices for cobalt and nickel:

		Market price per tonne		Average market price per tonne	
		As at December 31,		Year ended December 31,	
		2024	2023	2024	2023
Cobalt	\$	22,134	\$ 28,660	24,840	\$ 32,895
Nickel		15,461	16,250	16,808	21,048

Cost of sales

		For the year ended December 31,	
		2024	2023
\$ millions			
Cost of Sales - Product Revenue	\$	(72.7)	(80.0)
Cost of Sales - Recycling Service Revenue		(3.9)	(1.8)
Total Cost of Sales	\$	(76.6)	(81.8)

Cost of sales attributable to product revenue includes battery-grade materials, direct and indirect consumables, labor costs, manufacturing overheads, including depreciation, logistics, maintenance, and facility related expenses. Cost of sales attributable to product revenue also includes charges to write down the carrying value of inventory when it exceeds its estimated net realizable value.

The Company's Generation 3 Spokes continued to advance through the early operational phase during the year ended December 31, 2024. Cost of sales attributable to product revenue decreased \$7.3 million or 9% for the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to lower unfavorable inventory adjustments, and lower material costs, offset by increased operating costs related to the paused Rochester Hub and an increase in depreciation of processing equipment due to the first full year of operations at the Germany Spoke.

Cost of sales attributable to service revenue includes the cost of the battery-grade materials acquired with the service contract with the remaining product conversion cost being included in cost of sales attributable to product sales. Cost of sales attributable to service revenue increased by \$2.1 million for the year ended December 31, 2024, compared to the year ended December 31, 2023, due to the increase in service revenue in 2024.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased \$18.1 million or 19% for the year ended December 31, 2024 as compared to the year ended December 31, 2023 primarily due to a net decrease in personnel costs as a result of restructuring activities of \$9.5 million offset by an increase of \$4.3 million of personnel costs previously capitalized in 2023 as a element of the Company's Hub and Spoke expansion projects. As a result of the implementation of the cash preservation plan, other administrative costs decreased \$3.5 million and we experienced a net reduction in consulting and legal services of \$2.9 million. As of December 31, 2024 we also recovered trade receivables previously written off as disclosed in Note 3 of \$2.2 million and had a favorable variance of \$2.9 million related to project costs previously written off during 2023.

Research and development

For the year ended December 31, 2024, research and development expense was \$1.6 million, \$4.1 million lower than in the corresponding period in 2023. The decrease primarily relates to a decrease in consulting and professional fees as a result of the pause in the Company's development projects, a decrease in employee salaries and benefits, and reimbursements received from Glencore in accordance with a cost sharing agreement in relation to the Planned Portovesme Hub.

Other income (expense)

Other income (expense) consists of interest income, foreign exchange gain or loss, interest expense, fair value gain (loss) on financial instruments, and debt extinguishment loss. Interest expense represents interest paid in kind (“**PIK interest**”), actual cash interest costs incurred and any accrued interest payable at a future date, net of interest costs capitalized for qualifying assets where they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

For the year ended December 31, 2024, other expense was \$12.2 million, a decrease of \$36.9 million, compared to the corresponding period of 2023. Other expense for the year ended December 31, 2024 consisted of interest expense of \$61.9 million due primarily to PIK interest expense on Li-Cycle's convertible notes, debt extinguishment loss of \$58.9 million related to the Glencore Unsecured Convertible Notes, interest income of \$2.4 million, and foreign exchange gain of \$1.1 million, offset by fair value gain on embedded derivatives revaluation in the amount of \$105.1 million.

Refer to the section titled “—*Liquidity and Capital Resources*” below for further details on the Company’s convertible debt.

Net loss

Net loss was \$137.7 million in the year ended December 31, 2024, compared to net loss of \$138.0 million in the comparative period in 2023. Net loss for the year ended December 31, 2024 was driven by the factors discussed above.

Non-GAAP Reconciliations and Supplementary Information

The Company uses the non-GAAP measure of Adjusted EBITDA. Management believes that this non-GAAP measure provides useful information to investors in measuring the financial performance of the Company and is provided as additional information to complement U.S. GAAP measures by providing a further understanding of the Company’s results of operations from management’s perspective. Adjusted EBITDA does not have a standardized meaning prescribed by U.S. GAAP and the term therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company’s financial information reported under U.S. GAAP.

Adjusted EBITDA is defined as earnings before depreciation and amortization, interest expense, interest 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. The following table provides a reconciliation of net profit (loss) to Adjusted EBITDA loss.

Unaudited \$ millions	Year ended December 31,	
	2024	2023
Net loss	\$ (137.7)	\$ (138.0)
Income tax	—	(0.1)
Depreciation and amortization	18.5	8.9
Interest expense	61.9	7.6
Interest income	(2.4)	(12.7)
EBITDA loss	\$ (59.7)	\$ (134.3)
Restructuring fees adjustment ¹	15.4	—
Debt extinguishment loss	58.9	—
Fair value gain on financial instruments ²	(105.1)	(22.1)
Adjusted EBITDA loss	\$ (90.5)	\$ (156.4)

¹ Restructuring fees adjustment include: net expense related to the workforce reduction approved by the Board on March 25, 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 gain on financial instruments relates to convertible debt.

Operational Updates

Unaudited \$ millions, except production data in tonnes	Year ended December 31,		Change
	2024	2023	
Operational Highlights			
Capital Expenditures	\$ 23.9	\$ 334.9	(93)%
Production - Black Mass & Equivalents	5,385	6,825	(21)%

Capital Expenditure

Capital expenditures for the year ended December 31, 2024 were \$23.9 million, compared to \$334.9 million in the year ended December 31, 2023. The \$23.9 million capital expenditures in the year ended December 31, 2024 primarily consisted of payments for and receipts of equipment and construction materials purchased during previous periods for the Rochester Hub and the Germany Spoke. The decrease in capital expenditures for the year ended December 31, 2024, was due to the pause of construction at the Rochester Hub which was the primary driver for capital expenditures for the year ended December 31, 2023.

Production - Black Mass & Equivalents

The Company produced 5,385 tonnes of Black Mass & Equivalents in the year ended December 31, 2024, compared to 6,825 tonnes in the corresponding period of 2023. The decrease in production of BM&E was primarily attributable to the slowdown of operations at our North America Spokes offset by an increase attributable to our Germany Spoke operations during the year ended December 31, 2024 as operations in Germany began in August 2023.

Spoke & Hub Network

Li-Cycle has two operational Generation 3 Spokes in North America (the Arizona Spoke and the Alabama Spoke) and one operational Generation 3 Spoke in Europe (the Germany Spoke, which commenced operations in August 2023). In view of the pause in construction of the Rochester Hub project, the Company has slowed operations at its North American Spokes by commencing closure activities at the Ontario Spoke, curtailing operations at the New York Spoke and slowing down operations at its Arizona and Alabama Spokes.

The Company processes end-of-life batteries and certain manufacturing scrap at its Spoke main lines to produce black mass and shredded metal. Other manufacturing scrap acquired by the Company may be processed at the Company's ancillary lines to produce intermediate products or sold directly to third parties.

Li-Cycle's first commercial Hub was under construction in Rochester, New York until October 23, 2023, when the Company announced a construction pause on its Rochester Hub project, pending completion of a comprehensive review of the go-forward strategy for the project. As part of the comprehensive review, the Company examined the scope, expected capital cost, financing, timing of completion and go-forward construction strategy options and have since completed the technical review on the construction, commissioning and operating process areas related to the MHP scope. We are continuing to refine our detailed project plan and financing strategy in line with the MHP scope. We will require significant additional funding before restarting the Rochester Hub project, on the basis of the MHP scope or otherwise.

Liquidity and Capital Resources

Overview

To date, Li-Cycle has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; (iii) other private placements of Li-Cycle securities (including convertible notes and common shares); (iv) the ATM Program, (v) the Underwritten Offering, and (vi) government grants. We have incurred net negative operating cash flow since our inception and expect to continue to generate negative operating cash flow. Cash generated at our operating Spokes is consumed by those operations and any shortfalls as well as funds required for general and all other needs are provided through our existing cash, debt, grants and other receivables. Inherently, there can be no guarantee that we can execute our growth

strategy, secure appropriate feedstock supply, or develop the operating capabilities necessary to grow into a cash flow positive business.

Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12 months following December 31, 2024, casting substantial doubt about our ability to continue as a going concern.

There can be no assurance that we will be able to secure sufficient, additional funding, under reasonable commercial terms or at all, to provide liquidity for ongoing operations, to fund future growth or capital projects, including completion of the Rochester Hub or otherwise satisfy any of our funding needs and obligations. The Glencore Convertible Notes, and borrowings that may become available under the DOE Loan Facility have, or are expected to have restrictive covenants that would significantly limit our operating and financial flexibility or our ability to obtain future financing.

See the following sections for more details regarding our material cash requirements and sources and conditions of liquidity.

Material Cash Requirements

As discussed in and subject to the factors in *Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Rochester Hub Project Review* in this Annual Report on Form 10-K, our primary need for liquidity is to fund on-going working capital requirements of our business during the pause of the Rochester Hub project and existing capital commitments. We will require additional funding to restart the construction of the Rochester Hub which has an estimated cost to complete of \$483.3 million inclusive of \$89.7 million to settle various existing Hub commitments included in accounts payable as at December 31, 2024.

We have no material short-term debt maturities or requirements to pay cash interest associated with our convertible debt under the Company's option to elect PIK interest. See *Note 13 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for further details on our convertible debt.

Excluding the Rochester Hub related commitments referred to above, we had \$43.0 million of accounts payable as of December 31, 2024. In the year following December 31, 2024, we anticipate cash lease payments of \$12.2 million primarily associated with our facilities and \$2.4 million of cash severance costs related to the March 2024 restructuring.

We continue to experience net negative cash flows from operations, and notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business.

Sources and Conditions of Liquidity

Our sources of liquidity to fund our on-going operations, corporate and other costs are predominantly from our existing available cash, unreceived grants, sales of BM&E and recycling services, other receivables and proceeds from future financing, if and when available.

On June 28, 2024, we entered into an ATM Agreement with B. Riley, covering the sale of up to \$75.0 million aggregate amount of our common shares. In 2024, we raised \$16.4 million in gross proceeds by issuing an aggregate of 7,228,200 of our common shares under the ATM Program. As of December 31, 2024, approximately \$58.6 million of our common shares remain available for issuance under the ATM Program. In connection with the Underwritten Offering the Company agreed to suspend the ATM program for 90 days following the closing of the offering on January 14, 2025.

On November 7, 2024, we entered into the DOE Loan Facility, providing for a loan facility in the amount of up to \$475.0 million (including up to \$445.0 million of principal and up to \$30.0 million in deferred and accrued interest). We are actively exploring other financing options and strategic alternatives for a complete funding package needed to restart the construction at the Rochester Hub (of which the DOE Loan Facility is a key component). We will require significant additional funding before drawing down on the DOE Loan Facility and we cannot know or guarantee when, if ever, or how much, if any, funds will be available or received from the DOE Loan Facility.

On January 15, 2025, the Company entered into an underwriting agreement with Aegis Capital Corp., pursuant to which the Company offered and sold, in an underwritten public offering in the United States (the "Underwritten Offering"),

an aggregate of (i) 5,000,000 units at a public offering price of \$1.00, each unit consisting of (a) one common shares, (b) one eight-month warrant to purchase one common share (the "Series A Warrants") and (c) one five-year warrant to purchase one common share (the "Series B Warrants") and (ii) in lieu of units, 10,000,000 pre-funded units at a public offering price per pre-funded unit of \$0.99999, each consisting of (a) one pre-funded warrant to purchase one common share (the "Pre-Funded Warrants" and, together with the Series A Warrants and the Series B Warrants, the "Warrants"), (b) one Series A Warrant and (c) one Series B Warrant. As a result of the full exercise of by Aegis Capital Corp. of its 15% over-allotment option, which was completed by January 27, 2025, the Company also issued to Aegis Capital Corp. an aggregate of 2,250,000 common shares at a price of \$0.99998 each, 2,250,000 Series A Warrants at a price of \$0.00001 each and 2,250,000 Series B Warrants at a price of \$0.00001 each. The Underwritten Offering resulted in gross proceeds to the Company of \$17.3 million.

See *Note 7 (Property, plant and equipment, net)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for details of the \$5.8 million (€5.3 million) conditional grant received from the State of Saxony-Anhalt, Germany. By financing a portion of eligible capital expenditures before May 31, 2025, we may become eligible to receive the remaining €1.1 million of the approved grant. At December 31, 2024, we satisfied the conditions of the grant and we expect to continue to satisfy the conditions of the grant through the required period, although there can be no assurances that we will be able to do so. In the future, should we not meet the conditions of the grant, all or part of the grant could be cancelled and we could be required to return funds provided by the grant.

During the year ended December 31, 2024, we reached new agreements and renegotiated certain previous agreements with certain suppliers to extend payment terms for \$1.5 million of trade accounts payable beyond one year. We expect to pay, in aggregate, less than \$0.1 million in interest over the remaining terms of the deferrals. We recorded these amounts as non-current accounts payable in the consolidated balance sheet as of December 31, 2024.

At December 31, 2024, we had convertible debt of \$363.1 million. For details regarding our indebtedness, see *Note 13 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Cash Flows Summary

Cash, cash equivalents and restricted cash were \$31.9 million as at December 31, 2024, compared to \$80.3 million as at December 31, 2023. Cash, cash equivalents and restricted cash as at December 31, 2024 included proceeds received from the issuance of the Glencore Senior Secured Convertible Note and restricted cash of \$9.3 million. Presented below is a summary of Li-Cycle's operating, investing, and financing cash flows for the periods indicated:

\$ millions	Year ended December 31,	
	2024	2023
Net cash used in operating activities	\$ (106.4)	\$ (99.8)
Net cash used in investing activities	(23.9)	(334.9)
Net cash provided (used in) by financing activities	81.9	(2.9)
Net change in cash	\$ (48.4)	\$ (437.6)

Net Cash Used in Operating Activities

For the year ended December 31, 2024, net cash used in operating activities was \$106.4 million compared to \$99.8 million in the corresponding period of 2023, and were driven by an increase in selling, general and administrative disbursements included in expenses in prior periods and expenses related to legal fees incurred as a result of the three shareholder suits and mechanic's liens filed following the construction pause at the Rochester Hub and other non-recurring restructuring costs.

The cash expenditures related to the shareholder lawsuits and lien related activities during the year ended December 31, 2024 were \$6.1 million. The other non-recurring cash restructuring costs of \$9.0 million during the year ended December 31, 2024 include severance costs for certain executives and non-executives pursuant to contractual termination benefits related to the March 2024 workforce reduction, as well as consulting, legal and Special Committee fees.

Net Cash Used in Investing Activities

For the year ended December 31, 2024, net cash used in investing activities was \$23.9 million, and primarily consisted of payments for equipment and construction materials purchased during previous periods and delivered during 2024 for the Rochester Hub and the Germany Spoke, compared to net cash used in investing activities of \$334.9 million in the corresponding period of 2023. The decrease in net cash used in investing activities for the year ended December 31, 2024 as compared to the corresponding period of 2023 was due to the pause of construction at the Rochester Hub and other development projects.

Net cash Provided by (Used in) From Financing Activities

For the year ended December 31, 2024, net cash provided by financing activities was \$81.9 million, compared to \$2.9 million used in the corresponding period of 2023, and was primarily driven by \$75.0 million of gross proceeds received from the issuance of the Glencore Senior Secured Convertible Note on March 25, 2024 net of \$8.6 million of transaction costs and \$15.5 million net proceeds raised from issuance of common shares under our ATM Program.

Off-Balance Sheet Arrangements

As of December 31, 2024, we are not party to any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Recent Accounting Pronouncements

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the FASB. Unless otherwise discussed, and as further highlighted in *Note 2* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K, Li-Cycle is in the process of assessing the impact of recently issued standards or amendments to existing standards that are not yet effective.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Li-Cycle Holdings Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Li-Cycle Holdings Corp. and subsidiaries (the "Company") as of December 31, 2024, the related consolidated statements of operations and comprehensive loss, equity and cash flows for the year ended December 31, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph - Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Retrospective Adjustment

We also have audited the adjustments to the 2023 consolidated financial statements for the June 2024 share consolidation described in Note 15 and the retrospective application of Financial Accounting Standards Board Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280) described in Note 19. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 consolidated financial statements of the Company other than with respect to the June 2024 share consolidation and Segment Reporting, and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements taken as a whole.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements,

taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of revenue recognized from the sale of products

As discussed in Note 3 to the consolidated financial statements, product revenue from Black Mass & Equivalents and shredded metal, and the related trade accounts receivables, are measured at initial recognition using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals. As discussed in Note 3 to the consolidated financial statements, the final consideration for Black Mass & Equivalents and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results. As discussed in Note 3 to the consolidated financial statements, the Company reported product sales revenue of \$16.1 million for the year ended December 31, 2024.

We identified the evaluation of revenue recognized from the sale of products as a critical audit matter. The evaluation of revenue recognized from the sale of products required a high degree of audit effort and judgment due to the complexity of the revenue recognition process, as a result of the nature of the contracts with the customers and the key inputs used for determining revenue from the sale of products.

The following are the primary procedures we performed to address this critical audit matter. We assessed the appropriateness of the Company's revenue recognition policy by reading the contracts with the Company's customers. We confirmed the pricing terms used for determining the amount of product revenue from the sale of products with certain customers. For a sample of revenue transactions, we tested market prices of certain constituent metals by comparing the market prices per the Company's sales invoices to publicly available market price information for the constituent metals, we tested product weight by comparing product weight per sales invoices to shipping documents, and we tested assay results by comparing assay results per sales invoices to third party specialists used to provide assay results.

Convertible Promissory Note

As disclosed in Note 13, the Company issued convertible notes which had the option of the holder, can be converted into common shares. The Company concluded that the embedded conversion feature within the convertible notes should be accounted for as a derivative liability. The Company has exercised significant amount of judgement into how the conversion feature of the convertible notes should be accounted for under the basis of the accounting principles generally accepted in the United States of America.

We identified the evaluation of the accounting treatment of the convertible notes as a critical audit matter due to the nature and extent of audit effort required to obtain sufficient appropriate audit evidence to address the risks of material misstatement related to the disclosure of the Company's convertible notes. The nature and extent of audit effort required to address the matter included significant involvement of more experienced engagement team members. The primary procedures we performed to address this critical audit matter included the following:

- We examined the executed securities purchase agreement and analyzed the terms in the agreement, such as the conversion price and conversion price adjustments, events of default, and other terms of the convertible note, and evaluated management analysis accounting memo and supporting schedule.
- We evaluated and tested management's assumptions, including, but not limited to, peer company selection for volatility calculations, probability of excess cash flow mandatory redemption, timing of modification dates and applicability to the general accepted accounting principles of the United States of America.
- We concluded on the classification, valuation and accuracy of the accounting treatment of the convertible notes.

Evaluation of long-lived asset impairment

As discussed in Note 2 to the consolidated financial statements, the Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and right of use assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately when there are indicators present for impairment. As of the year ended December 31, 2024, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network. The Company's determination of its asset groups, its primary asset and its remaining useful life and its evaluation of indicators of

impairment of the Company's assets for the purposes of long-lived asset impairment testing. For the year ended December 31, 2024, the Company has not experienced impairment losses on its long-lived assets.

We identified the evaluation of long-lived asset impairment as a critical audit matter. A high degree of audit effort and judgment was required to evaluate the Company's long-lived asset impairment assessment due to the degree of estimation uncertainty and judgment involved in determining the estimated useful life of the primary asset and the evaluation of impairment indicators.

The following are the primary procedures we performed to address this critical audit matter. We assessed the determination of the estimated useful life of the primary asset by considering the Company's business plan and comparing to publicly available information on useful life of similar assets. We assessed managements rationale in respect to indicators for impairment and their conclusions.

/s/ Marcum Canada LLP

Marcum Canada LLP

We have served as the Company's auditor since 2024.

Toronto, Canada
March 31, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Li-Cycle Holdings Corp.:

Opinion on the Consolidated Financial Statements

We have audited, before the effect of the adjustments to retrospectively apply the change in accounting described in Notes 2, 15 and 19, the accompanying consolidated balance sheet of Li-Cycle Holdings Corp. and subsidiaries (the Company) as of December 31, 2023, the related consolidated statements of operations and comprehensive loss, consolidated statement of equity, and cash flows for the year ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements, before the effects of the adjustments described in Notes 2, 15 and 19, present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We were not engaged to audit, review, or apply any procedures to the adjustments to retrospectively apply the change in accounting described in Notes 2, 15 and 19 and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by other auditors.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations since inception, continued cash outflows from operating activities and paused its construction of the Rochester Hub project, that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We served as the Company's auditor from 2022 to 2024.

Vaughan, Canada

March 15, 2024

Li-Cycle Holdings Corp.
Consolidated statements of operations and comprehensive loss

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

		For the year ended December 31, 2024	For the year ended December 31, 2023
Revenue			
Product revenue	\$	16.1	\$ 12.6
Recycling service revenue		11.9	5.7
Total revenue		28.0	18.3
Cost of sales			
Cost of sales - Product revenue		(72.7)	(80.0)
Cost of sales - Recycling service revenue		(3.9)	(1.8)
Total cost of sales		(76.6)	(81.8)
Selling, general and administrative expense		(75.3)	(93.4)
Research and development		(1.6)	(5.7)
Loss from operations	\$	(125.5)	\$ (162.6)
Other income (expense)			
Interest income		2.4	12.7
Interest expense		(61.9)	(7.6)
Foreign exchange gain (loss)		1.1	(2.5)
Fair value gain on financial instruments		105.1	22.1
Debt extinguishment loss		(58.9)	—
	\$	(12.2)	\$ 24.7
Net loss before taxes	\$	(137.7)	\$ (137.9)
Income tax		—	(0.1)
Net loss and comprehensive loss	\$	(137.7)	\$ (138.0)
Loss per common share - basic and diluted	\$	(5.86)	\$ (6.22)

The accompanying notes are an integral part of the Consolidated Financial Statements.

Li-Cycle Holdings Corp. **Consolidated balance sheets**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 22.6	\$ 70.6
Restricted cash	9.3	9.7
Accounts receivable (net of allowance for credit losses of \$nil)	12.1	1.0
Other receivables	1.0	1.9
Prepayments, deposits and other current assets	31.8	56.2
Inventories, net	9.6	9.6
Total current assets	86.4	149.0
Non-current assets		
Property, plant and equipment, net	690.9	668.8
Operating lease right-of-use assets	80.1	56.4
Finance lease right-of-use assets	—	2.2
Other assets, net	3.8	9.6
	774.8	737.0
Total assets	\$ 861.2	\$ 886.0
Liabilities		
Current liabilities		
Accounts payable	\$ 109.3	\$ 134.5
Accrued liabilities	31.7	17.6
Deferred revenue	3.3	0.2
Operating lease liabilities	5.7	4.4
Total current liabilities	150.0	156.7
Non-current liabilities		
Accounts payable	1.5	—
Operating lease liabilities	77.5	56.2
Finance lease liabilities	—	2.3
Deferred revenue	5.0	5.3
Convertible debt	363.1	288.1
Asset retirement obligations	1.0	1.0
	448.1	352.9
Total liabilities	\$ 598.1	\$ 509.6
Commitments and Contingencies (Note 17)		
Equity		
Common stock and additional paid-in capital		
Authorized unlimited shares, Issued and outstanding - 30.4 million shares (22.3 million shares at December 31, 2023)	672.7	648.3
Accumulated deficit	(409.3)	(271.6)
Accumulated other comprehensive loss	(0.3)	(0.3)
Total equity	263.1	376.4
Total liabilities and equity	\$ 861.2	\$ 886.0

The accompanying notes are an integral part of the Consolidated Financial Statements.

Li-Cycle Holdings Corp.
Consolidated statements of equity

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	Number of common shares	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to the shareholders of Li- Cycle Holdings Corp.	Non- controlling interest	Total
Balance, December 31, 2022	22.0	635.3	(133.6)	(0.3)	501.4	0.2	501.6
Settlement of RSUs	0.1	—	—	—	—	—	—
Exercise of stock options	0.2	—	—	—	—	—	—
Stock-based compensation - RSUs	—	9.8	—	—	9.8	—	9.8
Stock-based compensation - options	—	3.6	—	—	3.6	—	3.6
Payment to the holders of non-controlling interest in subsidiary	—	(0.4)	—	—	(0.4)	(0.2)	(0.6)
Net loss and comprehensive loss	—	—	(138.0)	—	(138.0)	—	(138.0)
Balance, December 31, 2023	22.3	648.3	(271.6)	(0.3)	376.4	—	376.4
Settlement of RSUs	0.9	—	—	—	—	—	—
Issuance of common stock in connection with the ATM Program	7.2	15.5	—	—	15.5	—	15.5
Stock based compensation - PSUs	—	0.1	—	—	0.1	—	0.1
Stock based compensation - RSUs	—	8.7	—	—	8.7	—	8.7
Stock based compensation - options	—	0.1	—	—	0.1	—	0.1
Net loss and comprehensive income	—	—	(137.7)	—	(137.7)	—	(137.7)
Balance, December 31, 2024	30.4 \$	672.7 \$	(409.3) \$	(0.3) \$	263.1 \$	— \$	263.1

The accompanying notes are an integral part of the Consolidated Financial Statements.

Li-Cycle Holdings Corp.
Consolidated statements of cash flows

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the year ended December 31, 2024	For the year ended December 31, 2023
Operating activities		
Net loss for the year	\$ (137.7)	\$ (138.0)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	8.9	12.7
Depreciation and amortization	18.5	8.9
Loss on write off of fixed assets	2.1	3.9
Write-off of intangible assets	1.0	—
Foreign exchange (gain) loss	(2.3)	1.2
Fair value gain on financial instruments	(105.1)	(22.1)
Debt extinguishment cost	58.9	—
Inventory adjustments to net realizable value	4.2	6.0
Income tax expense	—	0.1
Bad debt expense	—	1.2
Interest and accretion on convertible debt	54.0	7.6
Loss on termination of lease	0.3	—
Non-cash lease expense	(5.3)	0.6
	(102.5)	(117.9)
Changes in working capital items:		
Accounts receivable	(11.1)	2.5
Other receivables	0.9	8.0
Prepayments, deposits and other assets	28.9	(1.9)
Inventories	(4.2)	(8.7)
Deferred revenue	2.8	0.2
Accounts payable and accrued liabilities	(21.2)	18.0
Net cash used in operating activities	\$ (106.4)	\$ (99.8)
Investing activities		
Purchases of property, plant, equipment, and other assets	(23.9)	(334.9)
Net cash used in investing activities	\$ (23.9)	\$ (334.9)
Financing activities		
Payments of transaction costs	(8.6)	(7.8)
Proceeds from reservation fees recorded in deferred revenue	—	5.3
Capital contribution payment to the holders of non-controlling interest in subsidiary	—	(0.4)
Issuance of common shares, net	15.5	—
Proceeds from convertible debt, net of issuance cost	75.0	—
Net cash (used in) provided by financing activities	\$ 81.9	\$ (2.9)
Net change in cash, cash equivalents and restricted cash	(48.4)	(437.6)
Cash, cash equivalents and restricted cash, beginning of year	80.3	517.9
Cash, cash equivalents and restricted cash, end of year	\$ 31.9	\$ 80.3
Supplemental non-cash investing activities:		
Purchases of property and equipment included in liabilities	\$ 3.9	\$ 87.6
Interest paid	1.0	—
Bad debt recovery	1.0	—

The accompanying notes are an integral part of the Consolidated Financial Statements.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

1. Overview

Li-Cycle's core business model is to build, own and operate recycling plants tailored to regional needs. Li-Cycle's Spoke & Hub Technologies™ provide an environmentally friendly resource recovery solution that addresses the growing global lithium-ion battery recycling challenges supporting the global transition toward electrification.

Li-Cycle Holdings Corp. and its subsidiaries, (collectively "**Li-Cycle**" or the "**Company**") started their business as Li-Cycle Corp., which was incorporated in Ontario, Canada under the *Business Corporations Act* (Ontario) ("**OBCA**") on November 18, 2016. The Company's registered address is 207 Queens Quay West - Suite 590, Toronto, Ontario, Canada.

On August 10, 2021, in accordance with the plan of arrangement to reorganize Li-Cycle Corp., the Company finalized a business combination (the "**Business Combination**") with Peridot Acquisition Corp., and the combined company was renamed Li-Cycle Holdings Corp. The common shares of Li-Cycle Holdings Corp. are traded on the OTCQX® Best Market under the symbol "OTCQX:LICYF".

Going concern

The going concern basis of accounting assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these consolidated annual financial statements are issued. Based on its recurring losses from operations since inception, which included losses from operations of \$125.5 million for the year ended December 31, 2024 (\$162.6 million for the year ended December 31, 2023), cash flows used in operating activities of \$106.4 million during the year ended December 31, 2024 (\$99.8 million for the year ended December 31, 2023), and the pause on construction of the Rochester Hub project, and the delisting of the Company's common shares from a national stock exchange, the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these Consolidated Financial Statements were issued.

To date, the Company has financed its operations primarily through proceeds received in connection with (i) the Business Combination, (ii) the concurrent \$315.5 million private placement of common shares, and (iii) private and public offerings of other Company securities (including convertible notes, common shares, and warrants). On March 11, 2024, the Company entered such a private placement agreement (the "**Glencore Senior Secured Convertible Note Purchase Agreement**") to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the "**Senior Secured Convertible Glencore Note**") which closed on March 25, 2024. On November 7, 2024, the Company executed a definitive financing agreement with the United States Department of Energy ("**DOE**") for a loan for gross proceeds of up to \$475.0 million (the "**DOE Loan**"), and it is actively exploring other financing options and strategic alternatives to secure additional financing required to fund a required base equity commitment and required reserve amounts to draw on the DOE Loan. There can be no assurance that it will be able to secure additional funding at attractive commercial terms or at all. Furthermore, any additional financing may be insufficient to provide adequate liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs and obligations. Additional financing may have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future funding.

In addition, inherent risks are associated with the Company's ability to execute its growth strategy. There can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design, or production standards, or meet the required production volumes to grow into a viable, cash-flow-positive business successfully.

These factors, in addition to potential rising inflation, commodity and labour prices, adverse regulatory and policy changes, and other challenging macroeconomic conditions, have led the Company to implement mitigating activities to strengthen its financial position, enhance liquidity and preserve cash flow, depending on how these uncertain circumstances unfold, including:

On October 23, 2023, Li-Cycle announced that it was pausing construction work on its Rochester Hub, pending completion of a comprehensive review of the go-forward strategy for the project. During 2024, the Company continued to implement its Cash Preservation Plan, which was announced in November 2023. Among other things, Li-Cycle commenced closure activities at the Ontario Spoke, curtailed operations at the New York Spoke and slowed operations at its other Spokes, while continuing to review the timing and BM&E needs of the Rochester Hub. The Ontario Spoke is expected to complete its closure plans in early 2025.

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

In addition, on October 31, 2023, the Board authorized a reduction in workforce plan across Li-Cycle, and on March 25, 2024, the Board approved additional plans to reduce approximately 17% of the Company's global workforce, and additional steps may be taken based on our go-forward strategic objectives and the Cash Preservation Plan to right-size and right-shape our organization.

2. Summary of significant accounting policies*Basis of presentation*

The accompanying Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") and are presented in U.S. Dollars. The Consolidated Financial Statements have been prepared in accordance with the accounting policies set out below.

Basis of consolidation

The Company consolidates all entities that it controls through a majority voting interest and all variable interest entities ("**VIE**") for which it is the primary beneficiary. As at December 31, 2024, and comparative reporting periods, the Company does not hold any interest in companies that qualify as VIE. The Company has controlling financial interest in various voting interest entities ("**VOE**") through its ownership of majority voting interests in the entities.

The Company's principal subsidiaries and their geographic location as at December 31, 2024 are set forth in the table below:

Company	Law of incorporation	Date of incorporation or acquisition	Ownership interest
Li-Cycle Corp.	Ontario, Canada	November 18, 2016	100%
Li-Cycle Americas Corp.	Ontario, Canada	October 27, 2021	100%
Li-Cycle U.S. Inc.	Delaware, U.S.	October 31, 2021	100%
Li-Cycle Inc.	Delaware, U.S.	March 28, 2019	100%
Li-Cycle North America Hub, Inc.	Delaware, U.S.	September 2, 2020	100%
Li-Cycle Europe AG	Switzerland	October 29, 2021	100%
Li-Cycle APAC PTE. LTD.	Singapore	October 29, 2021	100%
Li-Cycle Germany GmbH	Germany	March 17, 2022	100%
Li-Cycle France SARL	France	April 29, 2022	100%
Li-Cycle United Kingdom Ltd.	United Kingdom	April 6, 2022	100%
Li-Cycle Norway AS	Norway	March 31, 2022 June 29, 2023	67% 100%

Intercompany accounts and transactions have been eliminated on consolidation.

Non-controlling interest is defined as equity in a subsidiary not attributable, directly or indirectly, to a parent where a parent controls one or more entities.

Changes in the Company's ownership interest in a subsidiary that do not result in the loss of control of the subsidiary are accounted for as equity transactions.

Non-controlling interest is subsequently measured through the consolidated statements of operations and comprehensive income (loss) and will be attributed based on ownership interest and distributions/dividends to the non-controlling interest.

Reclassification

The Company reclassified certain amounts in the Consolidated Financial Statements to conform to the current period's presentation.

Use of estimates

The preparation of Consolidated Financial Statements in conformity with US GAAP requires management to make estimates and assumptions, which are evaluated on an ongoing basis, that affect the amounts reported in the Company's Consolidated Financial Statements and accompanying notes. Management bases its estimates on historical experience and

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on various other assumptions it believes to be reasonable at the time under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and disclosure, if any, of contingent assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates and judgments.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant accounting estimates include:

- i. the determination of net realizable value of inventory;
- ii. the determination of the useful life of property, plant and equipment;
- iii. the determination of the useful life of intangible assets;
- iv. the valuation and measurement of the convertible debt and the related conversion and redemption features;
- v. the determination of the incremental borrowing rate and lease term for operating lease and finance lease right-of-use assets ("**ROU assets**") and operating lease and finance lease liabilities;
- vi. the valuation of performance share units ("**PSU**"); and
- vii. the determination of the transaction price used for revenue recognition.

Segmented information

The Company has determined that there is one operating and reportable segment based on qualitative and quantitative considerations. The accounting policies of the segment is measured in a manner consistent with that of the Consolidated Financial Statements.

Revenue recognition

The Company's principal activities generate revenues from the operation of lithium-ion battery recycling plants. The Company uses the following five step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company recognizes revenue from the following sources:

- i. Sale of products which includes black mass and products analogous to black mass that have a similar metal content (collectively, "**Black Mass & Equivalents**") and shredded copper and aluminum material ("**shredded metal**")
- ii. Services for recycling lithium-ion batteries which includes coordination of logistics and destruction of batteries

Revenue is measured based on the consideration to which the Company expects to be entitled under a contract with a customer. The Company recognizes revenue when it transfers control of a product or service to a customer as outlined in the contractual terms. There are no significant financing components associated with the Company's payment terms.

For sale of products, revenue is recognized when control of the goods has transferred, typically when the goods have been transferred to the customer. A receivable is recognized by the Company when the goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements, which is based on the initial assay results and market prices of certain constituent metals on the date control is transferred to the customer. The final consideration for BM&E and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results (ratio of the constituent metals based on the initial assay and subsequently trued up by customer confirmation). Certain adjustments to revenue like handling and refining charges are also made per contractual terms with customers. Product sales and the related trade accounts receivable are measured using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals at the estimated settlement dates. Upon settlement of a sale transaction, the Company will receive or pay the incremental amount to settle the final consideration based on the constituent metal prices on the settlement date. Changes in the fair value of the receivable or payable following the sale are recognized as an adjustment in revenue and the related accounts receivable or accounts payable. If a significant decline in metal prices occurs, or assay data results in a significant change in quantity between the provisional pricing date and the final settlement

date, it is reasonably possible that the Company could be required to pay an incremental amount to settle the final consideration.

Depending on contract terms with customers, the payment of receivables may take up to 12 months from date of transfer of control. The Company has elected to use the practical expedient for financing components related to its sales contracts. The Company does not recognize interest expense on contracts for which the period between receipt of customer payments and sale to the customer is one year or less.

Recycling service revenue is recognized at a point in time either upon receipt of the batteries from the customers or upon completion of the services. The price for services is separately identifiable within each contract and services are not subject to provisional pricing.

Revenues are recorded net of estimated allowances and discounts based upon historical experience and current trends at the time revenue is recognized. These estimates are based on historical rates of customer returns and allowances. The actual amount of customer returns and allowances, which are inherently uncertain, may differ from the Company's estimates. The Company has elected to exclude sales tax from the transaction price.

In the ordinary course of business, the Company may have consideration payable to customers in relation to recycling services, which has been netted against revenue and the consideration receivable from the customers.

Cost of sales

Cost of sales includes costs directly attributable to fulfilling the Company's obligations under customer contracts primarily comprised of employee salaries and benefits for employees involved in sourcing, production and logistics functions, raw material, supplies and finished good costs, depreciation, freight and other plant facilities and other costs, including lease costs.

Stock-based compensation

The Company accounts for stock options using the fair value-based method of accounting for stock-based compensation. Fair values are determined using the Black-Scholes-Merton option pricing model. Management exercises judgment in determining the underlying share price volatility, expected life of the option, expected forfeitures and other parameters of the calculations. The simplified method is used for estimating the expected term of the options since the Company does not have historical exercise experience to develop this assumption. Compensation costs are recognized over the vesting period on a straight-line basis for each tranche as if each award was in substance multiple awards, as an increase to stock-based compensation expense and additional paid-in capital. If, and when, stock options are ultimately exercised, the applicable amounts of additional paid-in capital are transferred to common stock. The Company accounts for award forfeitures by estimating expected forfeitures as compensation cost is recognized and recovering expenses related to unvested awards that are forfeited.

The fair value of restricted stock units ("RSUs") and performance share units ("PSUs") is the closing market price per share of the Company's stock on the grant date less the present value of the expected dividends not received during the vesting period. The number of PSUs granted in the year to certain executives may be reduced based on the timing of the certified achievement of the predefined performance criteria related to certain milestones for the Rochester Hub project.

The expense for RSUs is recognized straight-line over the vesting period for each tranche. In the reporting period, if it becomes probable that a performance condition specified in the PSUs award will be achieved; the Company recognizes compensation expense for the proportionate share of the total fair value of the PSUs related to the vesting period that has already lapsed for the PSUs expected to vest. The remaining fair value of the PSUs expected to vest is expensed straight-line over the remainder of the vesting period. If the Company determines it is no longer probable that a performance threshold specified in the award will be achieved, then all of the previously recognized compensation expense attributable to that condition is reversed in the same reporting period the determination is made.

Upon vesting of any RSUs and PSUs, the grant date fair value of RSUs and the grant date fair value of PSUs vested is transferred to common stock.

The Company has made a policy election to estimate the number of stock-based compensation awards among similar units and recipients that will ultimately vest to determine the compensation expense recognized each reporting period. Forfeiture estimates are trued up at the end of each quarter to ensure that compensation expense is recognized only for those awards that ultimately vest.

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Research and development expense

Research costs are expensed as incurred. Development costs are capitalized to the extent they meet the necessary capitalization criteria.

Government Grants

The Company receives grants from federal, state and local governments in different regions of the world that primarily encourage the Company to establish, maintain, or increase investment or employment in the region. Government grants are recorded in accordance with their purpose of reducing expenses or offsetting the related capital asset. The benefit is generally recorded when all conditions attached to the incentive have been met or are expected to be met and there is reasonable assurance of their receipt.

Selling, general and administrative expenses

Selling, general and administrative expenses consist of costs not directly attributable to customer contracts and are primarily related to employee salaries and benefits for employees involved in general corporate, selling and marketing functions, professional fees, stock-based compensation, marketing expenses and other general office, administrative and travel related expenditures.

Cash and cash equivalents

Cash consists of cash deposits with financial institutions, while cash equivalents consist of short term guaranteed investment certificates with financial institutions with maturities of less than 90 days.

Restricted cash

As of December 31, 2024, the Company had \$9.3 million in restricted cash of which \$5.2 million is a bank guarantee against a reservation fee for future battery waste recycling services, and \$2.8 million is a security for the Germany Spoke plant and warehouse. Additionally, the Company has \$1.3 million held as cash collateral for a credit facility which is utilized for company credit cards and multiple bank guarantees. As the use of these funds is contractually restricted, and the Company does not have the ability to use these funds for general operating purposes, they are classified as restricted cash in the consolidated balance sheets.

Allowance for credit losses

On a regular basis, the Company evaluates its accounts receivable (other than accounts receivable associated with provisional pricing arrangements which is measured at fair value through profit and loss) and establishes the allowance for credit losses based on an evaluation of certain criteria including client industry profile. Past-due receivable balances are written off when the Company's collection efforts have been deemed unsuccessful in collecting the outstanding balance due.

Inventories, net

Raw materials, finished goods and expendable spare parts are valued at the lower of cost and net realizable value ("**NRV**"). Cost is determined on a weighted average basis. The cost of finished goods includes the cost of raw materials and the applicable share of the cost of labor and fixed and variable production overheads. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Costs of idle plant operations are expensed. Expendable spare parts are expensed when used.

On a periodic basis, Li-Cycle performs an assessment of net realizable value to determine whether the cost of inventory has dropped below net realizable value. A write-down of inventory to the lower of cost and NRV at the close of a fiscal year creates a new cost basis that subsequently cannot be marked up based on changes in underlying circumstances after the company's fiscal year-end.

Net realizable value is estimated based upon assumptions made about demand for Li-Cycle's products and market conditions. If actual market conditions are less favorable than projected, further adjustments may be required that would increase the write-down of inventory in the period in which such a determination is made.

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Convertible debt

Convertible instruments are assessed to determine classification of the whole instrument and to determine how to account for any conversion features or non-equity derivative instruments. The host instrument (i.e., convertible note element of the outstanding instruments) is classified as a financial liability and recorded at the present value of the Company's obligation to make future interest payments in cash and settle the redemption value of the instrument in cash. The carrying value of the host instrument is accounted for at amortized cost and is therefore accreted to the original face value of the instrument, over the life, using the effective interest method. The conversion option components of convertible debt instruments issued by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. If any conversion options require bifurcation as embedded derivatives, such embedded derivative liabilities are initially recognized at fair value and classified as derivatives in the balance sheet. Changes in the fair value of the embedded derivative liabilities are subsequently accounted for directly through the consolidated statements of operations and comprehensive income (loss) and are included in operating activities in the consolidated statements of cash flows as non-cash adjustments.

The conversion options are valued using certain directly and indirectly observable inputs and are classified as Level 2 in the fair value hierarchy. In determining the estimated fair value of the conversion options, the Company utilizes the most recent data available including risk-free interest rate, expected life of options, expected dividend yield, expected stock price volatility, and the Company's share price. The embedded derivatives are valued using the Binomial Option Pricing Model for the KSP Convertible Notes and Finite Difference Method for the Glencore Convertible Notes.

Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated statements of operations and comprehensive income (loss) on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives, residual values and method of depreciation are reviewed whenever events or circumstances indicate that a revision is warranted and any changes are accounted for on a prospective basis. The estimated useful lives are as follows:

Computers	3 years
Vehicles	5 years
Plant equipment	5 years
Furniture	7 years
Storage containers	10 years
Processing equipment and rotatable parts	5 to 10 years
Buildings	39 years
Leasehold improvements	Shorter of term of lease or estimated useful life

Estimating the useful life of property, plant and equipment requires judgment and is based on the Company's historical experience and expected use of the property, plant and equipment. The effects of obsolescence, demand, and other economic factors such as the stability of the industry may impact the Company's determination of useful life.

Expenditures for major renewals and improvements which extend the life or usefulness of the asset are capitalized. Items of an ordinary repair or maintenance nature are charged directly to operating expense as incurred. During the construction and development period of an asset, the costs incurred, including interest expense, are classified as construction-in-progress if they meet the qualifying assets criteria. When the asset is ready for its intended use, the asset is reclassified to an appropriate asset classification and depreciation or amortization commences.

Borrowing costs on funds from general and specific borrowings used to finance the construction, production, or acquisition of a qualifying asset are capitalized while a qualifying asset is being prepared for its intended use. A qualifying asset is one that takes a substantial period of time to prepare the asset for its intended use. The amount of interest cost to be capitalized for qualifying assets is intended to be that portion of the interest cost incurred during the assets' acquisition periods that theoretically could have been avoided if expenditures for the assets had not been made. When money borrowed specifically to finance a project is invested to earn interest income, the income generated is not capitalized and does not reduce the total capitalized borrowing costs. Interest is capitalized based on the weighted average interest rate applicable to the general borrowings outstanding during the period of construction.

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Employee salaries and stock-based compensation costs for employees that are directly attributable to bringing the Hub and Spoke assets to a condition and location necessary for the assets to be capable of operating in the manner intended by management are capitalized to assets under construction.

Intangible assets

Costs related to developing internal-use software during the application development phase are capitalized into other assets in the consolidated balance sheets and are stated at cost less accumulated amortization and impairment.

Costs related to develop, configure and customize cloud computing arrangements are capitalized as internal-use software, and they will be amortized on a straight-line basis over the expected life of the software or the cloud computing contract once the underlying cloud computing software is ready to be used. These assets are stated at cost less accumulated amortization and impairment.

Depreciation is charged to the consolidated statements of operations and comprehensive income (loss) on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful life is 3 years.

All finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When such factors and circumstances exist, management compares the projected undiscounted future cash flows associated with the related asset or group of assets to the carrying amount. The impairment loss, if any, is measured as the excess of the carrying amount over the fair value of the asset or group of assets.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead, management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable.

The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results. The Company's determination of its asset groups, its primary asset and its remaining useful life, estimated cash flows, cost to complete the assets under construction and timing of the completion are significant factors in assessing the recoverability of the Company's assets for the purposes of long-lived asset impairment testing.

For the years ended December 31, 2024 and December 31, 2023, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

When indicators of impairment exist, long-lived asset impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the asset group's estimated undiscounted future cash flows to the carrying value of its net assets. If the net undiscounted cash flows of the asset group exceed the carrying value of its net assets, long-lived assets are not considered to be impaired. If the carrying value exceeds the net undiscounted cash flows, there is an indication of potential impairment and the second step of the long-lived asset impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group. Fair values are determined using valuation techniques that are in accordance with U.S. GAAP, including the income approach. If the carrying value of the asset group's net assets exceeds its fair value, then the excess represents the maximum amount of potential impairment that will be allocated to long-lived assets in the asset group, with the limitation that the carrying value of each separable asset cannot be reduced to a value lower than its individual fair value.

For the year ended December 31, 2023, management determined that the pause on the construction work on its Rochester Hub project pending completion of a comprehensive strategic review to be an indicator for potential impairment requiring it to perform a recoverability assessment. These actions represented a trigger requiring management to perform a recoverability test in line with Step 1 of the impairment assessment which compares the expected net undiscounted cash

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flows to be derived from the asset group for the remaining useful life of the asset group's primary asset compared to its carrying value. For the year ended December 31, 2023, the Company had not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceeded their carrying values.

For the year ended December 31, 2024, we did not identify any impairment triggers and we did not recognize any impairment of long-lived assets.

Fair value measurements

When determining fair value measurements for assets and liabilities which are required to be recorded at fair value, the Company considers the principal or most advantageous market and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability. These could include risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels. In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Foreign currencies

The reporting and functional currency of the Company and its subsidiaries is the U.S. Dollar. Transactions in currencies other than the U.S. Dollar are recorded at the rates of exchange prevailing on the dates of transactions. Foreign currency-denominated monetary assets and liabilities of the Company are translated using the rate of exchange prevailing at the reporting date. Revenues and expenses are measured at the exchange rates at the transaction dates. Gains or losses on translation of monetary assets and liabilities, revenues and expenses are included in net income (loss). Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

Income taxes

Income tax expense is comprised of current and deferred tax components. Income tax is recognized in the consolidated statements of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the related tax is recognized in equity or other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using liability method. Under this method, the Company calculates all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the period end date. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the period end date.

Deferred tax assets are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts and the relevant tax bases of the existing assets and liabilities. Valuation allowances to reduce deferred tax assets are established to the extent that it is more likely than not that deferred tax assets will not be realized. The carrying amount of deferred tax assets is reviewed at each statement of the financial position date and reduced to the extent that it is more likely than not that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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The Company records uncertain tax positions on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis on the technical merits of the positions and (2) for those positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than fifty percent likely to be realized upon ultimate settlement with the related tax authority.

Commitments and contingencies

In the normal course of business, the Company is subject to legal proceedings and claims arising out of its business, that cover a wide range of matters. Where a potential loss is considered probable and the amount is reasonably estimable, provisions for loss are made based on management's assessment of the likely outcome. The amount recognized as a loss contingency is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation. The Company will determine the range of loss and accrue the best estimate within the range. If there is no best estimate within the range, the minimum amount in the range will be accrued. An asset relating to the recovery of a recognized loss is recognized when realization of the claim for recovery is deemed probable.

Leases

Contracts are reviewed at inception to determine if the arrangement is a lease and, if so, whether it is an operating or finance lease. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less and do not contain purchase options or renewal terms that are reasonably certain to exercise). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Variable lease payments based on an index are included when recognizing the initial right-of-use asset and corresponding lease liability using the index at the commencement date of the lease and is only remeasured when there is a separate modification which occurs to the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The operating lease liability and finance lease liability are presented as separate lines in the consolidated balance sheets.

A portion of the Company's lease agreements include renewal periods at the Company's option. The Company includes these renewal periods in the lease term only when renewal is reasonably certain based upon facts and circumstances specific to the lease and known by the Company.

The operating lease right-of-use assets and finance lease right-of-use-assets are presented as separate lines in the consolidated balance sheets.

The Company determines whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of long-lived assets" policy.

As a practical expedient, non-lease components are not separated, and instead account for any lease and associated non-lease components as a single arrangement. The Company has elected to use this practical expedient.

The Company estimates incremental borrowing rates based on directly observable inputs including risk-free interest rates and credit spreads. Determination of lease terms for the Company's operating leases includes assessment of renewal options and whether the Company is reasonably certain to exercise those options. The Company applies judgment in assessing such options based on historical experience and planned use of the leased assets.

Asset retirement obligation

Costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognized when the obligation is incurred. A liability for an asset retirement obligation is recognized in the period in which it is incurred and is initially measured at fair value either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease based on management's best estimate of the expenditure that would be required to restore the assets. The offset to the liability is capitalized as part of the carrying amount of the related long-lived asset. Changes in the liabilities due to revisions to estimated future cash flows are recognized by increasing or decreasing the liabilities with the offsets adjusting the carrying amounts of the related long-lived assets, and may also require immediate adjustments to amortization expense in cost of sales in the consolidated statements of

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operations and comprehensive income (loss). Changes in asset retirement obligations due to the passage of time are measured by recognizing accretion expense in a manner that results in a constant effective interest rate being applied to the average carrying amount of the liability. The effective interest rate used to calculate accretion expense is the credit-adjusted, risk-free interest rate in effect at the time the liabilities were recorded.

Earnings or Loss per share ("EPS")

Basic EPS is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all potentially dilutive common shares that were outstanding during the period.

Recently adopted accounting pronouncements

Segment Reporting Disclosures

Standard/Description – Issuance date: November 2023. This guidance requires the disclosure of significant segment expenses that are regularly provided to a company's chief operating decision maker and included within each reported measure of segment profit or loss. The Company must also disclose "other segment items," which is the difference between segment revenue less significant expenses for each reported measure of segment profit or loss, and a description of its composition. This guidance also requires all segment annual disclosures to be provided on an interim basis.

Effective Date and Adoption Considerations – The guidance is effective for annual periods beginning after December 15, 2023, and for interim periods beginning December 15, 2024, and is required to be applied on a retrospective basis to all prior periods presented and early adoption is permitted.

Effect on Financial Statements or Other Significant Matters – The adoption of ASU No. 2023-07 had no impact on the Company's consolidated financial statements and did not have a material impact on the disclosures.

Recently issued accounting pronouncements not yet adopted

Income Tax Disclosures

Standard/Description – Issuance date: December 2023. This guidance requires disaggregated disclosure of the tax rate reconciliation into eight categories, with further disaggregation required for items greater than a specific threshold. Additionally, the guidance requires the disclosure of income taxes paid disaggregated by federal, state and foreign jurisdictions.

Effective Date and Adoption Considerations – The guidance is effective January 1, 2025 and early adoption is permitted. The Company expects to adopt the guidance as of the effective date.

Effect on Financial Statements or Other Significant Matters – The Company is currently evaluating the impact of adoption on its financial statements; however, as the guidance is a change to disclosures only, no impacts to the consolidated financial results are expected.

3. Revenue - product sales and recycling services

	For the year ended December 31, 2024	For the year ended December 31, 2023
Product revenue recognized in the period	\$ 15.4	\$ 17.9
Fair value pricing adjustments	0.7	(5.3)
Product revenue	\$ 16.1	\$ 12.6
Recycling service revenue recognized in the period	11.9	5.7
Revenue	\$ 28.0	\$ 18.3

During the currently paused construction of the Rochester Hub, the Company's principal lines of business are the sale of products (including Black Mass & Equivalents and shredded metal) and lithium-ion battery recycling services which together account for 100% of sales. The principal markets for the Company's products and recycling services are the United States, Canada, Germany, and Asia.

Product revenue from Black Mass & Equivalents and shredded metal, and the related accounts receivable, are measured using provisional prices for the constituent metals upon initial recognition. Changes in fair value when applicable are recognized as an

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adjustment to product revenue, and the related accounts receivable, and can result in gains and losses when the applicable metal prices increase or decrease from the date of initial recognition.

The Company's revenue primarily comes from six key customers, as shown in the table below. The Company's remaining customers do not make up significant percentages of these balances.

Revenue	For the year ended December 31, 2024	For the year ended December 31, 2023
Customer A	24.0 %	10.3 %
Customer B	11.0 %	0.0 %
Customer C	10.0 %	0.0 %
Customer D	5.0 %	21.6 %
Customer E	0.0 %	16.4 %
Customer F	0.0 %	10.3 %

4. Accounts receivable, net

The Company recognizes current estimated credit losses ("CECL") for accounts receivable not subject to provisional pricing. The CECL for accounts receivable are estimated based on days past due consisting of a customers with similar risk characteristics that operate under similar economic environments. The Company determined the CECL based on an evaluation of certain criteria and evidence of collection uncertainty including client industry profile. When specific customers are identified as no longer sharing the same risk profile as their current pool, they are removed from the pool and evaluated separately.

The allowance for credit losses as at December 31, 2024 was \$nil (December 31, 2023, \$nil) and no expected credit loss provisions were recognized for the year ended December 31, 2024.

Recovery of bad debt expense for the year ended December 31, 2024 was \$1.0 million, compared to bad debt expense of \$1.2 million for the year ended December 31, 2023.

The following table summarizes the concentration of credit risk for the Company's accounts receivable with specific customers above 10% of the total balance:

Trade accounts receivable	December 31, 2024	December 31, 2023
As at		
Customer A	83.0 %	0.0 %
Customer B	0.0 %	32.5 %
Customer C	0.0 %	31.6 %

Accounts receivable are stated at the amount the Company expects to collect. The Company generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial condition.

5. Prepayments, deposits and other current assets

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As at	December 31, 2024	December 31, 2023
Prepaid equipment deposits	\$ 0.8	\$ 40.1
Prepaid transaction costs	20.9	7.8
Prepaid lease deposits	3.9	5.6
Prepaid insurance	4.6	4.6
Prepaid construction charges	0.9	2.6
Other prepaids	4.0	3.3
Total prepayments, deposits and other current assets	\$ 35.1	\$ 64.0
Non-current security deposits	(3.2)	(5.0)
Non-current insurance	(0.1)	(2.8)
Current prepayments and deposits	\$ 31.8	\$ 56.2

Prepaid transaction costs are related to professional fees primarily associated with ongoing financing activities. Other prepaids consist principally of other deposits and subscriptions. Non-current security deposits and non-current insurance are recorded in Other assets on the consolidated balance sheets.

6. Inventories, net

As at	December 31, 2024	December 31, 2023
Raw materials	\$ 1.1	\$ 0.8
Finished goods	3.0	3.7
Parts and tools	5.5	5.1
Total inventories, net	\$ 9.6	\$ 9.6

The inventory balances for raw materials and finished goods are presented at the lower of cost and net realizable value. For the year ended December 31, 2024, the net realizable impact resulted in an unfavorable inventory adjustment of \$4.2 million (for the year ended December 31, 2023: write down of \$6.0 million). The adjustments are recorded in cost of sales in the consolidated statements of operations and comprehensive income (loss).

7. Property, plant and equipment, net

As at	December 31, 2024	December 31, 2023
Building	\$ 58.8	\$ 58.8
Plant equipment	51.5	55.3
Computer software and equipment	5.5	4.5
Vehicles	0.2	0.2
Leasehold improvements	14.7	13.5
Assets under construction	587.7	552.6
	\$ 718.4	\$ 684.9
Less – accumulated depreciation	(27.5)	(16.1)
Total property, plant and equipment, net	\$ 690.9	\$ 668.8

For the year ended December 31, 2024, \$nil in borrowing costs (for the year ended December 31, 2023: \$30.3 million) were capitalized to assets under construction. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended December 31, 2023 was 12.5%, which was the weighted average effective interest rate of the Company's effective interest rates on its leases and convertible debt.

Depreciation expense for the year ended December 31, 2024 was \$11.4 million compared to \$8.9 million in the corresponding period of 2023.

In 2024, the Company received proceeds of \$5.8 million (€5.3 million) of the \$6.9 million (€6.4 million) approved grant for the Germany Spoke from the State of Saxony-Anhalt, Germany and recognized this amount as a reduction in plant equipment.

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8. Leases

The Company's lease portfolio is predominately operating leases for plant operations, storage facilities, and office space for employees. The Company presents operating lease and finance lease balances separately on the consolidated balance sheets. The Company's finance leases relate to plant operations. The Company does not include options to extend leases in the lease term until they are reasonably certain to be exercised. The following table presents the Company's lease balances and their classification on the consolidated balance sheets:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
Operating lease cost	\$	12.9	\$	9.7
Variable lease cost		1.3		1.7
Total lease cost	\$	14.2	\$	11.4

The weighted average remaining lease term of the Company's premises and equipment operating leases is 21.6 and 14.5 years for the years ended December 31, 2024 and December 31, 2023, respectively. The weighted average remaining lease term of the Company's premises and equipment finance leases is 1.9 years for the year ended December 31, 2024 (for the year ended December 31, 2023: 46.8 years).

The weighted average lease discount rate of the Company's premises and equipment operating leases is 8.03% and 7.69% for the year ended December 31, 2024 and December 31, 2023, respectively. The weighted average lease discount rate of the Company's premises and equipment finance leases is 9.31% for the year ended December 31, 2024, compared to 9.49% for the year ended December 31, 2023.

Supplemental Cash Flow Related Disclosures	For the year ended December 31, 2024		For the year ended December 31, 2023	
Cash paid for amounts related to lease liabilities:				
Operating cash flows from operating leases	\$	13.3	\$	10.8
Recognition of ROU assets and lease liabilities for new operating leases	\$	27.7	\$	18.4
Recognition of ROU assets and lease liabilities for new finance leases		—		2.2

Maturities of lease liabilities were as follows:

<i>Years ending December 31</i>	Operating Leases		Finance Leases	
2025	\$	12.1	\$	—
2026		11.6		—
2027		12.4		—
2028		12.0		—
2029		12.0		—
Thereafter		155.2		—
Total future minimum lease payments	\$	215.3	\$	—
Imputed interest		(132.1)		—
Total lease liabilities	\$	83.2	\$	—

At December 31, 2024, none of the Company's executed leases that had not yet commenced will create significant rights or obligations in the future and sublease transactions are not material. The Company's leases did not impose any restrictions or covenants.

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9. Other assets

As at	December 31, 2024		December 31, 2023
Non-current security deposits	\$	3.2	\$ 5.0
Non-current insurance		0.1	2.8
Intangible assets, net		0.5	1.8
Total other assets	\$	3.8	\$ 9.6

The Company's intangible assets consisted of the following:

As at	December 31, 2024		December 31, 2023
Internal-use software	\$	0.7	\$ 0.7
Cloud computing arrangements		0.2	1.3
	\$	0.9	2.0
Less - accumulated amortization		(0.4)	(0.2)
Intangible assets, net	\$	0.5	\$ 1.8

Amortization expense relating to cloud computing arrangements is recorded in selling, general and administrative expenses for the years ended December 31, 2024, and 2023 was \$0.2 million and \$0.2 million, respectively.

10. Related party transactions

The Company has convertible debt instruments with affiliates of Glencore plc. ("**Glencore**"). Refer to Note 13 (Convertible debt) for more information.

The Company has agreements with Glencore to sell certain products from its Spokes, including Black Mass and shredded metal. During the year ended December 31, 2024, revenue from product sales to Glencore was \$1.5 million (revenue from product sales to Glencore was \$1.4 million for the year ended December 31, 2023).

The Company also pays Glencore (i) sourcing fees on feed purchased for the Company's Spokes; and (ii) marketing fees on the sale of Black Mass to third parties. Sourcing fees and marketing fees for the year ended December 31, 2024 were \$0.1 million, compared to \$0.3 million in the year ended December 31, 2023. The net account receivable from Glencore as of December 31, 2024 was \$0.2 million (net amount receivable as of December 31, 2023: \$0.2 million).

Since 2017, the Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the Company's former interim Executive Chair, to provide it with corporate video production services. Total expenses were \$ nil for the year ended December 31, 2024 (\$0.1 million for the year ended December 31, 2023).

The Company has reimbursed Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, for certain web hosting expenses in relation to the Company's inventory management system. Total expense and accrual was below \$0.1 million for the year ended December 31, 2024 (below \$0.1 million for the year ended December 31, 2023).

11. Accounts payable and accrued liabilities

As at	December 31, 2024		December 31, 2023
Accounts payable	\$	110.8	\$ 134.5
Accrued expenses		23.3	14.5
Accrued compensation		8.4	3.1
Total accounts payable and accrued liabilities	\$	142.5	\$ 152.1
Non-current accounts payable and accrued liabilities		(1.5)	—
Current accounts payable and accrued liabilities	\$	141.0	\$ —

During the year ended December 31, 2024, the Company reached new agreements and renegotiated certain previous agreements with certain suppliers to extend the payment terms for the amounts invoiced beyond one year. The Company recorded these amounts as non-current accounts payable in the consolidated balance sheet as of December 31, 2024.

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On March 25, 2024, the Board approved plans to reduce approximately 17% of its workforce, primarily at the corporate level, as part of the Company's ongoing efforts to right size and right shape its organization as part of the Cash Preservation Plan. The workforce reduction provided certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. Related to this event, the Company recorded an expense of \$0.8 million in cost of sales and \$5.7 million in selling, general and administrative expense in the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2024, for contractual termination benefits that are considered severance benefits plans as they are both probable and reasonably estimable as of December 31, 2024. For the year ended December 31, 2024, the Company accrued \$2.4 million of these expenses in accrued compensation.

12. Deferred revenue

In the normal course of business, the Company receives advances from customers for the sale of products and the provision of lithium-ion battery recycling services. The tables below depict the activity in the deferred revenue account during the year ended December 31, 2024 and 2023.

Product revenue:

	December 31, 2024	December 31, 2023
Balance, beginning of the period	\$ —	\$ —
Additions	12.3	—
Revenue recognized	(11.7)	—
Balance, end of the period	\$ 0.6	\$ —
Current deferred revenue	0.6	—
Non-current deferred revenue	\$ —	\$ —

Recycling service revenue:

	December 31, 2024	December 31, 2023
Balance, beginning of the period	\$ 5.5	\$ —
Additions	2.7	5.4
Revenue recognized	—	—
Foreign exchange loss	(0.5)	0.1
Balance, end of the period	\$ 7.7	\$ 5.5
Current deferred revenue	2.7	0.2
Non-current deferred revenue	\$ 5.0	\$ 5.3

13. Convertible debt

As at	December 31, 2024	December 31, 2023
KSP Convertible Notes (a)	\$ 119.3	\$ 99.1
Glencore Convertible Notes (b)	243.8	189.0
Total Convertible Debt at end of the period	\$ 363.1	\$ 288.1

The KSP Convertible Notes and the Second A&R Glencore Note are unsecured debt instruments and the First A&R Glencore Note and the Glencore Senior Secured Convertible Note are secured debt instruments. The amount of maturities and sinking fund

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requirements for convertible debt instruments, with interest components rolled into principal, for each of the next five years are as follows as of December 31:

2025	\$	—
2026	\$	164.2
2027		—
2028		—
2029		343.9
Thereafter		238.0
Total	\$	746.1

(a) *KSP Convertible Notes*

As at	December 31, 2024		December 31, 2023
Principal of convertible note at beginning of period	\$	119.3	\$ 110.2
Issuance of convertible notes		14.4	9.1
Principal of convertible notes at end of the period	\$	133.7	\$ 119.3
Conversion feature at beginning of period	\$	—	\$ 6.0
Conversion feature issued		—	—
Fair value gain on embedded derivative		—	(6.0)
Conversion feature at end of period	\$	—	\$ —
Debt component at beginning of the period	\$	99.1	\$ 85.4
Debt component issued		14.4	9.1
Transaction costs		—	—
Accrued interest paid in kind		(14.4)	(9.1)
Accrued interest expense		20.2	13.7
Debt component at end of period	\$	119.3	\$ 99.1
Total convertible debt at end of period	\$	119.3	\$ 99.1

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “**KSP Note Purchase Agreement**”) with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the “**KSP Convertible Note**”) for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026, unless earlier repurchased, redeemed or converted. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind (“**PIK**”), at its election. Initially, interest payments made in cash were based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments were based on an interest rate of LIBOR plus 6% per year, with a LIBOR floor of 1% and a cap of 2%. Since July 1, 2023, as the LIBOR interest rate is no longer published, under the terms of the KSP Note Purchase Agreement, the interest rate is instead based on the sum of the SOFR and the average spread between the SOFR and LIBOR during the three-month period ending on the date on which LIBOR ceases to be published, subject to a floor of 1% and cap of 2%. On March 25, 2024, the Company amended the KSP Note Purchase Agreement to modify the interest rate terms of the KSP Convertible Note, by removing the SOFR floor of 1% and cap of 2% and including penalty interest upon an event of default consistent with the penalty interest provision of the Glencore Senior Secured Convertible Note. The amendment was accounted for as a debt modification and no gain or loss was recognized. After the amendment, the effective interest rate of the KSP Convertible Note is 18.7%. Interest payments are based on an interest rate of the SOFR published two business days before the interest date for the relevant interest payment period plus 0.58%.

The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has

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elected to pay interest by PIK since the first interest payment date of December 31, 2021. The KSP Convertible Notes as at December 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
PIK Note	June 30, 2024	7.2
PIK Note	December 31, 2024	7.2
Total		\$ 133.7

At the option of the holder the KSP Convertible Notes may be converted into common shares of the Company at a conversion price as at December 31, 2024 of \$101.59, subject to customary anti-dilutive adjustments. In view of the issuance of 7,228,200 common shares issued under the ATM Program during 2024, the conversion price was adjusted from \$107.44 (as at the Share Consolidation date) to \$101.59 (as at December 31, 2024) in accordance with the repricing mechanism under the KSP Convertible Notes. If the Company's share price is equal to or greater than a certain price for a period of twenty consecutive trading days, the Company can force conversion of the KSP Convertible Notes at an amount equal to the sum of principal, accrued but unpaid interest, plus any make-whole amount equal to the undiscounted interest that would have been payable from the date of conversion to the maturity date. At the Company's option at any time, the Company can also redeem all of the KSP Convertible Notes at any time for a cash purchase price equal to 130% of the principal plus unpaid interest until maturity. The conversion feature under the KSP Convertible Notes has been recorded as a bifurcated embedded derivative liability since the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option. The KSP Convertible Notes are also subject to mandatory redemption upon a change of control event or redemption at the holder's discretion upon an event of default. Both the change of control and event of default options under the KSP Convertible Notes have been recorded as bifurcated embedded derivative liabilities as the redemption price triggered by these features represents a substantial premium over the principal amount. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at December 31, 2024, no conversions or redemptions had taken place.

The fair value of the compound embedded derivative upon issuance of the KSP Convertible Notes was determined to be a liability of \$27.7 million whereas the remaining \$72.3 million, net of transaction costs of \$1.6 million, was allocated to the principal portion of the debt. During the year ended December 31, 2024, the Company recognized a fair value gain of \$nil on the embedded derivatives (for the year ended December 31, 2023: gain of \$6.0 million). The embedded derivatives were valued using the Binomial Option Pricing Model. The assumptions used in the model were as follows:

	December 31, 2023	December 31, 2024
Risk free interest rate	4.1%	4.4%
Expected life of options	2.7 years	1.72 years
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	65%	82%
Share Price	\$4.68	\$1.79

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

(b) *Glencore Convertible Notes*

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As at	December 31, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 225.3	\$ 208.1
Issuance of convertible notes	102.2	17.2
Principal of convertible note at end of period	\$ 327.5	\$ 225.3
Conversion feature at beginning of period	\$ 0.4	\$ 16.5
<i>Change in the period:</i>		
Fair value gain for the year ended December 31, 2023		(16.1)
Fair value loss on the conversion features embedded in the A&R Glencore Convertible Notes from January 1, 2024 to March 25, 2024	1.8	
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	(2.2)	
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	—
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	
Fair value gain on the conversion features from March 26, 2024 to December 31, 2024	(106.9)	
Conversion feature at end of period	\$ 51.3	\$ 0.4
Debt component at beginning of period	\$ 188.6	\$ 164.9
<i>Change in the period:</i>		
Issuance of debt component	21.2	17.2
Accrued interest paid in kind	(21.2)	(17.2)
Accrued interest expense for the year ended December 31, 2023	—	23.7
Accrued interest and accretion expense from January 1, 2024 to March 25, 2024	5.9	—
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	—
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	
Accrued interest expense from March 26, 2024 to December 31, 2024	28.7	—
Transaction costs	(8.6)	—
Debt component at end of period	\$ 192.5	\$ 188.6
Total Glencore convertible debt at end of period	\$ 243.8	\$ 189.0
Reconciliation of net change in Convertible debt to Debt extinguishment loss in the year ended December 31, 2024		
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	(2.2)	
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	
Total change in the conversion features	156.0	
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	
Total change in the debt components	(22.1)	
Total net change in convertible debt in the year ended December 31, 2024	133.9	
Proceeds from convertible debt	(75.0)	
Debt extinguishment loss	\$ 58.9	

On March 25, 2024, the Company amended, restated and consolidated, the Glencore Unsecured Convertible Note and the PIK notes issued thereunder, such that they were split into two tranches, each of which was subject to an event-driven modification, effective from the occurrence of: (a) for the first tranche (the “**First A&R Glencore Note**”), the earliest of the date that is one month after the effectiveness and closing of a project loan financing for the Rochester Hub, and December 31, 2024, and (b) for the second tranche (the “**Second A&R Glencore Note**” and together with the First A&R Glencore Note, the “**A&R Glencore Convertible Notes**”), the earliest of (i) the first commercial production from the Rochester Hub, (ii) construction costs exceeding

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the construction budget set forth in the project loan financing, and (iii) June 1, 2026 (each such date in the case of the foregoing clauses (a) and (b), an applicable “**Modification Date**”).

The Modification Date under the First A&R Glencore Note occurred on December 9, 2024. As a result, the terms of the First A&R Glencore Note were automatically modified to be consistent with the corresponding provisions of the Glencore Senior Secured Convertible Note (as defined and described below): the maturity was amended to be five (5) years from the Modification Date, the interest rate was amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption is required (including, from the Modification Date, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount under the First A&R Glencore Note and the Glencore Senior Secured Convertible Note), and the Company provided guarantees and pari passu security for the First A&R Glencore Note on substantially the same terms with the Glencore Senior Secured Convertible Note. In addition, the conversion price for the First A&R Glencore Note was adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to the applicable Modification Date plus a 25% premium per share, and (y) valid conversion price on Modification Date. The amendment was accounted for as a debt extinguishment and the Company recorded \$58.9 million as a debt extinguishment loss presented in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2024. The First A&R Glencore Note, modified on December 9, 2024, matures on December 9, 2029. Interest on the First A&R Glencore Note is payable semi-annually, with Li-Cycle permitted to pay interest on the First A&R Glencore Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR plus 5% per annum and plus 6% per annum if interest is paid in PIK. After the amendment, the effective interest rate of the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note is 20.6%.

The Second A&R Glencore Note matures on May 31, 2027, unless the Modification Date applicable to it occurs earlier, in which case the maturity date is five years from the modification date. Interest on the Second A&R Glencore Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Second A&R Glencore Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 0.42826% (the “Floating Rate”) plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%. Second A&R Glencore Note will be subject to similar amendments, security, guarantees, and adjustment of the conversion upon the occurrence of the Modification Date applicable to it, which is expected to occur in June 2026.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note for an aggregate principal amount of \$75.0 million to Glencore Canada Corporation, a subsidiary of Glencore plc (LON: GLEN). The Glencore Senior Secured Convertible Note will mature on March 25, 2029, unless there is an earlier repurchase, redemption or conversion. Interest on the Glencore Senior Secured Convertible Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Senior Secured Convertible Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 5% per annum if interest is paid in cash or plus 6% per annum if interest is paid in PIK. If an event of default has occurred and is continuing, the interest rate will be the rate stated above, plus one percent (1%) per annum (an additional 1% will be payable in cash). The PIK election results in the capitalization of the interest by adding such interest amounts to the aggregate outstanding principal balance of the Glencore Senior Secured Convertible Note then outstanding on the applicable Interest Date.

All obligations of the Company with respect to the Glencore Senior Secured Convertible Note and, following the occurrence of the Modification Date applicable to it, the First A&R Glencore Note, are guaranteed by Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. (the “**Guarantors**”), each a subsidiary of the Company, as well as by Li-Cycle Europe AG and Li-Cycle Germany GmbH (the “**EMEA Guarantors**” and together with the Guarantors, collectively the “**Note Guarantors**”). The Company and the Guarantors have also granted perfected, first priority security interests (subject to customary exceptions and permitted liens) in the assets of the Company and of its U.S. and Canadian subsidiaries, including intellectual property, and a pledge of the equity interests of each U.S. and Canadian subsidiary, all the material intragroup receivables and the material bank accounts of Li-Cycle Germany GmbH and Li-Cycle Europe AG held by such entities in their respective jurisdictions of organization, and equity interests in Li-Cycle Germany GmbH and Li-Cycle Europe AG held by Li-Cycle Europe AG and the Company, respectively.

The Glencore Senior Secured Convertible Note is subject to certain reporting and affirmative and negative operational covenants applicable to the Company and its subsidiaries (subject to customary baskets and exceptions to permit ordinary course transactions as set forth in the Glencore Senior Secured Convertible Note), including monthly, quarterly and annual financial reporting requirements, delivery of an annual operating budget and limitations on (a) the incurrence of indebtedness and liens, (b) dividends, distributions and repurchases or redemptions of capital stock, (c) certain payments in cash of indebtedness which is subordinated, junior lien or unsecured indebtedness, (d) acquisitions and other investments, (e) asset sales (including with respect to the Company’s Spoke facilities) and (f) affiliate transactions. The Glencore Senior Secured Convertible Note contains a

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minimum liquidity covenant that requires us to maintain a minimum amount of liquidity of \$10.0 million, to be tested monthly. In addition, the Glencore Senior Secured Convertible Note contains a capital expenditure covenant that restricts our ability to make capital expenditures in excess of \$2.0 million in any transaction or series of related transactions, subject to certain exceptions.

The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022 and since the first interest payment on the Glencore Senior Secured Convertible Note on December 31, 2024. The First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured Convertible Note are referred to collectively as the “**Glencore Convertible Notes**”, and as at December 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Senior Secured Convertible Glencore Note	March 25, 2024	75.0
PIK	December 31, 2024	21.2
Total		\$ 327.4

At the option of the holder (a) the First A&R Glencore Note may be converted into common shares of the Company at a conversion price as at December 31, 2024 of \$3.03 per share, (b) the Second A&R Glencore Note may be converted into common shares of the Company at a conversion price as at December 31, 2024 of \$75.31 per share, and (c) the Glencore Senior Secured Convertible Note may be converted into common shares of the Company at a conversion price as at December 31, 2024 of \$4.09 per share. The conversion feature under the Glencore Convertible Notes has been recorded as an embedded derivative liability as the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option.

The A&R Glencore Convertible Notes are also subject to mandatory redemption upon a change of control event or redemption at the holder's discretion upon an event of default. The Company may redeem all or any portion of the Glencore Senior Secured Convertible Note and, following the occurrence of the Modification Date applicable to it, the First A&R Glencore Note, at any time by payment of an amount in cash equal to 100% of the principal amount of the notes being redeemed plus all accrued and unpaid interest thereon. Commencing with the delivery of the financial statements for the fiscal year ending December 31, 2026, the Company will be required to redeem a portion of the outstanding principal amount of the Glencore Senior Secured Convertible Note and the First A&R Glencore Note in an amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company). The Company is also required to redeem the Glencore Senior Secured Convertible Note and the First A&R Glencore Note for an amount in cash equal to the outstanding principal amount of the notes being redeemed and all accrued and unpaid interest thereon, plus a make-whole amount equal to undiscounted interest payments that would have otherwise been payable through maturity in the event of: (1) certain continuing events of default upon request by the holder, (2) certain bankruptcy-related events of default, and (3) upon a change of control transaction, unless, in each case, the Glencore Senior Secured Convertible Note and the First A&R Glencore Note, as applicable, is first converted by the holder. The change of control, an event of default, and mandatory redemption provisions under the Glencore Convertible Notes have been recorded as bifurcated embedded derivative liabilities. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at December 31, 2024, no conversion or redemption had taken place.

In connection with any optional redemption, and with respect to the Glencore Senior Secured Convertible Notes, any mandatory redemption and provided that the applicable holder has not elected to convert the Glencore Convertible Notes into common shares, the Company must issue warrants (“**Glencore Warrants**”) to the applicable holder on the optional redemption date or receipt of notice of redemption, as applicable, that entitle the holder to acquire, until the end of the applicable exercise period, a number of common shares equal to the principal amount of the Glencore Convertible Notes being redeemed divided by the then applicable conversion price. The initial exercise price of the Glencore Warrants will be equal to the conversion price as of the applicable redemption date.

The fair value of the embedded derivative liability upon issuance of the Glencore Convertible Notes was determined to be \$46.2 million with the remaining \$153.8 million, net of transaction costs of \$1.3 million, allocated to the initial amortized cost of the host debt instrument. During the year ended December 31, 2024, the Company recognized a fair value gain of \$105.1 million on

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All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

the embedded derivatives (for the year ended December 31, 2023: gain of \$16.1 million). The embedded derivatives were valued using the Finite Difference Method. The assumptions used in the model were as follows:

	December 31, 2023	December 31, 2024
Risk free interest rate	3.8%	4.4%
Expected life of options	3.4 years	4.2 years
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	65%	82%
Share Price	\$4.68	\$1.79

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

14. Asset retirement obligations

The Company capitalizes a restoration asset and recognizes a corresponding asset retirement obligation upon entering a contractual commitment with certain future environmental or restoration obligations of any disturbances caused at its leased plant facilities. The leased properties subject to these obligations are the New York Spoke plant, the Ontario Spoke plant, the Ontario Spoke warehouse, and the Germany Spoke plant and warehouse. The amounts recognized as asset retirement obligations are estimated using the Company's expected future costs of remediation discounted to the date of recognition, based on the lease term. The carrying value of the Company's restoration assets as of December 31, 2024 is \$1.0 million (December 31, 2023: \$0.7 million).

Restoration assets are amortized over the lease term with amortization expense recognized in Cost of sales in the consolidated statements of operations and comprehensive income (loss). Amortization expense for the year ended December 31, 2024 was \$0.1 million (for the year ended December 31, 2023: \$0.1 million). Changes in asset retirement obligations due to the passage of time are measured by recognizing accretion expense in Interest expense in the consolidated statements of operations and comprehensive income (loss).

A reconciliation of the Company's asset retirement obligations for the years ended December 31, 2024 and December 31, 2023 on a discounted basis are as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
Balance, beginning of the year	\$	1.0	\$	0.4
Non-cash additions		0.1		0.5
Accretion of liability and foreign exchange (gain) loss		(0.1)		0.1
Balance, end of year	\$	1.0	\$	1.0

The discount rate utilized to determine the above accrued obligation was the credit adjusted risk free rate relevant in each jurisdiction as at the time of recognition of the obligation (0.37% - 10.96%). The total undiscounted amount of the obligation is \$1.4 million.

15. Common stock and additional paid-in capital

(a) Common stock and additional paid-in capital

Li-Cycle Holdings Corp. is authorized to issue an unlimited number of voting common shares without par value. All issued shares are fully paid.

Description of Securities

General

The following description of the material terms of the Company's share capital includes a summary of certain provisions of the Articles of Arrangement of the Company (the "**Articles**").

Li-Cycle Holdings Corp. **Notes to the consolidated financial statements**

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Share Capital

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

Common Shares

Voting Rights. Under the Articles, the common shares are entitled to receive notice of, and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Each common share entitles its holder to one vote.

Dividend Rights. The holders of outstanding common shares are entitled to receive dividends at such times and in such amounts and form as the board may from time to time determine, but subject to the rights of the holders of any preferred shares. The Company is permitted to pay dividends unless there are reasonable grounds for believing that: (i) the Company is, or would after such payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would, as a result of such payment, be less than the aggregate of its liabilities and stated capital of all classes of shares. The timing, declaration, amount and payment of any future dividends will depend on the Company's financial condition, earnings, capital requirements and debt service obligations, as well as legal requirements, industry practice and other factors that our board deems relevant.

Preemptive Rights. There are no preemptive rights relating to the common shares.

Repurchase of Common Shares. Under the OBCA, the Company will be entitled to purchase or otherwise acquire any of its issued shares, subject to restrictions under applicable securities laws and provided that the Company will not be permitted to make any payment to purchase or otherwise acquire any of its issued shares if there are reasonable grounds for believing that: (i) the Company is, or would after such payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would, as a result of such payment, be less than the aggregate of its liabilities and stated capital of all classes of shares.

Liquidation. Upon the dissolution, liquidation or winding up of the Company, or any other distribution of assets of the Company, among its shareholders for the purpose of winding up its affairs, subject to the rights of the holders of any outstanding series of preferred shares, the holders of common shares will be entitled to receive the remaining property and assets of the Company available for distribution to its shareholders ratably in proportion to the number of common shares held by them.

(in millions)	Number of shares outstanding	Amount
Common shares and additional paid-in capital outstanding as at December 31, 2022	22.0	\$ 635.3
Settlement of RSUs	0.1	—
Exercise of stock options	0.2	—
Stock-based compensation - RSUs	—	9.8
Stock-based compensation - options	—	3.6
Payment to the holders of non-controlling interest in subsidiary	—	(0.4)
Common shares and additional paid-in capital outstanding as at December 31, 2023	22.3	648.3
Settlement of RSUs	0.9	—
Issuance of common stock in connection with the ATM Program	7.2	15.5
Stock based compensation - PSUs	—	0.1
Stock based compensation - RSUs	—	8.7
Stock based compensation - options	—	0.1
Common shares and additional paid-in capital outstanding as at December 31, 2024	30.4	\$ 672.7

Share Consolidation

At the annual general and special meeting of the Company's shareholders on May 23, 2024, the shareholders approved an amendment to the Company's articles of incorporation to consolidate all of the Company's issued and outstanding common shares on the basis of a consolidation ratio within a range between two pre-consolidation common shares for one post-consolidation common share and eight pre-consolidation common shares for one post-consolidation common share, and granted to the Board the authority to fix the consolidation ratio. The Board subsequently approved a share consolidation and fixed the consolidation ratio at one post-consolidation common share for every eight pre-consolidation common shares. On June 3, 2024, the Company obtained from the Ontario Ministry of Public and Business Service Delivery a certificate of amendment in respect of the articles of amendment filed to effect a share consolidation of all the common shares at a ratio of one post-consolidation

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common share for every eight pre-consolidation common shares effective on June 3, 2024 (the “**Share Consolidation**”). Subsequently, the Company restated the provisions of its existing articles, without any changes to such provisions, by filing restated articles of incorporation on July 18, 2024.

As a result of the Share Consolidation, every eight common shares have been automatically consolidated into one common share. Any fractional shares resulting from the Share Consolidation have been deemed to have been tendered by the holder thereof immediately following the Share Consolidation to the Company for cancellation for no consideration. The Share Consolidation did not affect the total number of authorized common shares or modify any voting rights or other terms of the common shares. The common shares began trading on a post-consolidation basis on June 4, 2024. As a result of the Share Consolidation, the exercise or conversion price and the number of common shares issuable under any of the Company’s outstanding securities that are exercisable or convertible into common shares, including under equity awards, warrants, rights, convertible notes and other similar securities, were proportionally adjusted in accordance with the terms of such securities.

At The Market Issuance

On June 28, 2024, the Company entered into an At The Market Issuance Sales Agreement (the “**ATM Agreement**”) to offer and sell up to \$75.0 million aggregate amount of our common shares. As of December 31, 2024, the Company raised \$15.5 million of net proceeds under the ATM Program by issuing an aggregate of 7,228,200 of the Company’s common shares at a weighted average price of \$2.26 per share, generating gross proceeds of \$16.4 million offset by fees paid of \$0.9 million. The remaining capacity under the ATM Program as of December 31, 2024 was \$58.6 million.

(b) Long-term incentive plans

The number of common shares authorized for awards under the Company’s 2021 Long-Term Incentive Plan (“**LTIP plan**”) is 1,342,200 common shares as of December 31, 2024.

Stock options

Stock options have been issued under the Company’s LTIP plan and certain legacy plans (“**Legacy Plans**”). Each of the Company’s stock options converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. The vesting period is three years, one-third on the first-year anniversary of the grant of the option, and one-third every consecutive year thereafter. If an option remains unexercised after a period of 10 years from the date of grant, the option expires. In general, vested options are forfeited 90 days following employee termination and all non-vested options at the time of termination are immediately forfeited.

A summary of stock option activities is as follows:

	Number of stock options	Weighted average exercise price
Balance, as at December 31, 2022	546,092	35.68
Grants	136,063	46.08
Cashless exercises	(197,678)	6.48
Forfeitures/cancellations/expirations	(19,640)	78.40
Balance, as at December 31, 2023	464,837	50.72
Cashless exercises	(10,086)	2.96
Forfeitures/cancellations/expirations	(220,312)	41.78
Balance, as at December 31, 2024	234,439	61.17
Exercisable stock options as at December 31, 2024	183,103 \$	64.31

The aggregate intrinsic values of the stock options exercised, outstanding and exercisable were \$ nil, \$nil, and \$nil for the year ended December 31, 2024 (\$6.1 million, \$nil, and \$nil for the year ended December 31, 2023).

Cash received from the stock options exercised for the year ended December 31, 2024 was \$ nil (for the year ended December 31, 2023: \$nil). There were no tax benefits recognized by the Company related to stock options exercised as at December 31, 2024 (December 31, 2023: \$nil).

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A summary of non-vested stock options for the year ended December 31, 2024 is shown below:

	Number	Weighted average grant date fair value
Non-vested balance as at December 31, 2022	155,849	5.56
Granted during the period	136,063	3.33
Vested during the period	(58,274)	5.69
Forfeited during the period	(14,294)	5.88
Non-vested balance, as at December 31, 2023	219,344	\$55.13
Vested during the period	(100,334)	\$61.64
Forfeited during the period	(67,674)	49.37
Non-vested balance, as at December 31, 2024	51,336 \$	49.99

A summary of the outstanding stock options is as follows:

As at December 31, 2024

Plans	Range of exercise prices	Number of stock options	Weighted-average remaining contractual life (years)	Expiration year
Legacy Plans	\$ 8.56 - 17.20	39,285	5.87	April 2030 - February 2031
LTIP Plan	46.16 - 105.60	195,154	7.15	August 2031 - January 2033
Total		234,439		

The Company recognized total expense of \$0.1 million related to stock options for the year ended December 31, 2024 (for the year ended December 31, 2023: \$3.6 million)

As of December 31, 2024, there was \$0.2 million of total unrecognized compensation cost arising from stock options. This cost is expected to be recognized over a weighted average period of 0.91 years. Stock options are valued at grant date using Black-Scholes model. The total fair value of stock options vested during the year ended December 31, 2024 was \$3.7 million.

There were no stock options granted during the year ended December 31, 2024 compared to stock options granted in the amount of \$3.6 million during the year ended December 31, 2023 using the Black-Scholes Merton option pricing model. The assumptions used in the stock option pricing model for the grants during the previous year ended December 31, 2023 were as follows:

Risk free interest rate	3.45% - 3.59%
Expected life of options	6 years
Expected dividend yield	0%
Expected stock price volatility	57.81% - 58.65%
Expected forfeiture rate	0.19%

Expected volatility was determined by calculating the average historical volatility of a group of listed entities that are considered similar in nature to the Company.

Restricted share units

Under the terms of the Company's LTIP plan, restricted share units ("RSUs") of Li-Cycle Holdings Corp. have been issued to executives, directors, employees and advisors. The RSU vesting periods range from several months to 3 years. The RSUs represent the right to receive common shares from Li-Cycle Holdings Corp. in an amount equal to the fair market value of a common share of Li-Cycle Holdings Corp. at the time of distribution. RSUs issued under the LTIP plan are expected to be settled in common shares. RSUs issued under the LTIP plan are classified as equity on the consolidated balance sheets.

The Company recognized stock-based compensation expense relating to RSUs totaling \$8.7 million in the year ended December 31, 2024 (for the year ended December 31, 2023: \$9.8 million)

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A summary of RSU activities is as follows:

	Number of RSUs	Weighted average share price on grant
Balance, as at December 31, 2022	250,085	\$ 69.52
Granted	1,192,667	15.84
Vested and settled	(103,462)	69.60
Forfeited/cancelled/expired	(106,905)	49.04
Balance, as at December 31, 2023	1,232,385	19.33
Granted	1,858,220	5.39
Vested and settled	(912,571)	14.44
Forfeited/cancelled/expired	(330,524)	21.64
Balance, as at December 31, 2024	1,847,510	\$ 7.32

RSUs granted in the year ended December 31, 2024 vest over 0.5 to 3 years and are settled upon vesting.

There was no tax benefit recognized by the Company related to the RSUs vested for the year ended December 31, 2024 for the year ended December 31, 2023: \$nil).

As of December 31, 2024, there was \$4.4 million of total unrecognized compensation cost arising from restricted stock awards. This cost is expected to be recognized over a weighted average period of 1.17 years. The total fair value of restricted stock vested during the year ended December 31, 2024 was \$13.2 million.

For the year ended December 31, 2024, the Company capitalized \$nil in RSU and stock option costs to assets under construction (for the year ended December 31, 2023: \$0.7 million).

Performance share units

The Company approved issuance of Performance Share Units (“**PSUs**”) to certain employees as a part of its LTIP plan in 2024. The PSUs are contingent on meeting specific performance targets within a defined period and vest 3 years from the grant date. The PSUs represent the right to receive common shares from Li-Cycle Holdings Corp. in an amount equal to the fair market value of a common share of Li-Cycle Holdings Corp. at the time of vesting. PSUs issued under the LTIP plan are expected to be settled in common shares and are classified as equity on the consolidated balance sheets.

The Company recognized stock-based compensation expense relating to PSUs totaling \$0.1 million in the year ended December 31, 2024 (for the year ended December 31, 2023: \$nil)

A summary of PSU activities is as follows:

	Number of PSUs	Weighted average share price on grant
Balance, as at December 31, 2023		
Granted	466,876	0.82
Balance, as at December 31, 2024	466,876	\$ 0.82

PSUs granted in the year ended December 31, 2024 vest 3 years from the grant date upon meeting specific performance targets.

There was no tax benefit recognized by the Company related to the PSUs vested for the year ended December 31, 2024 (for the year ended December 31, 2023: \$nil).

16. Financial assets and liabilities

Fair value measurements

The Company’s financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

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As at December 31, 2024	Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$ 0.1	\$ —	0.1
Conversion feature of convertible debt (refer to Note 13 (Convertible debt))	51.3	—	51.3
As at December 31, 2023	Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$ 0.6	\$ —	0.6
Conversion feature of convertible debt (refer to Note 13 (Convertible debt))	0.4	—	0.4

Refer to Note 4 Accounts receivable above for additional details related to the measurement of accounts receivable and the concentration of credit risk of accounts receivable. Certain non-financial assets such as property, plant and equipment, operating right-of-use assets, goodwill and intangible assets are also subject to non-recurring fair value measurements if deemed impaired. The impairment models used for non-financial assets depend on the type of asset. There were no material impairments of non-financial assets for the year ended December 31, 2024, and 2023, respectively.

Financial assets and liabilities not measured at fair value

Current Receivables and Payables

Current receivables, prepaids and deposits are financial assets with carrying values that approximate fair value. Accounts payable (including the non-current portion) and other accrued expenses are financial liabilities with carrying values that approximate fair value. These financial instruments would be classified as Level 2 in the fair value hierarchy if measured at fair value in the financial statements.

17. Commitments and contingencies

As of December 31, 2024, there were \$5.0 million in committed purchase orders or agreements for equipment and services (December 31, 2023: \$8.3 million).

Legal Proceedings

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

Shareholder Litigation relating to the October 23, 2023 Announcement of Rochester Hub Construction Pause

Three shareholder lawsuits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, described below.

On November 8, 2023, a putative federal securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company, and certain of its officers and directors, on behalf of a proposed class of purchasers of the Company's common shares during the period from June 14, 2022 through October 23, 2023. On March 15, 2024, the lead plaintiff filed an amended complaint on behalf of a proposed class of purchasers of the Company's common shares during the period from January 27, 2022 through November 13, 2023. See *Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.) (the "**Hubiack Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. On June 10, 2024, the court granted the motion to dismiss in full and with prejudice. On July 9, 2024, the lead plaintiff filed a notice of appeal. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On November 27, 2023, a putative Ontario securities class action claim was filed in the Ontario Superior Court of Justice against the Company and its CEO. The claim was amended on February 8, 2024, again on May 6, 2024, and once more on August 26, 2024 as a result of the defendants' settled motion (described below). The claim is on behalf of a proposed class of purchasers of the Company's common shares who acquired their shares during the period from February 27, 2023 through November 10, 2023. The claim, which is captioned as *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP, alleges

common law secondary market misrepresentations. It also seeks an oppression remedy under s. 248 of the Ontario Business Corporations Act, based primarily on allegations of misconduct of senior management. The Wyshynski claim alleges that the Company's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The Wyshynski claim alleges that the purported misrepresentations were publicly corrected on (i) October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of the Company's Q3 2023 earnings report. The putative class includes all Canadian resident beneficial owners who acquired Li-Cycle common shares during the class period and who held some or all of those common shares until after the release of at least one of the alleged corrective disclosures. The claim seeks compensatory damages and an award of costs, along with the appointment of a third party monitor. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. The defendants agreed to settle the motion on August 1, 2024, in exchange for certain concessions from the plaintiff which resulted in narrowing of the claims and the proposed class. The plaintiff agreed to abandon their claims under the Ontario Securities Act and constrain the class to only the Canadian resident beneficial owners of the Company's shares. On November 15, 2024, the court ordered a timetable for the exchange of pleadings and a determination of the plaintiff's motion to certify their claim as a class action under the Ontario Class Proceedings Act. The certification motion is not scheduled to proceed to a hearing until early 2026. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of the Company (as nominal defendant) against certain of the Company's current and/or former officers and directors. The action, which is captioned as *Nieves v. Johnston, et. al.*, Index No. E2023014542 (N.Y. Sup. Ct.), principally concerns the same alleged misstatements or omissions at issue in the Hubiack Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of the Company, an award of costs and expenses and other relief. On February 29, 2024, the parties agreed to stay the action pending resolution of the Hubiack Securities Action. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

Subrogation Liability Claim

On or around January 2, 2024, the Company received a notice of a subrogation liability claim by an insurance company on behalf of one of the other tenants of the New York Spoke's warehouse. The claim relates to a small fire which occurred at the building on December 23, 2023, involving lithium-ion batteries being stored at the warehouse. The claimant claims that the fire caused property damage valued at approximately \$2.7 million. The Company's general liability insurer is providing coverage for this claim, including defense of the claim.

Dispute with MasTec, its Subcontractors and other Contractors Regarding Rochester Hub Construction Contract

On April 9, 2024, MasTec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a mechanic's lien foreclosure action in the Supreme Court, County of Monroe, New York. Several project participants, both subcontractors to MasTec and those in direct contract with Li-Cycle North America Hub, Inc., asserted cross-claims against Li-Cycle North America Hub, Inc. to foreclose their mechanic's liens for amounts claimed to be owed. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec in the arbitration proceedings. Amounts owed to MasTec, if any, are expected to be determined in the arbitration. Additionally, on July 22, 2024, MasTec North America Inc. (an affiliate of MasTec) commenced a separate foreclosure action on behalf of several subcontractors from whom it has taken assignments. Li-Cycle North America Hub, Inc. has filed a motion to (a) stay the foreclosure actions; and (b) consolidate the MasTec North America Inc. foreclosure action with the foreclosure action commenced by MasTec, which was granted on March 17, 2025. For reporting purposes, the amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable. No reductions or set-offs have been made in relation to the Company's counter-claims.

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18. Loss per share

	Year ended December 31, 2024	Year ended December 31, 2023
Total net loss	\$ (137.7)	\$ (138.0)
Weighted average number of common shares (in millions)	23.5	22.2
Effect of dilutive securities:		
Stock options	—	—
Restricted share units	—	—
Dilutive number of shares	23.5	22.2
Basic and diluted loss per share	\$ (5.86)	\$ (6.22)

Adjustments for diluted loss per share were not made for the years ended December 31, 2024, and 2023, as they would be anti-dilutive in nature. The following table presents shares from instruments that could dilute basic loss per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive for the periods presented:

As at	December 31, 2024	December 31, 2023
Stock options	0.2	0.5
Convertible debt		
KSP Convertible Notes	1.3	1.2
Glencore Convertible Notes	62.5	3.0
Restricted share units	1.8	1.2
Total	65.8	5.9

19. Segment reporting

The Company's Chief Executive Officer ("CEO"), as the chief operating decision maker ("CODM"), organizes the Company, manages resource allocations, and measures performance on the basis of one operating segment. The Company evaluates performance based on consolidated net income (loss). The CODM additionally considers forecasted information quarterly for net income (loss) when making decisions regarding capital and personnel needs. The CODM reviews information at the consolidated entity level and does not distinguish the principal business or group the operations by geographic locations or use asset or liability information when measuring performance or allocating resources. While the Company's products are sold across different geographies, all products are managed as one product category under one operating and reportable segment. Furthermore, the Company notes that monitoring financial results as one reportable segment helps the CODM manage expenses and resource allocation on a consolidated basis, consistent with the Company's operations and centralized management structure.

The Company does not regularly provide the CODM with more detailed segment expense information beyond what is included in the consolidated statements of operations and comprehensive loss. The significant expense categories used to manage operations are those reflected in our consolidated statements of operations and comprehensive loss. Refer to the consolidated statements of operations and comprehensive loss included in the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

The Company's long-lived assets are in the following geographic locations:

	Canada	United States	Germany	Other	Total
Long-lived assets					
As at December 31, 2024	\$ 41.5	\$ 693.4	\$ 26.2	\$ 13.2	\$ 774.3
As at December 31, 2023	57.0	618.9	34.9	26.2	737.0

The Company's revenue by geographic location is as follows:

	Canada	United States	Germany	Other	Total
Revenues					
Year ended December 31, 2024	\$ 0.3	\$ 19.8	\$ 7.9	\$ —	\$ 28.0
Year ended December 31, 2023	1.0	16.3	—	1.0	18.3

Li-Cycle Holdings Corp.
Notes to the consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

20. Income taxes

Net loss before income tax includes the following components:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Canada	\$ (49.3)	\$ (72.0)
Foreign	(88.4)	(65.9)
Total	\$ (137.7)	\$ (137.9)

The expense for income taxes consists of:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Current		
Canada	\$ —	\$ —
Foreign	—	0.1
	\$ —	\$ 0.1
Deferred and other		
Canada	\$ —	\$ —
Foreign	—	—
	\$ —	\$ —
Income tax expense	\$ —	\$ 0.1

The recovery of income taxes differs from the amount obtained by applying the statutory Federal and Provincial/State income tax rates to the loss for the period as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Net loss for the year before tax	\$ (137.7)	\$ (137.9)
Statutory tax rates	26.5 %	26.5 %
	\$ (36.5)	\$ (36.5)
Change in valuation allowance	\$ 30.5	\$ 26.1
Rate differential	7.0	3.0
Internal transfer of intangible property	—	4.0
PY True-Ups and Other	(3.4)	0.1
Non-deductible item and others	2.4	3.4
Income tax expense (recovery)	\$ —	\$ 0.1

As of December 31, 2024, the Company has net operating losses of approximately \$455.1 million (December 31, 2023: \$328.9 million) related to Canada and the United States available to reduce net income for tax purposes in future years. Management believes there is insufficient evidence that the income tax benefits related to these losses and other potential deferred income tax assets will be realized. Accordingly, the Company has provided for a valuation allowance against the net amount of deferred income tax assets in the Consolidated Financial Statements.

As of December 31, 2024, the Company has aggregate non-capital losses for Canadian income tax purposes of approximately \$267.7 million (December 31, 2023: \$228.1 million), that expire in the period 2037 to 2042. In addition, the Company has net operating losses for US income tax purposes of approximately \$148.6 million (December 31, 2023: \$79.7 million) that carryforward indefinitely. The net operating losses for income tax purposes in other jurisdictions, on which valuation allowances have been recorded, consists of approximately \$12.1 million which can be carried forward indefinitely and \$26.8 million which will expire beginning 2029 to 2037.

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The components of deferred tax assets and liabilities are as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
Deferred tax assets				
Tax losses and credits carryforwards	\$	113.1	\$	82.6
Share issuance costs		3.5		6.6
Convertible debt		—		—
Reserves and provisions		0.2		0.1
RIFE Pool		10.5		—
Other		3.5		2.8
Right of use assets, net of lease liabilities		0.4		0.9
Deferred income tax assets	\$	131.2	\$	93.0
Less valuation allowance		(100.0)		(68.9)
Deferred tax assets, net of valuation allowance	\$	31.2	\$	24.1
Deferred tax liabilities				
Property, plant and equipment, due to differences in amortization	\$	(6.6)	\$	(8.0)
Convertible debt, due to differences in amortization		(24.6)		(16.1)
Deferred tax liabilities, net of valuation allowance	\$	(31.2)	\$	(24.1)
Net deferred income tax assets (liabilities)	\$	—	\$	—

We have not provided for deferred income taxes on the difference between the carrying value of substantially all of our foreign subsidiaries and their corresponding tax basis as the earnings of those subsidiaries are intended to be indefinitely reinvested in their operations. As such, these investments are not anticipated to give rise to income taxes in the foreseeable future. If such earnings are remitted, in the form of dividends or otherwise, we may be subject to income taxes and foreign withholding taxes. The determination of the amount of unrecognized deferred income tax liabilities applicable to such amounts is not practicable.

Certain of our subsidiaries are subject to taxation in Canada, the United States and other foreign jurisdictions. The material jurisdictions in which we are subject to potential examinations include Canada and the United States. We are open to examination by Canadian tax authorities for the 2020 to 2024 tax years and by U.S. tax authorities for the 2021 to 2024 tax years. We are currently under examination by Canadian tax authorities for income tax matters for the 2021 tax year.

There are no unrecognized tax benefits reflected in the deferred tax asset balances.

21. Subsequent events

Underwritten Offering

On January 14, 2025, Li-Cycle commenced an underwritten public offering in the United States (the "**Underwritten Offering**") to offer and sell units consisting of (i) common shares (or pre-funded warrants in lieu thereof) and (ii) warrants to purchase common shares.

On January 16, 2025, the Company closed the Underwritten Offering with gross proceeds of approximately \$15.0 million before deducting offering expenses payable by the Company including underwriting fees and expenses. Li-Cycle intends to use the net proceeds from the offering for working capital and general corporate purposes.

The Underwritten Offering consisted of 5,000,000 units (the "**Units**") and 10,000,000 pre-funded units ("**Pre-Funded Units**"). Each Unit consists of: (i) one common share, (ii) one Series A Warrant to purchase one common share ("**Series A Warrant**"), and (iii) one Series B Warrant to purchase one common share ("**Series B Warrant**"). Each Pre-Funded Unit consists of: (i) one pre-funded warrant to purchase one common share (the "**Pre-Funded Warrant**") and together with the Series A Warrant and the Series B Warrant, the "**Warrants**"), (ii) one Series A Warrant, and (iii) one Series B Warrant.

The public offering price per Unit was \$1.00 and the public offering price per Pre-Funded Unit was \$0.99999, which is equal to the public offering price per Unit minus an exercise price of \$0.00001 per Pre-Funded Warrant. The initial exercise price of each Series A Warrant is \$ 1.00 per common share. The Series A Warrants will be immediately exercisable and will expire on the eight-month anniversary of the initial date of issuance (i.e., September 16, 2025). The initial exercise price of each Series B

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Warrant is \$1.00 per common share. The Series B Warrants will be immediately exercisable and will expire on the five-year anniversary of the initial date of issuance (i.e., January 16, 2030).

In connection with the Underwritten Offering, the Company granted Aegis Capital Corp. a 45-day option to purchase additional common shares and/or Series A Warrants and/or Series B Warrants representing up to 15% of the total common shares and up to 15% of the total Series A Warrants and Series B Warrants sold in the Offering solely to cover over-allotments, if any, at a price of \$0.99998 per common share, \$0.00001 per Series A Warrant, and \$0.00001 per Series B Warrant. On January 27, 2025, Aegis Capital Corp. exercised its over-allotment option in full, resulting in additional gross proceeds of approximately \$2.25 million before deducting offering expenses payable by the Company, including underwriting fees and expenses.

In connection with the Underwritten Offering, on January 14, 2025, the Company entered into a consent and waiver agreement (the “**Consent and Waiver Agreement**”) with Glencore Canada Corporation, a related party of the Company and the holder of the Glencore Convertible Notes, pursuant to which Glencore Canada Corporation has, among other things, granted its consent to the issuance by the Company of the Warrants and agreed to waive any potential default or event of default under the Glencore Senior Secured Convertible Note which may occur as a result of the issuance of the Warrants and the Company’s compliance with certain terms of the Warrants (the “**Consent and Waiver Agreement**”). In return, the Company agreed to amend the Glencore Convertible Notes and the form of warrants attached thereto (collectively, the “**Glencore Notes**”), to reflect any terms contained in the Warrants that are more favorable to the holders of the Warrants than those contained in the Glencore Notes, to the extent requested by Glencore, within ten business days following the closing of the Offering. The Glencore Notes and the Glencore Senior Secured Convertible Notes Purchase Agreement have now been amended and restated as required by the Consent and Waiver Agreement, as described below.

Amendment of the Glencore Convertible Notes and the Glencore Warrants

In accordance with the Consent and Waiver Agreement, on January 31, 2025, the Company amended and restated each of the Glencore Convertible Notes (including the form of warrants attached thereto). The Company also entered into an amendment to the Glencore Senior Secured Notes Purchase Agreement to, among other things:

- Entitle the holders of the Glencore Convertible Notes (and any holders of Glencore Warrants) to equivalent pro rata distributions made to common shareholders;
- Entitle any holders of Glencore Warrants issued in accordance with the Glencore Convertible Notes to have the Company repurchase their Glencore Warrants for cash upon a change of control, at the holder’s option, based on a Black-Scholes lite valuation;
- Entitle holders of the Glencore Convertible Notes (and any holders of Glencore Warrants) to an economic anti-dilution adjustment, in addition to modification of the conversion or exchange price, as applicable, in the event of a reverse stock split or similar share combination;
- Add provisions to the Glencore Convertible Notes (and the Glencore Warrants) that specify conversion or exchange price adjustments, as applicable, in connection with the future issuance by the Company of additional common shares or instruments exchangeable or convertible into common shares;
- Add provisions to the Glencore Convertible Notes (and the Glencore Warrants) that provide for compensation in the event that the Company fails to timely deliver common shares upon conversion of the Glencore Convertible Notes or exercise of the related Glencore Warrants, as applicable; and
- Remove contractual transfer restrictions on the Glencore Warrants issued in accordance with the Glencore Convertible Notes and the common shares underlying such Glencore Warrants.

NYSE Delisting and Quotation on OTCQX® Best Market

On February 26, 2025, the Company announced that it had received written notice from the NYSE that it had suspended trading of the common shares and started the process to delist the common shares from the NYSE. The NYSE determined that the Company was not in compliance with the requirements of Section 802.01C of the NYSE’s Listed Company Manual, because the average closing price of the common shares was less than \$1.00 over a consecutive 30 trading-day period and the Company had effected a reverse stock split within the prior one-year period. The Company did not appeal the NYSE’s delisting determination. The Company obtained waivers from its convertible debt holders, Glencore Canada Corporation and Wood River Capital, LLC, under the terms of the Glencore Convertible Notes and the KSP Convertible Notes, respectively, to permit the Company to move to the OTCQX® Best Market as an eligible market for the common shares, which waivers extend to April 30, 2025. The common shares commenced trading on OTCQX under the symbol “LICYP” on February 27, 2025. The Company plans to list its common shares on another eligible market in accordance with the terms of its convertible debt, or to seek a further extension of the waivers, prior April 30, 2025.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

[None.]

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Li-Cycle's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, its Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2024, its disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Li-Cycle has identified material weaknesses in its ICFR. A material weakness is a deficiency or a combination of deficiencies in ICFR, such that there is a reasonable possibility that a material misstatement of Li-Cycle's financial statements will not be prevented or detected on a timely basis.

As of December 31, 2024, management assessed the effectiveness of the Company's ICFR based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded ICFR was not effective due to the following material weaknesses as of December 31, 2024:

- The Company did not maintain an effective control environment due to an insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner.
- The Company did not maintain an effective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its ICFR, resulting from the insufficient number of experienced personnel described above.
- The Company did not maintain effective information and communication processes, related to insufficient communication of internal control information and the operating ineffectiveness of its general IT controls to ensure the quality and timeliness of information used in control activities, including related to service organizations.
- As a consequence of the above, the Company had ineffective process-level and financial statement close control activities primarily due to a lack of sufficient documentation to provide evidence of the operating effectiveness of controls.

These control deficiencies have a pervasive effect on the company's ICFR and have resulted in misstatements which were corrected prior to the release of our Consolidated Financial Statements as of and for the year ended December 31, 2024.

Changes in ICFR

Li-Cycle has continued to implement its remediation plan to address the material weaknesses and their underlying causes. The Company continues to work alongside external advisors with subject matter expertise and additional resources to establish and strengthen all elements of the Company's ICFR program.

Control Environment

With respect to the material weakness related to the control environment, during the year ended December 31, 2024, the Company stabilized its finance staffing and focused on reorganizing reporting lines and responsibilities in financial reporting and finance operations.

The Company believes further development of the finance staff complement is warranted to remediate the material weakness in the control environment. The Company intends to do so at a pace commensurate with other priorities.

Risk Assessment

With respect to the material weakness related to risk assessment, the Company took the following actions:

- Executed a quantitative and qualitative risk assessment of its financial reporting to roll forward its top-down approach to ICFR and develop the scope of management's evaluation for the year.
- Ensured its risk assessment remained responsive to changes occurring in the business throughout the year.
- Maintained its fraud risk assessment, where all fraud risks have been mapped to key controls to ensure appropriate coverage.

The Company believes the above actions, as well as efforts to enhance the collective expertise of the Company's finance department, will likely remediate the material weakness in risk assessment.

Information and Communication

With respect to the material weakness related to information and communication, the Company took the following actions:

- Enhanced processes and technology for communicating internal control information to internal stakeholders, including objectives and responsibilities.
- Continued to communicate with the Audit Committee the Company's progress in remediating control deficiencies and the material weaknesses.
- Improved year over year with respect to the design and operating effectiveness of IT general controls and controls at service organizations.

The Company believes these actions will likely remediate the material weakness in information and communication processes; however, remediation is strongly linked with remediation of control activities and the control environment, due to their interconnected nature.

Control Activities

Management has designed and implemented key controls within its business processes and over the financial statement close, which it believes is sufficient to address the risks of material misstatement in its financial reporting. Remediation of identified key control design and implementation deficiencies has continued to be a management priority throughout 2024 as it carried out its annual evaluation.

Management continues to make progress in remediation of this material weakness but due to challenges in maintaining staffing capacity, the Company remains unable to conclude that it has remediated this material weakness primarily due to inadequate documentation to support the operating effectiveness of controls.

Status of Remediation Plan

The Company made progress in remediating its material weaknesses as discussed above under "Changes in ICFR" as at the end of 2024. Management remains committed to implementing changes to its ICFR to ensure that the control deficiencies that contribute to the remaining material weaknesses are remediated.

The following remedial activities remain in progress as at the date of this Annual Report on Form 10-K and are expected to continue through 2025. Not all of the controls associated with these remedial activities have been subject to sufficient testing to conclude on their design or operational effectiveness.

- We will continue to communicate with and provide guidance to control owners on the execution and documentation of controls across business processes and at the entity level to ensure the design and implementation of control activities in the year ended December 31, 2024, carries forward to achieve operating effectiveness.
- We will build on improvements in the operation of IT general controls to ensure our processes and technology support the needs of control owners for timely, reliable information.
- We will maintain efforts to develop finance management and staff in key roles to rebuild the collective expertise and business knowledge of the finance team.

Following the implementation of the remedial actions as described above, management has discussed the remaining material weaknesses with the Audit Committee, which will continue to review progress on these remedial activities. While we believe these actions will contribute to the remediation of material weaknesses, we have not yet completed all of the corrective actions and related evaluation or remediation that we believe are necessary. Until the remedial steps are fully implemented and operate for a sufficient period of time that they can be concluded to be operating effectively, the remaining material weaknesses will not be considered fully remediated. Despite the significant progress made toward remediation of the remaining material weaknesses, no assurance can be provided at this time that the actions and efforts will effectively remediate the remaining material weaknesses described above or prevent the incidence of other material weaknesses in the Company's ICFR in the future. We do not know the specific timeframe needed to fully remediate the remaining material weaknesses identified above. See *"Item 1A. Risk Factors"* in this Annual Report on Form 10-K.

Management, including the CEO and CFO, does not expect that disclosure controls and procedures or ICFR will prevent all misstatements, even as the remedial measures are implemented and further improved to address the material weaknesses. The design of any system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

Except for the steps taken to address the material weaknesses in the Company's ICFR as described above, no changes in the Company's ICFR occurred during the three months and year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

ITEM 9B. OTHER INFORMATION

During the fourth quarter of 2024, neither the Company nor any of its director or officers adopted or terminated any 10b5-1 trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other non-Rule 10b5-1 trading arrangement.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

[Not applicable.]

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Senior Management

The following table sets forth our current directors and executive officers. Our directors are appointed for to hold office until the next annual meeting of our shareholders. Our officers are appointed by our Board and hold office until removed by the Board.

Directors and Executive Officers	Age	Position/Title	Date First Elected or Appointed
Ajay Kochhar	33	President & Chief Executive Officer	August 10, 2021
Mark Wellings	61	Corporate Director	August 10, 2021
Anthony Tse	54	Corporate Director	August 10, 2021
Scott Prochazka	59	Corporate Director	August 10, 2021
Kunal Sinha	44	Corporate Director	May 31, 2022
Jacqueline A. Dedo	63	Corporate Director	August 8, 2022
Susan Alban	42	Corporate Director	April 27, 2023
Diane Pearse	67	Corporate Director	April 27, 2023
Craig Cunningham	41	Chief Financial Officer	July 20, 2024
Conor Spollen	58	Chief Operating Officer	March 26, 2024
Chris Biederman	40	Chief Technology Officer	August 10, 2021
Carl DeLuca	57	General Counsel and Corporate Secretary	August 10, 2021
Christine Barwell	59	Chief Human Resources Officer	January 1, 2023
Dawei Li	42	Chief Commercial Officer	March 26, 2024

The business address for each of the Company's directors and executive officers is 207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada.

Biographical information concerning our directors and executive officers listed above is set forth below.

Ajay Kochhar

Ajay Kochhar has served as our President and CEO, Co-Founder, and a director since the consummation of the Business Combination on August 10, 2021. Before founding Li-Cycle, Mr. Kochhar gained extensive technology and project development experience through progressive roles with Hatch's industrial cleantech and advisory practices. While working in that space, he garnered in-depth engineering and project management experience through clean technology development in the lithium, cobalt, nickel, copper, gold, lead, zinc, molybdenum, and rare earth metals industries. His technical expertise spans the entire project lifecycle, from conceptual and pre-feasibility study to construction and commissioning. Mr. Kochhar is a graduate of the University of Toronto and holds a Bachelor of Applied Science (BASC) in Chemical Engineering.

Mark Wellings

Mark Wellings has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Wellings is a finance professional with over 30 years international experience in both the mining industry and mining finance sector. Mr. Wellings initially worked in the mining industry both in Canada and Australia in exploration, development and production capacities. He then joined the investment dealer GMP Securities L.P. where he co-founded the firm's corporate finance mining practice. During over 18 years at GMP Securities L.P., Mr. Wellings was responsible for, and advised on, some of the Canadian mining industry's largest transactions, both in equity financing and mergers and acquisitions. Since then, he has been appointed to several public and private boards and is also the Vice Chair of Lithium Royalties Corp. (TSX: LIRC). Mr. Wellings is a Professional Engineer and holds a Master of Business Administration degree and a Bachelor of Applied Science degree in Geological Engineering.

Anthony Tse

Anthony Tse has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Tse has close to 30 years of private and public corporate experience in numerous high-growth industries spanning technology, media and telecoms, natural resources and specialty chemicals, and more recently the energy transition sectors, in particular the EV and LIB value chain. His roles have been predominantly in senior management, with a focus on strategy and development, M&A and corporate finance internationally – he has managed businesses and operations across four continents spanning the Greater China and Asia region, Australia, North and South America. Mr. Tse is the former Managing Director and Chief Executive Officer of Galaxy Resources, where he served on the board for 11 years and grew the company, following its merger with Orocobre Limited in 2021 to create Allkem Limited, to become one of the Top 5 lithium producers globally. He is also the Board Chair of Nano One Materials Corp. (TSX: NANO), a clean technology company specializing in the production of low-cost, high-performance cathode active materials for lithium-ion batteries; and a Director of Minviro Limited, a global leader in sustainability measurement, reporting and life cycle assessment. In addition, he is a strategic advisor to Sicona Battery Technologies, a leading developer of silicon-composite materials for next generation lithium battery anode technologies; Critical Resources Limited (ASX: CRR), a natural resources company focused on developing lithium and other critical metals projects in Ontario, Canada, and Novalith Technologies, a developer of direct lithium extraction technologies. Aside from his industry roles, Mr. Tse is also a Senior Advisor to EMR Capital (a global natural resources investment group) portfolio of companies, with whom he is focused on upstream through to mid- and downstream investments in the energy transition sector and was an Operating Partner with the Global Private Equity Group of Franklin Templeton (NYSE: BEN), a global asset management organization.

Scott Prochazka

Scott Prochazka has served as a director of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Prochazka serves as director of Black Hills Corp. (NYSE: BKH), and Saudi Electric Company (Tadawul: SJSJ). Mr. Prochazka served as the President and Chief Executive Officer and a director of CenterPoint Energy, an NYSE-listed, Fortune 500 energy delivery company with electric transmission and distribution, power generation and natural gas distribution operations (“CenterPoint”) from January 1, 2014 to February 20, 2020. Prior to that role, Mr. Prochazka held several positions at CenterPoint since 2011, including Executive Vice President, Chief Operating Officer and Senior Vice President and Division President, Electric Operations. Mr. Prochazka received his B.S. in Chemical Engineering from the University of Texas in Austin.

Mr. Prochazka was initially elected to the Company’s Board as a nominee of Peridot Acquisition Sponsor, LLC, pursuant to the Investor Agreement. See the section titled “*Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions—Peridot/Li-Cycle Investor Agreement*” for additional information.

Kunal Sinha

Kunal Sinha has served as director of the Company since June 1, 2022. Mr. Sinha has been with Glencore since 2012 and currently serves as Glencore’s Head of Recycling. Prior to his current role, Mr. Sinha was the CEO of Glencore’s North American Sulfuric Acid business. Prior to joining Glencore, he worked for six years in Management Consulting at ZS Associates. Mr. Sinha holds an MBA from the London Business School, an M.S. in Systems and Entrepreneurial Engineering from the University of Illinois at Urbana-Champaign, and a B.Tech. in Mechanical Engineering from the Indian Institute of Technology (IIT), Kharagpur.

Mr. Sinha was elected to the Company’s Board as a nominee of Glencore, pursuant to the Glencore Note Purchase Agreement. See “*Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions—Glencore Note Purchase Agreement*” for additional information.

Jacqueline A. Dedo

Jacqueline A. Dedo has more than 40 years of experience across a variety of functions and verticals in the automotive industry, with a focus on strategy development and creating customer value. She is co-founder of Aware Mobility, LLC. She previously served as President of the Piston Group and Chief Strategy and Supply Chain Officer for Dana Holding Corp. (NYSE: DAN). Ms. Dedo has also previously held various leadership positions at The Timken Company (NYSE: TKR), Motorola (NYSE: MSI), and Robert Bosch Corporation. Ms. Dedo currently sits on the board of

directors of Cadillac Products Automotive Company, a private, internationally-recognized leader in the plastics converting industry; Workhorse Group Inc. (Nasdaq: WKHS), an American technology company focused on pioneering the transition to zero-emission commercial vehicles; Carbon Revolution plc (Nasdaq: CREV), a leading global manufacturer of lightweight advanced technology carbon fiber wheels; and Ballard Power Systems (Nasdaq: BLDP), a leading global provider of innovative clean energy fuel cell solutions. Ms. Dedo earned her Bachelor of Science degree in electrical engineering from Kettering University in Flint, Michigan. She has been involved in numerous charitable organizations and has been honored on multiple occasions by Automotive News as one of the “Top 100 Leading Women in the Automotive Industry.”

Susan Alban

Susan Alban has served as director of the Company since April 27, 2023. Ms. Alban currently serves as the Chief People Officer and an Operating Partner at Renegade Partners, where she supports the firm’s portfolio companies across all areas of Human Resources. Ms. Alban brings deep expertise in operations and product, especially around launches. Previously, Ms. Alban was the VP of People at Zume, a General Manager at Uber, as well as a group product manager at eBay, working in partnership with PayPal to drive improvements across eBay’s e-commerce funnel. Ms. Alban started her career at McKinsey & Company, where she was a management consultant for healthcare and consumer products businesses, with a focus on M&A and growth. After McKinsey, she joined CHB Capital Partners, a middle market private equity firm, where she invested and worked closely with CHB’s portfolio companies. Ms. Alban has a degree in Economics from Duke University and an MBA from Stanford Graduate School of Business.

Ms. Alban was initially elected to the Company’s Board pursuant as a nominee of Peridot Acquisition Sponsor, LLC, pursuant to the Investor Agreement, following being nominated by Peridot Acquisition Sponsor, LLC. See “*Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions—Peridot/Li-Cycle Investor Agreement*” for additional information.

Diane Pearse

Diane Pearse has served as a director of the Company since April 27, 2023. Ms. Pearse currently serves on the board of MSA Safety, Inc. (NYSE: MSA), a manufacturer, and supplier of safety products to protect workers and facility infrastructures in a variety of industries, as a director of Basic American Foods, Inc., a privately held food manufacturing company and as a director of Carl Budding & Company, a privately held food manufacturing company. Ms. Pearse was previously a C-Suite executive, having held CEO, COO, and CFO roles for several companies. She retired as CEO and President of Hickory Farms, LLC, a multi-channel food products retailer, in January 2022. Her other roles have included COO and Executive Vice President of Finance for Garrett Brands, a privately held consumer products company; Senior Vice President of Finance and Senior Vice President of Operations and Merchandising at Redbox Entertainment, Inc., a video entertainment, and distribution company; and CFO of Crate and Barrel, a home furnishings retailer. Her financial expertise was developed through progressive roles within the finance functions of Amoco Corporation and BP, leading multinational oil and gas companies. Ms. Pearse currently serves on the Dean’s Advisory Council for DePaul University’s Driehaus College of Business and on the board of directors of Uniting Voices Chicago, a not-for-profit organization that supports music education. Ms. Pearse was included in Crain’s 2019 Notable Women Executives over 50 and in Women Inc. Magazine’s 2019 Most Influential Corporate Directors. She is a member of The Chicago Network and a member of The Women Corporate Directors Foundation. Ms. Pearse graduated Bronze Tablet from the University of Illinois-Urbana with a Bachelor of Science in Accountancy, and obtained an MBA in Finance, with honors, from DePaul University.

Craig Cunningham

Craig Cunningham was appointed Interim Chief Financial Officer on March 26, 2024 and Chief Financial Officer on July 20, 2024. Mr. Cunningham has more than 17 years of accounting, finance, operational and capital markets experience and previously served as Chief Financial Officer of Electra Battery Materials from June 2022 to July 2023, where he was a key contributor to the company’s strategy and provided key financial oversight and controls to major projects. Prior to joining Electra Battery Materials, Mr. Cunningham served as Vice President and Regional Financial Officer at Kinross Gold, from March 2020 to March 2022, where he oversaw finance, information technology, supply chain and logistics, and administration functions in Russia. Mr. Cunningham also served as Regional Financial Officer at Kinross Gold, from September 2017 to March 2020. Mr. Cunningham has a Bachelor of Accounting from Brock University and received an MBA from Ivey Business School at Western University in Canada. He is a Chartered Public Accountant and a Chartered Accountant.

Chris Biederman

Chris Biederman has served as Chief Technical Officer of the Company since the consummation of the Business Combination on August 10, 2021. Mr. Biederman joined Li-Cycle in 2020 as the Chief Process Engineer before being promoted to Chief Technical Officer. Mr. Biederman is a professional engineer with 15 years of process engineering experience. Mr. Biederman brings extensive expertise to his current role, having acted as Lead Process Engineer for numerous large and small EPCM projects in the mining industry. He has experience working on greenfield and brownfield projects and overseeing bench-scale and pilot-scale testing. Mr. Biederman is also a skilled project manager with a robust history leading multi-disciplinary engineering teams and delivering successful projects. Previous to his role with Li-Cycle, he spent time at Hatch as a Senior Engineer and Technology Commercialization Portfolio Manager; he is also the Founder and Managing Director of Biederman Engineering. Mr. Biederman is a graduate of the University of Waterloo's Chemical Engineering program and is a registered engineer with the Professional Engineers of Ontario.

Carl DeLuca

Carl DeLuca has served as General Counsel and Corporate Secretary of the Company since the consummation of the Business Combination on August 10, 2021. Mr. DeLuca joined Li-Cycle in 2021. Mr. DeLuca brings over 25 years of legal and public company experience to the Company, with a track record of successfully executing business-critical transactions and leading organizational change. Prior to joining Li-Cycle, Mr. DeLuca served as General Counsel and Corporate Secretary for Detour Gold Corporation, a TSX-listed gold producer. Previously, Mr. DeLuca held various roles at Vale S.A.'s global base metal business, including Head of Legal for North American & U.K. Operations. His experience at Vale included advising on international M&A and joint ventures, capital projects, and commercial transactions. Mr. DeLuca started his career in private practice, in Toronto and New York. Mr. DeLuca holds his LL.B. from the University of Windsor, an H.B.A. from the Ivey School of Business at Western University, and a B.A. from Huron University College.

Christine Barwell

Christine Barwell was appointed Chief Human Resources Officer of the Company on January 1, 2023. She brings over 25 years of experience across a variety of industries as a global people operations leader and has been a change agent for complex corporate challenges balancing the people strategy in partnership with business opportunities. Prior to joining Li-Cycle, Ms. Barwell was the Vice President, Human Resources for Alamos Gold. Ms. Barwell holds her MBA in digital transformation from McMaster University. She also holds a CHRL designation.

Conor Spollen

Conor Spollen has served as Chief Operating Officer since March 26, 2024, prior to serving as SVP, Project Delivery at the Company from July 2022 to March 2024, and previously served as SVP, Hub Deployment, from January 2022 to July 2022. Mr. Spollen has more than 33 years of international mining and metallurgical experience, having served in global leadership roles in a number of companies. Prior to joining the Company, Mr. Spollen served as a General Manager, Engineering at United States Steel Corporation, from April 2020 to January 2022, and as Project Director, from August 2019 to April 2020. From February 2019 to August 2019, Mr. Spollen was Principal at Spollen Minerals Engineering. Mr. Spollen served as Head of Technology and Development (Chief Technology Officer) at Vale Base Metals from May 2018 to September 2018, where he helped provide oversight for development from exploration to project execution, risk management, health, safety and environment, geology and mine planning, technology, and innovation. He also served as Chief Operating Officer, Canada & UK, Operations and Projects at Vale Base Metals, from January 2015 to May 2018. Mr. Spollen is a Professional Engineer, a Chartered Engineer, and sat on the Board of the Centre for Excellence in Mining Innovation (CEMI). He is on the panel of experts for Geoscience Ireland. Mr. Spollen holds a Bachelor of Engineering in Minerals Engineering from the Camborne School of Mines and received an MBA from Chifley School of Business at Torrens University Australia.

Dawei Li

Dawei Li has served as Chief Commercial Officer since March 26, 2024, prior to serving as Regional President, APAC of the Company from November 1, 2021 to March 25, 2024. Mr. Li brings more than 15 years of experience in strategy development and leading growth in new markets for international companies. Before joining Li-Cycle, Mr. Li served as the Global Business Director for battery-grade lithium carbonate at the Albemarle Corporation, where he developed growth strategy and executed on business development plans and commercial negotiations. Previously, he held

roles at Eastman Chemical Company, managing global product lines, leading growth initiatives, and launching efforts to generate demand for existing products while commercializing novel ones. Mr. Li began his career in Shanghai, China working for PricewaterhouseCoopers. Mr. Li holds a BBA in Marketing from Shanghai University of Finance and Economics, and an MBA from the Darden School of Business at the University of Virginia.

Code of Ethics

The Board has adopted a Code of Ethics applicable to all of our directors, officers, employees and agents, including our President and CEO, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a “code of ethics” as defined in Item 406(b) of Regulation S-K and which is a “code” under NI 58-101. The Code of Ethics sets out the Company’s fundamental values and standards of behavior that are expected from our directors, officers and employees with respect to all aspects of our business. The objective of the Code of Ethics is to provide guidelines for maintaining the Company’s integrity, reputation and honesty with a goal of honoring others’ trust in us at all times.

The full text of the Code of Ethics is posted on our website at www.li-cycle.com. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report on Form 10-K and is not incorporated by reference herein. If we make any amendment to the Code of Ethics or grant any waivers, including any implicit waiver, from a provision of the Code of Ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC and the Canadian Securities Administrators. If a waiver or amendment of the Code of Ethics applies to our principal executive officer, principal financial officer, principal accounting officer or controller and relates to standards promoting any of the values described in Item 406(b) of Regulation S-K, we will disclose such waiver or amendment on our website in accordance with the requirements of Item 5.05 of Form 8-K and Item 406(d) of Regulation S-K.

Audit Committee

The Company has a standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Audit Committee is comprised of Scott Prochazka (Chair), Mark Wellings, Jacqueline A. Dedo and Diane Pearse. Our Board has determined that each of the Audit Committee members is an independent director, as required by applicable SEC, OTCQX rules and National Instrument 52-110 — Audit Committees. Our Board has also determined that at least two members of the Audit Committee, namely Scott Prochazka and Diane Pearse, qualify as “Audit Committee financial experts,” as such term is defined in Item 407 of Regulation S-K, and that all members of the Audit Committee are “financially literate,” as such term is defined in NI 52-110.

Insider Trading Policy

We have adopted an Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, employees and consultants, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. The policy prohibits all individuals subject to the Insider Trading Policy from trading in the Company’s securities (including related derivative securities) while aware of material nonpublic information, and also prohibits “tipping” such information. Additionally, all persons subject to the Insider Trading Policy are prohibited from trading securities during various periods throughout the year in connection with the public release of our quarterly financial results, and certain individuals must receive pre-clearance from our General Counsel prior to engaging in any transaction in the Company’s securities. The Insider Trading Policy also sets forth the Company’s policy to comply with all applicable securities laws and stock exchange rules when engaging in transactions in Company securities. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Named Executive Officers

Our named executive officers for the fiscal ended December 31, 2024 consisting of the Company’s Chief Executive Officer and other two most highly compensated executive officers (collectively, the “named executive officers” or “NEOs”), were:

- Ajay Kochhar, Chief Executive Officer;

- Craig Cunningham, Chief Financial Officer (VP Finance from March 19, 2024 to March 25, 2024, Interim Chief Financial Officer from March 26, 2024 to July 19, 2024 and Chief Financial Officer from July 20, 2024); and
- Carl DeLuca, General Counsel & Corporate Secretary.

Summary Compensation Table

The following table shows, for the fiscal years ended December 31, 2024, and December 31, 2023, compensation awarded or paid to our named executive officers.

Name and Principal Position ^{(1),(2)}	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total Compensation (\$)
Ajay Kochhar Chief Executive Officer	2024	600,000	—	1,127,404	—	—	47,097	1,774,501
	2023	592,329	—	843,750	843,750	—	43,430	2,323,259
Craig Cunningham Chief Financial Officer	2024	180,822	—	599,744	—	—	275,297	1,055,863
	2023	—	—	—	—	—	—	—
Carl DeLuca General Counsel & Corporate Secretary	2024	520,000	—	618,702	—	—	46,928	1,185,630
	2023	514,630	—	220,938	220,938	—	43,743	1,000,249

- (1) Mr. Cunningham was appointed VP Finance on March 19, 2024, and Interim Chief Financial Officer on March 26, 2024, with his services provided through a staffing agency until July 19, 2024. Effective July 20, 2024, he was appointed Chief Financial Officer and became a full-time employee of the Company.
- (2) In the above table, all compensation is disclosed in U.S. dollars. A portion of the cash compensation for each NEO was paid in Canadian dollars. Those Canadian dollar amounts have been converted to U.S. dollars using the Bank of Canada's average exchange rate for (a) the twelve-month period ended December 31, 2024 of CA\$1.00 = U.S. \$0.7302, and (b) for the twelve-month period ended December 31, 2023 of CA\$1.00 = U.S.\$0.7410.
- (3) The amounts reported in this column reflect the aggregate grant-date fair value of restricted share units ("RSUs") and performance share units ("PSUs") granted in each period, computed in accordance with ASC Topic 718. The PSUs are subject to performance-based vesting conditions and the number of awards is stated at 150% of target (which is the maximum level of performance). We provide information regarding the assumptions used to calculate the value of all RSUs and PSUs granted to NEOs in Note 2 and Note 15 to the Consolidated Financial Statements contained in this Annual Report on Form 10-K. The amounts reported do not reflect whether the applicable NEO has actually realized or will realize an economic benefit from these awards.
- (4) The amounts reported in this column reflect the aggregate grant-date fair value of stock options granted in each period, computed in accordance with ASC Topic 718. We provide information regarding the assumptions used to calculate the value of all option awards granted to NEOs in Note 2 and Note 15 to the Consolidated Financial Statements contained in this Annual Report on Form 10-K. The amounts reported do not reflect whether the NEO has actually realized or will realize an economic benefit from these awards.
- (5) The amounts reported in this column represent performance-based cash bonuses under the Company's short-term incentive plan for the applicable period. The Board determined that it was in the best interests of the Company to exercise its discretion to make no payments with respect to the 2023 STIP. The Board has not yet determined whether to make any payments to the Company's executive officers in respect of the 2024 STIP, in view of the Company's Cash Preservation Plan. Any payments made in respect of the 2024 STIP are expected to be disclosed in a Current Report on Form 8-K following the date of this Annual Report on Form 10-K.
- (6) The amounts reported in this column represent the value of employer's contribution to employee's group retirement savings plan, if applicable, and other taxable benefits (including electric vehicle allowance, on-site parking and executive medical coverage) and, in the case of Mr. Cunningham, fees paid to a third party staffing agency for his services at Interim Chief Financial Officer in the amount of \$249,314. The Company matches the employee's contribution up to 6% of base salary into a group retirement savings plan, subject to statutory maximums. The table below further illustrates the values paid for each component for fiscal 2024:

Name and Principal Position ⁽¹⁾	Year	Executive Medical (\$)	Employer Contribution to Group Retirement (\$)	Electric Vehicle Allowance (\$)	On-Site Parking (\$)	Other	Total Compensation (\$)
Ajay Kochhar Chief Executive Officer	2024	3,296	11,523	27,799	2,278	2,201	47,097
Craig Cunningham Chief Financial Officer	2024	3,296	9,237	12,787	949	249,028	275,297
Carl DeLuca General Counsel & Corporate Secretary	2024	3,127	11,523	29,925	2,278	75	46,928

Narrative to Summary Compensation Table

The Company's executive compensation plan includes a mix of annual base salary, short-term cash incentives and long-term equity incentives, as described below.

Annual Base Salary

Our named executive officers receive an annual base salary to compensate them for services rendered to us. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. The 2024 annual base salaries for our NEOs were as follows: (i) base salary for the CEO was frozen at 2023 levels; (ii) base salary for the new CFO was established at \$400,000; and (iii) base salary for the General Counsel & Corporate Secretary was frozen at 2023 levels.

Short-Term Incentive Plan ("STIP")

We provide our executives with the eligibility to earn an annual cash bonus upon the achievement of pre-established corporate performance goals based on a percentage of base salary, which is designed to motivate our executive officers to meet key short-term operational and financial performance objectives. The STIP targets vary by organizational level, with the CEO's target being 120% of base salary and the other executive officers' target being 70% of base salary. Performance results are based on corporate performance, as measured by the corporate scorecard, and departmental performance, as measured by a personal scorecard for each executive officer (other than the CEO). The CEO's performance results are based entirely on corporate performance. All other executive officer's performance results are based as to 80% on corporate performance and as to 20% on departmental results.

Short-term incentives may be earned from 0% of target value to 150% of target value, depending on levels of achievement. The formula is an additive calculation, meaning that there is a payout of 0% for below-threshold performance, and a payout at between 50% and 150% of target for performance between threshold and maximum levels. The range of STIP payouts as a percentage of salary for the NEOs is set forth in the table below:

NEO	Minimum	Threshold	% of Salary Target	Maximum
Ajay Kochhar	0%	60%	120%	180%
Craig Cunningham	0%	35%	70%	105%
Carl DeLuca	0%	35%	70%	105%

For the fiscal 2024 STIP, 90% of the corporate performance bonus opportunity for our NEOs was determined by the Company's achievement of three initiatives relating to cash preservation, liquidity generation and closing the DOE Loan Facility and the remaining 10% of the corporate performance bonus opportunity for our NEOs was determined by certain predetermined health and safety outcomes. In view of the affordability of the bonus and other factors the Board has not yet determined whether to make any payments to the Company's executive officers in respect of the Company's STIP for 2024.

Long-Term Incentive Compensation ("LTIP")

Equity-based awards under our LTIP enable us to reward our NEOs for their sustained contributions to the Company while promoting their continued employment. The Company believes that RSUs and PSUs will provide its executive officers with a strong link to long-term corporate performance and the creation of shareholder value even during

periods of volatility in our stock price. The Company removed stock options from its equity mix, and introduced PSUs for the first time, in 2024.

The target LTIP award level for the CEO was 250% of base salary, while the target LTIP award levels for the CFO and the General Counsel & Corporate Secretary were 75% of base salary, for fiscal 2024. The LTIP mix consisted of 50% RSUs and 50% PSUs. The RSU awards vest ratably over three years from the date of grant, subject to the executive's continued employment on the applicable vesting date. The PSU awards are subject to Board-approved performance-based vesting conditions, as well as time-based vesting conditions, and "cliff vest" as to 100% on the third anniversary of the date of grant. The PSU vesting condition for awards in fiscal 2024 are based on the Company's achievement of certain milestones relating to the Rochester Hub project.

Perquisites and other Personal Benefits

We provide certain perquisites or other personal benefits to our executive officers, including NEOs, as part of their compensation packages, to assist them in the performance of their duties, to enhance their efficiency and effectiveness and for recruitment, motivation, recognition and retention purposes. Perquisites represent the value of the employer's contribution to the employee's group retirement savings plan, standard employee benefits coverage (such as health insurance and life insurance), and other taxable benefits (including electric vehicle allowance, on-site parking and executive medical coverage). The Company matches the employee's contribution up to 6% of each NEO's base salary into a group retirement savings plan, subject to statutory maximums.

Outstanding Equity Awards at Fiscal 2024 Year-End Table

The following table sets forth information on outstanding equity awards held by our named executive officers' as of December 31, 2024. These awards are governed by the Company's 2021 Long Term Incentive Plan.

Name	Grant Date	Option Awards ⁽¹⁾				Stock Awards ^{(1),(3)}	
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ⁽²⁾
Ajay Kochhar Chief Executive Officer	10-Aug-2021	22,108	—	87.44	10-Aug-2031	—	—
	31-Jan-2022	7,676	3,837	60.64	31-Jan-2032	2,404	4,303
	27-Jan-2023	10,543	21,085	46.16	27-Jan-2033	12,185	21,811
	08-May-2024	—	—	—	N/A	133,737	239,389
	08-May-2024 ⁽³⁾	—	—	—	N/A	200,606	359,084
Craig Cunningham Chief Financial Officer	08-May-2024	—	—	—	N/A	46,452	83,149
	08-May-2024 ⁽³⁾	—	—	—	N/A	69,678	124,724
	29-Aug-2024	—	—	—	N/A	270,270	483,783
Carl DeLuca General Counsel & Corporate Secretary	10-Aug-2021	12,808	—	87.44	10-Aug-2031	—	—
	31-Jan-2022	2,368	1,184	60.64	31-Jan-2032	742	1,328
	27-Jan-2023	2,761	5,521	46.16	27-Jan-2033	3,190	5,710
	08-May-2024	—	—	—	N/A	92,807	166,125
	08-May-2024 ⁽³⁾	—	—	—	N/A	52,157	93,361

(1) Options and RSUs vest ratably over three years in equal amounts, subject to continued service on each applicable vesting date; provided that vesting may be accelerated in the event of certain qualifying terminations of employment as described under "Potential Payments Upon Termination or Change in Control" described below. PSUs vest on the third anniversary from date of grant and the number of units that vest is subject to a performance factor.

(2) Amounts reported are based on the number of RSUs and PSUs multiplied by the closing trading price of our common stock of \$1.79 per share on December 31, 2024 (the last trading day of the fiscal year).

(3) PSU awards subject to both performance based and time-based vesting conditions. The number of awards is stated at 150% of target (which is the maximum level of performance).

Policies and Practices Related to the Grant of Certain Equity Awards Close In Time to Release of Material Non-Public Information

The Board has adopted an Equity Awards Procedure (the “Procedure”) to document the Company’s process for proposing, recommending and granting annual, on-hire and promotional equity awards to the Company’s directors, officers, employees and consultants, including as to the schedule for such awards and the value/quantum of such awards. Options are no longer part of the Company’s LTIP mix, which is now limited to RSUs and PSUs.

According to the Procedure, management may present proposed equity awards at the Compensation Committee’s regularly scheduled quarterly meetings. A cut-off date for the determination of the proposed on-hire and promotional awards is determined by the Company’s Human Resources Department and is generally two weeks prior to applicable Compensation Committee meeting.

To align with best practice, the effective date of the equity awards is generally on the 15th day of the month in which the Board has approved the equity awards, or if such day is not a trading day on the OTCQX, then the next trading day thereafter. This approach is designed to ensure not only that equity awards are made on a fixed schedule, but also that they are typically made at a time when the Company will not be in possession of material non-public information, which could require additional accounting valuation procedures, in accordance with Staff Accounting Bulletin 120 of the SEC. In the event the Company files its Form 10-K or Form 10-Q after the 15th day of the month, then the effective date of the equity awards is on the second trading day after the date of such filing with the SEC.

The Board is responsible for directors’ equity awards under the terms of the Director Compensation Program. These awards are made by the Board at the first meeting of the Board following the election of directors by the Company’s Shareholders (generally in May) and otherwise in line with the meeting schedule noted above.

The Procedure further provides that equity awards are made at the discretion of the Board, and that the Procedure does not limit the Board’s discretion to grant equity awards outside the parameters of the Procedure, subject to applicable securities laws and stock exchange rules.

Potential Payments Upon Termination or Change in Control

Each of the Company’s named executive officers is party to an employment agreement with the Company (collectively, the “**Employment Agreements**”) and a participant in the Company’s Executive Severance Policy. The Employment Agreements and Executive Severance Policy provide for certain payments and benefits to each of the named executive officers in connection with certain qualifying terminations of employment as described below.

Qualifying Termination in connection with Change in Control

In the case of Li-Cycle’s termination of the named executive officer’s employment without cause, or in the case of the named executive officer’s termination of their employment for good reason (as defined in the Employment Agreements), in either case within twelve months following a change in control (as defined in the Employment Agreements), in addition to accrued and unpaid base salary, accrued vacation pay, and reimbursement for business expenses properly incurred, the named executive officer will become entitled to (i) a lump-sum payment in lieu of notice in the amount of eighteen months’ base salary (or twenty-four months’ base salary for the Chief Executive Officer) plus the amount of the named executive officer’s annual bonus target in respect of the fiscal year in which the termination occurs, pro-rated to eighteen months (or twenty-four months for the Chief Executive Officer); (ii) a lump-sum for the named executive officer’s annual bonus award in respect of the fiscal year immediately preceding the termination, to the extent earned and unpaid at the date of the termination, calculated at the annual bonus target for such fiscal year, (iii) annual bonus award in respect of the fiscal year of Li-Cycle in which the termination occurs, pro-rated from the start of such fiscal year to the date of the termination, calculated at the annual bonus target for such fiscal year; (iv) matching contributions to the named executive officer’s group retirement savings plan up to and including the last day of the statutory notice period required pursuant to applicable employment standards legislation; (v) continued participation in Li-Cycle’s executive benefit plans and perquisites until the end of the statutory notice period pursuant to applicable employment standards legislation, and (vi) for a period of eighteen months (or twenty-four months for Chief Executive Officer) or until the named executive officer becomes entitled to participate in similar benefit plans with another employer, participation in primary benefit plan coverages (i.e., health care, dental care, and employee assistance program); and (vii) outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that the named executive officer obtains full-time employment. Long-term equity awards are treated in accordance with the terms of the applicable award agreement and the 2021 Executive Severance Policy described below. A change in control (as defined in the Employment Agreements) occurred on December 9, 2024, upon the modification of the First A&R Glencore Note.

Qualifying Termination outside of Change in Control

In the case of Li-Cycle's termination of the named executive officer's employment without cause, or in the case of the named executive officer's termination of their employment for good reason (as defined in the Employment Agreements), in either case prior to a change in control or more than twelve months after a change in control (as defined in the Employment Agreements), in addition to accrued and unpaid base salary, accrued vacation pay, and reimbursement for business expenses properly incurred, the named executive officer will become entitled to (i) payment in equal monthly installments representing twelve months' base salary (or eighteen months' base salary for the Chief Executive Officer) plus the amount of the named executive officer's annual bonus target in respect of the fiscal year in which the termination occurs, pro-rated to twelve months (or eighteen months for the Chief Executive Officer); (ii) matching contributions to the named executive officer's group retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; (iii) continued participation in Li-Cycle's executive benefit plans and perquisites until the end of the statutory notice period pursuant to applicable employment standards legislation (iv) for a period of twelve months (or eighteen months for Chief Executive Officer) or until the named executive officer becomes entitled to participate in similar benefit plans with another employer, participation in primary coverages (health care, dental care, and employee assistance program); and (v) and outplacement career counselling ending on the earliest to occur of twelve months following the termination and the date that the named executive officer obtains full-time employment. Long-term equity awards are treated in accordance with the terms of the applicable award agreement and the 2021 Executive Severance Policy described below.

Death, Disability

If the named executive officer is terminated for cause, death, mutually agreed retirement or by the executive without good reason, they will be entitled to payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred accrued to the termination date; matching contributions to the named executive officer's group retirement savings plan up to and including last day of the statutory notice period required pursuant to applicable employment standards legislation; and post-employment treatment of the named executive officer's long term incentive plan awards (including without limitation share options, RSUs, and PSUs) determined in accordance with the terms of the Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy described below.

If the named executive officer is terminated for permanent disability, they will be entitled to a lump-sum payment of any unpaid base salary, vacation pay and reimbursement for business expenses properly incurred accrued during the applicable elimination period for long-term disability benefits stipulated in Li-Cycle's long-term disability insurance plan, less any short-term disability benefit payments provided by Li-Cycle; matching contributions to the named executive officer's group retirement savings plan up to and including the end of the applicable elimination period; continued participation in Li-Cycle's executive benefit plans and perquisites up to and including the end of the applicable elimination period; and post-employment treatment of the named executive officer's long term incentive plan awards (including without limitation share options, RSUs, and PSUs) determined in accordance with the terms of the Incentive Award Plan and/or any other applicable long term incentive plan(s), the relevant award agreement(s), and the 2021 Executive Severance Policy described below.

Long-Term Incentive Awards

The 2021 Executive Severance Policy provides for the following treatment of long-term equity awards held by executive officers:

Event	Unvested Options	Vested Options	Unvested RSUs	Unvested PSUs
Termination without cause/termination by Executive Officer for good reason within 12 months following a change in control	Accelerated vesting and exercisable for remainder of term	Exercisable for remainder of term	Accelerated vesting	Accelerated vesting and payout at full target
Termination without cause/termination by Executive Officer for good reason prior to a change of control or more than 12 months following a change in control	Forfeited*	Exercisable for 3 months, then forfeited*	Forfeited*	Forfeited*
Termination for cause, or voluntary resignation by Executive Officer without good reason	Forfeited*	Exercisable for 3 months, then forfeited*	Forfeited*	Forfeited*
Death or Permanent Disability	Accelerated vesting and exercisable for remainder of term	Exercisable for remainder of term	Accelerated vesting	Continued vesting; Number of PSUs prorated, to reflect employment in performance period;** vesting based on actual performance
Mutually Agreed Retirement	Continued vesting	Exercisable for remainder of term	Accelerated vesting	Same as above

* Except as otherwise provided by the Compensation Committee (as plan administrator)

** Proration based on: (i) number of months of employment in the performance period, divided by (iii) number of months in the performance period.

Director Compensation

This section discusses the material components of the director compensation program for our non-employee directors.

Director Compensation Table

The following table sets forth information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2024.

Name	Fiscal Year 2024		
	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾ ⁽²⁾	Total (\$)
Susan Alban	257,575	140,000	397,575
Jacqueline A. Dedo	329,477	170,000	499,477
Diane Pearse	254,539	140,000	394,539
Scott Prochazka	268,467	140,000	408,467
Kunal Sinha	55,000	140,000	195,000
Anthony Tse	—	318,325	318,325
Mark Wellings	—	402,217	402,217

(1) The amounts reported in this column reflect the aggregate grant-date fair value of RSUs granted or to be granted with respect to compensation earned in the period. We provide information regarding the assumptions used to calculate the value of RSUs granted to non-employee directors in Note 2 and Note 15 to the Consolidated Financial Statements contained in this Annual Report on Form 10-K. The amounts reported do not reflect whether the applicable director has actually realized or will realize an economic benefit from these awards.

(2) As of December 31, 2024, each non-employee director in service as of such date held the following number of RSUs: Ms. Alban: 27,606; Ms. Dedo: 33,522; Ms. Pearse: 27,606; Mr. Prochazka: 27,606; Mr. Sinha: 27,606; Mr. Tse: 66,858; Mr. Wellings: 129,209.

Director Compensation Program

The Compensation Committee periodically evaluates and makes recommendations to the Board with respect to appropriate forms and amounts of compensation for directors of the Company. In doing so, the Compensation Committee considers: (i) the time commitment associated with being a director of the Company, including, as applicable, committee (and committee chair) work and Board chair (or lead director) work; (ii) the responsibilities and risks associated with being such a director, (iii) compensation paid to directors of companies and their subsidiaries similar to the Company, and (iv) any other factors the Compensation Committee deems relevant.

In connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board established a Special Committee comprised of independent directors on October 25, 2023 to, among other things, (1)

oversee and supervise a strategic review of all or any of the Company's operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Company Overview." Based on a market assessment, the Board, on November 30, 2023, established the compensation for the members of the Special Committee of the Board, including a one-time RSU award corresponding to a target value of \$100,000 as of the grant. A monthly cash retainer in the amount of \$17,000, plus an additional \$5,000 for the Chair of the Special Committee, was also approved. This compensation reflects the significant time commitment and work required of the Special Committee members.

In fiscal 2024, the Board approved the following amounts for director compensation, with no increase relative to the amounts approved for the previous fiscal year:

Compensation Element	Cash Fees		Equity Awards ⁽¹⁾
	Annual	Monthly	
Board Retainer	\$ 55,000.00	\$ —	\$ 140,000.00
Additional Retainers (as applicable)			
Independent Board Chair	\$ 30,000.00	\$ —	\$ 30,000.00
Audit Committee Chair	\$ 20,000.00	—	—
Compensation Committee Chair	\$ 15,000.00	—	—
Nominating and Corporate Governance Committee Chair	\$ 10,000.00	—	—
Health, Safety, Environment & Sustainability Committee Chair	\$ 10,000.00	—	—
Special Committee Chair	— \$	22,000.00	—
Special Committee Member	— \$	17,000.00	—

(1) Equity awards are made through the issuance of RSUs, which generally vest within one year.

Each member of our Board is entitled to reimbursement for reasonable travel and other expenses incurred when attending Board or Committee meetings or otherwise in connection with their director position. Directors do not receive any payment for attending meetings.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding beneficial ownership of the Company's common shares as of March 18, 2025 based on 44,541,690 common shares issued and outstanding as of March 18, 2025, with respect to beneficial ownership of our common shares by:

- each person known by us to be the beneficial owner of more than 5% of our issued and outstanding common shares;
- each of our executive officers and directors; and
- all our executive officers and directors as a group.

In accordance with SEC rules, individuals and entities below are shown as having beneficial ownership over common shares they own or have the right to acquire within 60 calendar days, as well as common shares for which they have the right to vote or dispose of such common shares. In accordance with SEC rules, for purposes of calculating percentages of beneficial ownership, common shares which a person has the right to acquire within 60 days are included both in that person's beneficial ownership as well as in the total number of common shares issued and outstanding used to calculate that person's percentage ownership but not for purposes of calculating the percentage for other persons.

Except as indicated by the footnotes below, we believe that the persons named below have sole voting and dispositive power with respect to all common shares that they beneficially own. The common shares owned by the persons named below have the same voting rights as the common shares owned by other holders.

Unless otherwise indicated, the business address of each beneficial owner listed in the tables below is c/o Li-Cycle Holdings Corp., 207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada.

Name and Address of Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Outstanding Common Shares ⁽¹⁾
<i>Directors and Executive Officers</i>		
Ajay Kochhar ⁽²⁾	3,214,210	7.22%
Mark Wellings ⁽³⁾	41,607	*
Anthony Tse ⁽⁴⁾	37,992	*
Scott Prochazka ⁽⁵⁾	35,959	*
Kunal Sinha ⁽⁶⁾	—	*
Jacqueline Dedo ⁽⁷⁾	21,324	*
Susan Alban ⁽⁸⁾	19,530	*
Diane Pearse ⁽⁹⁾	19,530	*
Carl DeLuca ⁽¹⁰⁾	58,858	*
Conor Spollen ⁽¹¹⁾	57,096	*
Craig Cunningham ⁽¹²⁾	15,484	*
Chris Biederman ⁽¹³⁾	55,993	*
Dawei Li ⁽¹⁴⁾	37,043	*
Christine Barwell ⁽¹⁵⁾	23,650	*
All directors and executive officers as a group (14 individuals)	3,638,276	8.17%
Five Percent or Greater Shareholders		
Glencore plc ⁽¹⁶⁾	84,404,412	65.46%

* Less than 1 percent

Notes:

- The ownership percentage set out in this column is based on a total of 44,541,690 outstanding common shares as of March 18, 2025, in each case rounded down to the nearest hundredth, and calculated in accordance with SEC rules.
- Ajay Kochhar's 3,214,210 shares beneficially owned include (1) 21,478 common shares owned directly by Mr. Kochhar, (2) 3,107,826 common shares owned by 2829908 Delaware LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Maplebriar Holdings Inc., a corporation organized under the laws of the Province of Ontario ("**Maplebriar Holdings**"), having a sole shareholder, The Kochhar Family Trust, an irrevocable trust established under the laws of the Province of Ontario, Canada (the "**Trust**"), (3) 40,327 common shares subject to vested stock options held by Mr. Kochhar which includes options to acquire (i) 22,108 common shares at a price of \$87.44 per share until August 10, 2031, (ii) 7,676 common shares at a price of \$60.64 per share until January 31, 2032 and (iii) 10,543 common shares at a price of \$46.16 per share until January 27, 2033 and (4) 44,579 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025. There is an oral agreement among Mr. Kochhar, the Trust, Maplebriar Holding, and 2829908 Delaware LLC, that grants Mr. Kochhar the sole power to control the voting and disposition of the common shares of the Company held by 2829908 Delaware LLC. Mr. Kochhar is one of three trustees of the Trust, along with Mr. Kochhar's brother and father, and the beneficiaries of the Trust are principally relatives of Mr. Kochhar. Mr. Kochhar is a Director and the President and CEO of the Company.
- Mark Wellings' 41,607 shares beneficially owned include (1) 12,828 common shares owned directly by Mr. Wellings and (2) 28,779 common shares owned by ZCR Corp., a holding company wholly owned by Mr. Wellings. Mr. Wellings is a director of the Company. Mr. Wellings is the sole owner of ZCR Corp. and has voting or investment control over the common shares held by ZCR Corp.
- Anthony Tse's 37,992 common shares are owned directly by Mr. Tse.

5. Scott Prochazka's 35,959 common shares are owned directly by Mr. Prochazka.
6. Kunal Sinha holds for the benefit of Glencore plc 7,423 common shares owned directly by Mr. Sinha. Such common shares are counted in Glencore's beneficial ownership, as further explained in Note (16) below. Mr. Sinha is the Global Head of Recycling at the Glencore group.
7. Jacqueline A. Dedo's 21,324 common shares are owned directly by Ms. Dedo.
8. Susan Alban's 19,530 common shares are owned directly by Ms. Alban.
9. Diane Pearse's 19,530 common shares owned directly by Ms. Pearse.
10. Carl DeLuca's 58,858 shares beneficially owned include (1) 6,040 common shares owned directly by Mr. DeLuca, (2) 21,882 common shares subject to vested stock options which includes options to acquire (i) 12,808 common shares at a price of \$87.44 per share until August 10, 2023, (ii) 3,552 common shares at a price of \$60.64 per share until January 31, 2032 and (iii) 5,522 common shares at a price of \$46.16 per share until January 27, 2033, and (3) 30,936 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
11. Conor Spollen's 54,512 shares beneficially owned include (1) 13,919 shares owned directly by Mr. Spollen, (2) 15,606 common shares subject to vested stock options which includes options to acquire (i) 12,422 common shares at a price of \$61.92 per share until March 8, 2032 and (ii) 3,184 common shares at a price of \$46.16 per share until January 27, 2033 and (3) 27,571 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
12. Craig Cunningham beneficially owns 15,484 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
13. Chris Biederman's 55,993 shares beneficially owned include (1) 17,364 shares owned directly by Mr. Biederman and (2) 14,832 common shares subject to vested stock options which includes options to acquire (i) 8,420 common shares at a price of \$87.44 per share until August 10, 2031, (ii) 2,960 common shares at a price of \$60.64 per share until January 31, 2032 and (iii) 3,452 common shares at a price of \$46.16 per share until January 27, 2033 and (3) 23,797 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
14. Dawei Li's 37,043 shares beneficially owned include (1) 7,899 common shares owned directly by Mr. Li and (2) 11,296 common shares subject to vested stock options which includes options to acquire (i) 2,339 common shares at a price of \$87.44 per share until August 10, 2031, (ii) 3,965 common shares at a price of \$105.60 per share until November 22, 2031, (iii) 2,368 common shares at a price of \$60.64 per share until January 31, 2032 and (iv) 2,624 common shares at a price of \$46.16 per share until January 27, 2033 and (3) 17,848 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
15. Christine Barwell's 23,650 shares beneficially owned include (1) 2,239 shares owned directly by Ms. Barwell and (2) 2,374 common shares subject to vested stock options to acquire common shares at a price of \$46.16 per share until January 27, 2033 and (3) 19,037 common shares issuable upon settlement of RSUs within 60 calendar days of March 18, 2025.
16. According to a Schedule 13D/A filed with the SEC on March 14, 2025, represents (1) 84,396,989 common shares issuable upon the conversion of the Glencore Convertible Notes directly owned by Glencore Canada Corporation, subject to adjustment and including accrued but unpaid interest through March 13, 2025, and (2) 7,423 common shares owned by Kunal Sinha and held for the benefit of Glencore. Mr. Sinha is the Global Head of Recycling at the Glencore group. Glencore plc is the parent company of Glencore International AG. Glencore Canada Corporation is an indirect wholly-owned subsidiary of Glencore International AG. The principal business and office address of Glencore Canada Corporation is 100 King Street West, Suite 6900, Toronto, ON, M5X 1E3, Canada. The principal business and office address of Glencore plc and Glencore International AG is Baarermattstrasse 3, CH-6340, Baar, Switzerland.

Securities Authorized For Issuance Under Equity Compensation Plans

Equity Compensation Plan Information as of December 31, 2024

The following table provides information about the Company's common shares that may be issued upon the exercise of options, warrants and rights under all of the Company's existing equity compensation plans as of December 31, 2024. Our shareholders have approved all of the Company's current share-based compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights ⁴ (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity Compensation Plans Approved by Shareholders			
Legacy LTIP ⁽¹⁾	39,285	15.42	0
Long-Term Incentive Award Plan ⁽²⁾	2,509,849	70.38	1,342,200
Equity Compensation Plans Not Approved by Shareholders			
-	-	-	-
Total⁽³⁾	2,549,134	61.17	1,342,200

Notes:

1. Prior to the completion of the Business Combination, Li-Cycle Corp. maintained a stock option plan (the "**Legacy Stock Option Plan**") and a long-term incentive plan (the "**Legacy LTIP**"). Pursuant to the Arrangement, all of the share options ("Legacy Options") of Li-Cycle Corp. outstanding under the Legacy Stock Option Plan and the Legacy LTIP fully vested; a total of 3,599 Legacy Options were exercised on a cashless basis in exchange for common shares of Li-Cycle Holdings Corp.; and the remaining 13,288 Legacy Options were exchanged for Rollover Options to acquire a total of 530,338 common shares of Li-Cycle Holdings Corp. There were 39,285 Rollover Options outstanding as of December 31, 2024. Each Rollover Option, mutatis mutandis, continues to be governed by the terms of the Legacy LTIP, and the terms of any share option agreement by which the applicable Legacy Option was evidenced. Any restriction on the exercise of any Legacy Option so replaced continues in full force and effect and the term, exercisability, vesting schedule and other provisions that applied to such Legacy Option otherwise remain unchanged as a result of the replacement of such Legacy Option; provided, however that (x) the Compensation Committee of the Board has succeeded to the authority and responsibility of the Board of Li-Cycle Corp. with respect to each Rollover Option; and (y) each Rollover Option is subject to administrative procedures consistent with those in effect under the Long-Term Incentive Award Plan.
2. The issued and outstanding equity awards under the Long-Term Incentive Award Plan as at December 31, 2024 consisted of 234,439 options, 1,847,819 RSUs and 466,876 PSUs.
3. Consists of 234,439 options, 1,847,819 RSUs and 466,876 PSUs.
4. There is no exercise price with respect to our issued and outstanding RSUs and PSUs; therefore, the weighted-average exercise prices in this column do not take those awards into account.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

The following is a summary of transactions since January 1, 2023 to which we have been or will be a party, in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any of our executive officers, directors, nominees for director, promoters or beneficial holders of more than 5% of our common shares, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Related Party Transaction Policy

Our Board has adopted a written related party transactions policy. Under the policy, our Audit Committee serves as the approval authority for related party transactions. For purposes of the policy, related party transactions include transactions that would be required to be disclosed under Item 404 of Regulation S-K. This includes transactions or loans between the Company and any (a) director, director nominee or executive officer of the Company, (b) 5% holder of the Company's securities, and (c) immediate family member of the above.

In determining whether to approve or ratify a related party transaction, the Audit Committee shall review the relevant facts and circumstances including: (a) the related party transaction's purpose and potential benefit to the Company, (b) whether the related party transaction was undertaken in the ordinary course of business of the Company, (c) whether the related party transaction is on terms comparable to those that could be obtained in arms' length dealings with an unrelated third party under the same or similar circumstances, (d) whether the related party transaction would impair the independence of any director, (e) the extent of the related party's interest in the related party transaction, (f) the controls implemented by the Company to protect the interests of the Company, and (g) any other material information regarding the related party transaction.

Executive Employment Agreements

We have entered into employment agreements with each of our executive officers. See *"Item 11. Executive Compensation — Potential Payments Upon Termination or Change in Control"*.

Director & Officer Indemnification Agreements

The Company has entered into separate indemnification agreements with its directors and executive officers, in addition to the indemnification provided for in the by-laws. These agreements, among other things, require the Company to indemnify its directors and executive officers for certain costs, charges and expenses, including attorneys' fees, judgments, fines and settlement amounts, reasonably incurred by a director or executive officer in any action or proceeding because of their association with the Company or any of its subsidiaries.

Peridot/ Li-Cycle Investor Agreement

On August 10, 2021, the Company entered into an Investor Agreement (the **"Investor Agreement"**) with certain Class B shareholders of Peridot Acquisition Corp. (**"Peridot"**) (including Scott Prochazka, a Director of the Company) and certain Li-Cycle shareholders (including 2829908 Delaware LLC, an entity affiliated with Ajay Kochhar, the CEO and a director of the Company; Keperra Holdings Limited, an entity wholly-owned by Tim Johnston, the former Executive Chair and a former director of the Company; Anthony Tse, a director of the Company; and ZCR Corp., an entity wholly owned by Mark Wellings, a director of the Company) (collectively for the purposes of this subsection referred to as the **"Holders"**), pursuant to which the Company has granted certain registration rights to the Holders. The Company has filed with the SEC a shelf registration statement, covering the resale of the common shares held by the Holders, which has been declared effective by the SEC. In addition, pursuant to the terms of the Investor Agreement and subject to certain requirements and customary conditions, including with regard to the number of demand rights that may be exercised, the Holders may demand at any time or from time to time, that the Company file a registration statement on Form F-3 (or on Form F-1 if Form F-3 is not available) to register the securities of the Company held by such Holders, and each may specify that such demand registration take the form of an underwritten offering, in each case subject to limitations on the number of demands and underwritten offerings that can be requested by each Holder, as specified in the Investor Agreement. Holders will also have "piggy-back" registration rights, subject to certain requirements and customary conditions. The Investor Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the Holders against (or make contributions in respect of) certain liabilities that may arise under the Securities Act.

The Investor Agreement further provided that the securities of the Company held by the Holders were subject to certain transfer restrictions which have now expired.

Under the Investor Agreement, Peridot Acquisition Sponsor, LLC (the **"Sponsor"**) had the right to designate for nomination up to two directors to the Company's Board, subject to meeting certain beneficial ownership thresholds. Due to share dispositions by the Sponsor and certain of its affiliates during the course of financial year ended December 31, 2024, the Sponsor's director nomination rights terminated in 2024.

Glencore Commercial Agreements

We consider Glencore to be a related party given that (among other things) it is a beneficial owner of more than 5% of our issued and outstanding common shares (calculated on a fully-diluted basis assuming the conversion of all of the Glencore Convertible Notes). Assuming the conversion of all of the Glencore Convertible Notes as of December 31, 2024, Glencore would have beneficially owned approximately 66.26% of our common shares on an as-converted basis (based on the total number of issued and outstanding common shares as of December 31, 2024).

On May 31, 2022, the Company entered into a suite of commercial agreements with Glencore, which were amended and supplemented in fiscal 2024. For a description of the Glencore Commercial Agreements, see “Item 1. Business—Diversified In-Take and Off-Take Commercial Contracts—Off-Take Commercial Contracts for Black Mass and Battery Grade Materials—Glencore Strategic Global Commercial Arrangements.” On March 25, 2024, the Company and certain of its affiliates entered into the Allocation Agreement with Traxys and Glencore. For a description of the Allocation Agreement, see “Item 1. Business—Diversified In-Take and Off-Take Commercial Contracts—Off-Take Commercial Contracts for Black Mass and Battery Grade Materials—Traxys Off-Take Agreements”.

During the year ended December 31, 2024, the Company (a) earned revenue from product sales to Glencore of \$1.5 million (compared to \$1.4 million for the year ended December 31, 2023), relating to sales of black mass under the Black Mass Off-Take Agreement and the Allocation Agreement and sales of shredded metal under the A&R By-Products Off-Take Agreement, and (b) paid Glencore sourcing and marketing fees of \$0.1 million, (compared to \$0.3 million for the year ended December 31, 2023) relating to (i) feed purchased for the Company's Spokes under the Amended & Restated Global Feed Sourcing Agreement, and (ii) marketing fees on the sale of Black Mass under the Black Mass Off-Take Agreement and the Allocation Agreement.

Glencore Convertible Notes

On May 31, 2022, the Company issued the Glencore Unsecured Convertible Note for a principal amount of \$200.0 million to an affiliate of Glencore plc and, on March 25, 2024, the Company amended and restated the Glencore Unsecured Convertible Note into two tranches, being the First A&R Glencore Note and the Second A&R Glencore Note. The A&R Glencore Convertible Notes were further amended and restated on January 31, 2025. Interest on the A&R Glencore Convertible Notes is payable on a semi-annual basis, either in cash or by PIK, at the Company's option. The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022. The principal and accrued interest owing under the First A&R Glencore Note may be converted at any time by the holder into the Company's common shares at a per share price equal to \$3.03 as at December 31, 2024, subject to adjustments. The principal and accrued interest owing under the Second A&R Glencore Note may be converted at any time by the holder into the Company's common shares at a per share price equal to \$75.31 as at December 31, 2024, subject to adjustments.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note for a principal amount of \$75.0 million to Glencore Canada Corporation and, on January 31, 2025, the Company amended and restated the Glencore Senior Secured Convertible Note. Interest on the Glencore Senior Secured Convertible Note is payable on a semi-annual basis, either in cash or by PIK, at the Company's option. The Company has elected to pay interest by PIK since the first interest payment on the Glencore Senior Secured Convertible Note on December 31, 2024. The principal and accrued interest owing under the Glencore Senior Secured Convertible Note may be converted at any time by the holder into the Company's common shares at a per share price equal to \$4.09 as at December 31, 2024, subject to adjustments. The effective interest rate of each of the Glencore Convertible Notes as at December 31, 2024 is 20.6%.

The Glencore Convertible Notes, including the First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured Convertible Note, as at December 31, 2024 comprised the following:

Note	Date Issued	Amount Issued in millions	
First A&R Glencore Note	March 25, 2024	\$	116.6
Second A&R Glencore Note	March 25, 2024		114.6
Senior Secured Convertible Glencore Note	March 25, 2024		75.0
PIK	December 31, 2024		21.2
Total		\$	327.4

For more information about the Glencore Convertible Notes, see *Note 13 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

In connection with the Underwritten Offering, on January 14, 2025, the Company entered into a consent and waiver agreement (the “Consent and Waiver Agreement”) with Glencore Canada Corporation, the holder of the Glencore Convertible Notes, pursuant to which Glencore Canada Corporation has, among other things, granted its consent to the issuance by the Company of the Warrants and agreed to waive any potential default or event of default under the Glencore Senior Secured Convertible Note which may occur as a result of the issuance of the Warrants and the Company’s compliance with certain terms of the Warrants (the “Consent and Waiver Agreement”). In return, the Company agreed to amend the Glencore Convertible Notes and the form of warrants attached thereto (collectively, the “Glencore Notes”), to reflect any terms contained in the Warrants that are more favorable to the holders of the Warrants than those contained in the Glencore Notes, to the extent requested by Glencore, within ten business days following the closing of the Underwritten Offering. The Glencore Notes and the Glencore Senior Secured Convertible Notes Purchase Agreement have now been amended and restated as required by the Consent and Waiver Agreement.

On February 26, 2025, the Company announced that it had received written notice from the NYSE that it had suspended trading of the common shares and started the process to delist the common shares from the NYSE. The NYSE determined that the Company was not in compliance with the requirements of Section 802.01C of the NYSE’s Listed Company Manual, because the average closing price of the common shares was less than \$1.00 over a consecutive 30 trading-day period and the Company had effected a reverse stock split within the prior one-year period. The Company did not appeal the NYSE’s delisting determination. The Company obtained waivers from its convertible debt holders, including Glencore Canada Corporation, to permit the Company to move to the OTCQX® Best Market as an eligible market for the common shares, which waivers extend to April 30, 2025.

Director Independence

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of Section 1.4 of NI 52-110. It is the Board’s policy to have a majority of directors who satisfy the criteria for “independent directors,” as defined by the applicable rules of the NYSE and Section 1.4 of NI 52-110. The Nominating and Corporate Governance Committee of the Board annually reviews each director’s independence and any material relationships a director may have with the Company. Following such review, only those directors who the Board affirmatively determines have no material relationship with the Company, and otherwise satisfy the independence requirements of the NYSE and Section 1.4 of NI 52-110, will be considered “independent directors.”

The Board has determined that each of the directors other than Mr. Kochhar and Mr. Sinha qualify as “independent directors”, as defined under the rules of the NYSE and NI 58-101, and therefore the Board would consist of a majority of “independent directors” (i.e., 6 of 8 directors). Mr. Kochhar is not independent by reason of the fact that he is our President and Chief Executive Officer; and Mr. Sinha is not independent by reason of his employment with Glencore, with which the Company has a material commercial relationship.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table represents aggregate fees billed to us for professional services rendered by our independent registered public accounting firm (Marcum Canada LLP (PCAOB ID No. 7192) for the fiscal year ended December 31, 2024, and by our previous independent accounting firm (KPMG LLP (PCAOB ID No. 85) for the fiscal year ended December 31, 2023. The fees in 2023 were billed in Canadian dollars and were converted to U.S. dollars at average exchange rates of CA\$1.00=US\$0.754732.

	For the Year Ended December 31,	
	2024 Marcum Canada LLP	2023 KPMG LLP
	(\$)	(\$)
Audit Fees	891,599	1,463,258
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	891,599	1,463,258

Audit Fees

Audit fees consist of audit services billed related to the audit and interim reviews of financial statements; and services related to comfort letters, consents and other services related to SEC matters.

Audit-Related Fees

None.

Tax Fees

None.

All Other Fees

None.

Audit Committee Pre-Approval

Our Audit Committee pre-approves auditing services and permitted non-audit services to be performed for us by our independent auditor, including the fees and terms thereof (subject to certain de minimis exceptions provided by law or regulation). Audit Committee pre-approval of audit and non-audit services is not required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee. There were no services approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Consolidated Financial Statements

The following are filed as part of this Annual Report on Form 10-K:

- The Consolidated Financial Statements for the year ended December 31, 2024, and the year ended December 31, 2023.

(a)(2) Financial Statement Schedules

All financial statement schedules are omitted because the information called for is not required or is shown either in the Consolidated Financial Statements or the notes thereto.

(a)(3) Exhibits

The following is a list of exhibits filed as part of this Annual Report on Form 10-K.

Exhibit Number	Description
1.1	At Market Issuance Sales Agreement, dated as of June 28, 2024, by and between the Company and B. Riley Securities, Inc. (incorporated by reference to Exhibit 1.1 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 28, 2024).**
2.1††	Business Combination Agreement, dated February 15, 2021, by and among Peridot Acquisition Corp., Li-Cycle Corp. and the Company (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
3.1	Certificate of Restated Articles of Incorporation of the Company, dated July 18, 2024, (incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
3.2	Restated Articles of Incorporation of the Company, dated July 18, 2024, (incorporated by reference to Exhibit 3.2 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
3.3	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 1.3 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
4.1	Description of Securities.
4.2	Convertible Note, dated September 29, 2021, issued by the Company to Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
4.3	Consent to New Debt and Amendment to Convertible Note, dated May 5, 2022, by and between the Company and Wood River Capital, LLC (incorporated by reference to Exhibit 4.38 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.4	Amendment No. 2 to Convertible Note, dated February 13, 2023, by and between the Company and Wood River Capital, LLC (incorporated by reference to Exhibit 4.39 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.5	Amendment No. 3 to Convertible Note, dated March 25, 2024, by and between the Company and Wood River Capital, LLC (incorporated by reference to Exhibit 4.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.6††	Amended and Restated Senior Secured Convertible Note of the Company, dated January 31, 2025.
4.7	Amended and Restated Convertible Note No. 1 of the Company, dated January 31, 2025.
4.8	Amended and Restated Convertible Note No. 2 of the Company, dated January 31, 2025.
4.9	Note Guaranty, dated March 25, 2024 among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**

Exhibit Number	Description
4.10	Subsidiary Joinder Agreement, dated May 29, 2024, by and between Li-Cycle Europe AG and Li-Cycle Germany GmbH (incorporated by reference to Exhibit 10.11 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
4.11	Note Guaranty Agreement, dated December 9, 2024, among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG, Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).**
4.12	Subsidiary Joinder Agreement among Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc., dated January 13, 2025, to the Note Guaranty Agreement dated December 9, 2024, among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle Europe AG, Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).**
4.13	Second A&R Note Guaranty, dated January 13, 2025, among Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc., and Glencore Canada Corporation (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).**
4.14	Form of Eight-Month Warrant (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 16, 2025).**
4.15	Form of Five-Year Warrant (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 16, 2025).**
4.16	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 16, 2025).**
10.1	Form of Subscription Agreement (Institutional Investor Form) (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
10.2	Form of Subscription Agreement (Director Form) (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
10.3†	Li-Cycle Holdings Corp. 2021 Incentive Award Plan (incorporated by reference to Exhibit 4.5 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
10.4†	Li-Cycle Holdings Corp. 2021 Incentive Award Plan Sub-Plan for Canadian Participants (incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
10.5†	Form of Li-Cycle Holdings Corp. 2021 Employee Share Purchase Plan (incorporated by reference to Exhibit 4.8 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
10.6†	Form of Option Grant Notice and Agreement under the Li-Cycle Holdings Corp. 2021 Incentive Award Plan (incorporated by reference to Exhibit 4.9 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on February 6, 2023).**
10.7†	Form of RSU Award Grant Notice and Agreement under the Li-Cycle Holdings Corp. 2021 Incentive Award Plan (incorporated by reference to Exhibit 4.10 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on February 6, 2023).**
10.8††, †††	Refined Products — Second Amended and Restated Marketing, Logistics and Working Capital Agreement, among Traxys North America LLC (as Buyer), Li-Cycle U.S. Inc. (as Seller) and Li-Cycle North America Hub Inc., dated October 30, 2024 (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).**
10.9†††	Black Mass – Second Amended and Restated Marketing, Logistics and Working Capital Agreement among Traxys North America LLC (as Buyer), Li-Cycle U.S. Inc. (as Seller) and Li-Cycle Inc., dated October 30, 2024 (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).**
10.10	Letter Agreement, dated December 15, 2021, by and between Traxys North America LLC and the Company (incorporated by reference to Exhibit 4.13 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the on SEC on January 31, 2022).**
10.11	Ground Lease Agreement, dated August 3, 2021, by and between Li-Cycle North America Hub, Inc. and Ridgeway Properties I, LLC, and Guaranty of the Company guaranteeing the obligations of Li-Cycle North America Hub, Inc. thereunder (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K filed with the SEC on August 12, 2021).**

Exhibit Number	Description
10.12	Amendment to Ground Lease Agreement to Ground Lease Agreement, dated June 9, 2022, by and between Li-Cycle North America Hub, Inc. and Ridgeway Properties I, LLC (incorporated by reference to Exhibit 4.15 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on February 6, 2023).**
10.13	Investor and Registration Rights Agreement among the Company and the parties named therein (incorporated by reference to Exhibit 4.9 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
10.14	Note Purchase Agreement, dated September 29, 2021, by and between the Company and Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
10.15	Standstill Agreement, dated September 29, 2021, among the Company, Koch Strategic Platforms, LLC and Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
10.16†	Li-Cycle Corp. Amended and Restated Stock Option Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
10.17†	Li-Cycle Corp. Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 (File No. 333-261568) filed with the SEC on December 9, 2021).**
10.18	Standstill Agreement, dated December 13, 2021, among the Company, LG Energy Solution, Ltd. and LG Chem, Ltd. (incorporated by reference to Exhibit 10.3 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on December 14, 2021).**
10.19	Amended and Restated Subscription Agreement, dated April 21, 2022, by and between the Company and LG Energy Solution, Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on April 22, 2022).**
10.20	Amended and Restated Subscription Agreement, dated April 21, 2022, by and between the Company and LG Chem, Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on April 22, 2022).**
10.21	Note Purchase Agreement, dated May 5, 2022, by and between the Company and Glencore Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on May 5, 2022).**
10.22	Amended and Restated Standstill Agreement, dated May 31, 2022, by and between the Company and Glencore Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.23 †††	Amended and Restated Master Commercial Agreement, dated October 30, 2024, among Glencore Ltd., the Company, Li-Cycle U.S. Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte. Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).**
10.24 †††	Amended & Restated Global Feed Sourcing Agreement, dated May 31, 2022, by and between Glencore Ltd. and the Company (incorporated by reference to Exhibit 10.4 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.25	Joinder Agreement – Amended & Restated Global Feed Sourcing Agreement, dated July 1, 2023, by and between Glencore Ltd., the Company, Li-Cycle U.S. Inc., Li-Cycle Europe AG and Li-Cycle APAC PTE Ltd. (incorporated by reference to Exhibit 10.31 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.26 ††, †††	Black Mass Sourcing Agreement, dated May 31, 2022, among Glencore Ltd., the Company, Li-Cycle Americas Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.27†††	Black Mass Offtake Agreement, dated May 31, 2022, among Glencore Ltd., the Company, Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.6 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.28†††	End Products Off-take Agreement, dated May 31, 2022, among Glencore Ltd., the Company, Li-Cycle Americas Corp., Li-Cycle Europe AG and Li-Cycle APAC Pte Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.29††, †††	Amended and Restated By-Products Off-Take Agreement, dated October 30, 2024, among Glencore Ltd., the Company, Li-Cycle U.S. Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte. Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).**

Exhibit Number	Description
10.30††, †††	Sulfuric Acid Supply Agreement, dated May 31, 2022, among Glencore Ltd., NorFalco LLC, NorFalco Sales, a division of Glencore Canada Corporation, the Company and Li-Cycle North America Hub, Inc. (incorporated by reference to Exhibit 10.9 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
10.31	Assignment and Assumption Agreement, dated July 1, 2023, among Li-Cycle Americas Corp. and Li-Cycle Inc. (as assigning parties) and Li-Cycle U.S. Inc. (as the assuming party), covering (a) Black Mass Sourcing Agreement, (b) Black Mass Off-take Agreement, (c) End Products Off-take Agreement, By-Products off-take Agreement, noted above (incorporated by reference to Exhibit 10.38 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.32††, †††	Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024, by and between Pike Conductor Dev 1, LLC (as Lessor) and Li-Cycle North America Hub, Inc. (as Lessee) (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).**
10.33	Li-Cycle Rochester Warehouse Sublease Commencement Agreement dated July 27, 2023 between Pike Conductor DEV 1, LLC (as landlord) and Li-Cycle North America Hub, Inc. (as tenant) (incorporated by reference to Exhibit 10.40 to the Company's annual report on Form 10-K (File 001-40733) filed with the SEC on March 15, 2024).**
10.34††	Amended and Restated Note Purchase Agreement dated March 25, 2024 among the Company, Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.8 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.35	Amendment No. 1 to the Amended and Restated Note Purchase Agreement, dated January 31, 2025, among the Company, Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation as Collateral Agent.
10.36††	U.S. Pledge and Security Agreement, dated March 25, 2024, among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.37††	U.S. Stock Pledge Agreement, dated March 25, 2024, by and between Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.38††	Canadian General Security Agreement, dated March 25, 2024, among the Company, Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.39††	Canadian Pledge Agreement, dated March 25, 2024, among the Company, Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.40	Amended and Restated Registration Rights Agreement, dated March 25, 2024, by and between the Company and Glencore Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.41	Side Letter, dated March 25, 2024, among the Company, Glencore Ltd., Glencore Canada Corporation and Glencore plc (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.42†††	North America Black Mass and Refined Products Allocation Agreement dated March 25, 2024 among the Company and certain of its affiliates, Traxys North America LLC and Glencore Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.43	Indemnification Side Letter dated March 25, 2024 among the Company, Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.9 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
10.44††, †††	Security Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.12 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.45††, †††	Bank Account Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.13 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.46††, †††	Share Pledge Agreement, dated May 31, 2024, by and between the Company and Glencore Canada Corporation, acknowledged and agreed by Li-Cycle Europe AG (incorporated by reference to Exhibit 10.14 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**

Exhibit Number	Description
10.47††, †††	Global Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 10.15 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.48††, †††	Account Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 10.16 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.49†††	Share Pledge Agreement, dated May 29, 2024, by and between Li-Cycle Europe AG, Glencore Canada Corporation and Li-Cycle Germany GmbH (incorporated by reference to Exhibit 10.17 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.50	Guarantee by the Company to Pike Conductor Dev 1, LLC (as Lessor) under Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).**
10.51††, †††	Limited Assignment of Design Build Contract, dated May 31, 2024, by and between Pike Conductor Dev 1, LLC, Li-Cycle North America Hub, Inc., and Pike Conductor JV 1, LLC (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).**
10.52†, †††	Executive Employment Agreement, dated March 26, 2024, by and between Li-Cycle Corp. and Conor Spollen (incorporated by reference to Exhibit 10.11 to the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).**
10.53†, †††	Executive Employment Agreement, dated December 6, 2021, by and between Li-Cycle Corp. and Debbie Simpson (incorporated by reference to Exhibit 5.3 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.54†, †††	Separation Agreement, dated March 26, 2024, as amended April 24, 2024, by and between Li-Cycle Corp. and Debbie Simpson (incorporated by reference to Exhibit 10.12 to the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).**
10.55†, †††	Executive Employment Agreement, dated March 1, 2022, by and between Li-Cycle Corp. and Tim Johnston (incorporated by reference to Exhibit 5.1 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.56†, †††	Separation Agreement, dated March 26, 2024, as amended April 29, 2024, by and between Li-Cycle Corp. and Tim Johnston (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024), as amended by the Company's Form 8-K/A (File No. 001-40733) filed with the SEC on June 5, 2024).**
10.57†, †††	Executive Employment Agreement, dated March 31, 2023, by and between Li-Cycle Europe AG and Richard Storrie (incorporated by reference to Exhibit 5.5 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.58†, †††	Separation Agreement, dated March 26, 2024, as amended April 26, 2024, by and between Li-Cycle Europe AG and Richard Storrie (incorporated by reference from Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024).**
10.59†, †††	Executive Employment Agreement, dated July 17, 2024, by and between Li-Cycle Corp. and Craig Cunningham (incorporated by reference to Exhibit 10.25 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
10.60†, †††	Executive Employment Agreement, dated March 1, 2022, by and between Li-Cycle Corp. and Ajay Kochhar (incorporated by reference to Exhibit 5.2 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.61†	First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Ajay Kochhar (incorporated by reference to Exhibit 10.26 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.62†, †††	Executive Employment Agreement, dated March 1, 2022, by and between Li-Cycle Corp. and Carl DeLuca (incorporated by reference to Exhibit 10.52 to the Company's annual report on Form 10-K/A (File No. 001-40733) filed with the SEC on April 29, 2024).**
10.63†	First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Carl DeLuca (incorporated by reference to Exhibit 10.27 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.64†, †††	Executive Employment Agreement, dated March 1, 2022, by and between Li-Cycle Corp. and Chris Biederman (incorporated by reference to Exhibit 5.8 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.65†	First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Chris Biederman (incorporated by reference to Exhibit 10.28 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on November 7, 2024).**

Exhibit Number	Description
10.66†, †††	Executive Employment Agreement, dated November 18, 2022, by and between Li-Cycle Corp. and Christine Barwell (incorporated by reference to Exhibit 5.6 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.67†	First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Christine Barwell (incorporated by reference to Exhibit 10.29 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.68†, †††	Executive Employment Agreement, dated January 19, 2023, by and between Li-Cycle APAC Pte. Ltd. and Dawei Li (incorporated by reference to Exhibit 5.7 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.69†	First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle APAC Pte. Ltd. and Dawei Li (incorporated by reference to Exhibit 10.30 to the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.70	Form of Li-Cycle Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 5.9 to the Company's annual report on Form 10-K (File No. 001-40733) filed with the SEC on March 15, 2024).**
10.71††, †††	Loan Arrangement and Reimbursement Agreement, dated November 7, 2024, among the United States Department of Energy (as DOE), Li-Cycle U.S. Inc. (as Borrower), Li-Cycle North America Hub, Inc. (as Subsidiary Guarantor) and Li-Cycle Inc. (as Subsidiary Guarantor) (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.72†††	Note Purchase Agreement, dated November 7, 2024, among Li-Cycle U.S. Inc. (as Borrower), the United States Department of Energy (as DOE), and the Federal Financing Bank (as FFB) (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.73††	Future Advance Promissory Note No.1, dated November 7, 2024, by and between Li-Cycle U.S. Inc. (as Borrower) and the Federal Financing Bank (as FFB, in its capacity as the holder of the note, and including any successor or assignee of FFB) (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.74††	Future Advance Promissory Note No. 2, dated November 7, 2024, among Li-Cycle U.S. Inc. (as Borrower) and the Federal Financing Bank (as FFB, in its capacity as the holder of the note, and including any successor or assignee of FFB) (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.75††, †††	Sponsor Support and Subordination Agreement, dated November 7, 2024, among the Company (as Sponsor), Li-Cycle Americas Corp. (as Parent), Li-Cycle U.S. Inc. (as Borrower), Citibank, N.A. acting through its Agency and Trust Division (as Collateral Agent) and the United States Department of Energy (as DOE) (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.76††, †††	Collateral Agency and Accounts Agreement, dated November 7, 2024, among Li-Cycle U.S. Inc. (as Borrower), Li-Cycle North America Hub, Inc. (as Subsidiary Guarantor), Li-Cycle Inc. (as Subsidiary Guarantor), the United States Department of Energy (as DOE), Collateral Agent and Citibank, N.A., acting through its Agency and Trust Division (as Depository Bank) (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.77††	Security Agreement, dated November 7, 2024, among Li-Cycle U.S. Inc. (as Borrower), Li-Cycle North America Hub, Inc. (as Subsidiary Guarantor), Li-Cycle Inc. (as Subsidiary Guarantor), and Citibank, N.A., acting through its Agency and Trust Division (as Collateral Agent) (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.78††	Equity Pledge Agreement, dated November 7, 2024, by and between Li-Cycle Americas Corp. (as Pledgor) and Citibank, N.A., acting through its Agency and Trust Division (as Collateral Agent) (incorporated by reference to Exhibit 10.8 of the Company's Form 8-K (File No. 001-40733) filed with the SEC on November 7, 2024).**
10.79††	Canadian General Security Agreement, dated December 9, 2024, among the Company, Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).**
10.80††	Canadian Pledge Agreement, dated December 9, 2024, among the Company, Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).**
10.81	Junior Ranking Equity Interest Pledge Agreement, dated December 9, 2024, by and between Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).**

Exhibit Number	Description
10.82††	Junior Ranking Share Pledge Agreement dated, December 9, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).*
10.83††	Junior Ranking Account Pledge Agreement dated, December 9, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).*
10.84	Confirmation and Restatement Agreement relating to a Security Assignment Agreement, dated December 9, 2024, among the Company, Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on December 10, 2024).*
10.85††	Omnibus Amendment and Consent Agreement, dated January 13, 2025, among Li-Cycle U.S. Inc., Li-Cycle North America Hub, Inc., Li-Cycle Inc., the Company, Li-Cycle Americas Corp., the United States Department of Energy, and Citibank N.A., acting through its agency and trust division.
10.86	U.S. Stock Pledge Agreement dated January 13, 2025, among Li-Cycle Americas Corp. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).*
10.87††	U.S. Pledge and Security Agreement dated January 13, 2025, among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc., and Glencore Canada Corporation (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).*
10.88	Second U.S. Stock Pledge Agreement dated January 13, 2025, among Li-Cycle Americas Corp. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).*
10.89††	Second U.S. Pledge and Security Agreement dated January 13, 2025, among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc., and Glencore Canada Corporation (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 14, 2025).*
10.90	Warrant Agency Agreement, dated January 16, 2025, by and between the Company and Continental Stock Transfer & Company, LLC (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 16, 2025).*
10.91	Consent and Waiver Agreement in respect of Senior Secured Glencore Note, dated January 14, 2025, by and between the Company and Glencore Canada Corporation (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on January 16, 2025).*
16.1	Letter from KPMG LLP to the Securities and Exchange Commission, dated April 2, 2024 (incorporated by reference to Exhibit 16.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on April 2, 2024).*
19.1	Li-Cycle Holdings Corp. Insider Trading Policy.
21.1	List of Subsidiaries of the Company.
23.1	Consent of KPMG LLP.
24.1	Power of Attorney (reference is made to the signature page hereto).
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1#	Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350.
32.2#	Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350.
97.1	Li-Cycle Holdings Corp. Executive Compensation Clawback Policy (incorporated by reference to Exhibit 97.1 to the Company's annual report on Form 10-K (File no. 001-40733) filed with the SEC on March 15, 2024).*
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

** Previously filed.

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

††† Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because Li-Cycle Corp. customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause it competitive harm if publicly disclosed. Li-Cycle Holdings Corp. will supplementally provide an unredacted copy of this exhibit to the SEC or its staff upon request.

This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the financial statements or notes thereto.

ITEM 16. FORM 10-K SUMMARY

[None.]

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar

Name: Ajay Kochhar

Title: President & CEO and Executive Director

Date: March 31, 2025

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Ajay Kochhar, Craig Cunningham and Carl DeLuca, and each of them, as his or her true and lawful attorneys-in-fact, proxies and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with any exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact, proxies and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, proxies and agents, or their or his or her substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Ajay Kochhar Ajay Kochhar	President & CEO and Executive Director (Principal Executive Officer)	March 31, 2025
/s/ Craig Cunningham Craig Cunningham	Chief Financial Officer (Principal Financial and Accounting Officer)	March 31, 2025
/s/ Mark Wellings Mark Wellings	Non-Executive Director	March 31, 2025
/s/ Susan Alban Susan Alban	Non-Executive Director	March 31, 2025
/s/ Jacqueline A. Dedo Jacqueline A. Dedo	Non-Executive Director	March 31, 2025
/s/ Diane Pearse Diane Pearse	Non-Executive Director	March 31, 2025
/s/ Kunal Sinha Kunal Sinha	Non-Executive Director	March 31, 2025
/s/ Scott Prochazka Scott Prochazka	Non-Executive Director	March 31, 2025
/s/ Anthony Tse Anthony Tse	Non-Executive Director	March 31, 2025

Tab H

This is Exhibit "**H**" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THOMAS HUBIACK, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

LI-CYCLE HOLDINGS CORP., TIM
JOHNSTON, AJAY KOCHHAR, and
DEBORAH SIMPSON,

Defendants.

Case No. 1:23-CV-09894-JSR

**AMENDED CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

Lead Plaintiff Thomas Hubiack (hereafter the “Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s Amended Class Action Complaint for Violations of the Federal Securities Laws (or the “Complaint”) against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Li-Cycle Holdings Corp. (“Li-Cycle” or the “Company”), interviews with former employees of the Company, analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a Class consisting of all persons who purchased or otherwise acquired Li-Cycle's common stock between January 27, 2022 and November 13, 2023, both dates inclusive (hereafter the "Class Period"), seeking to recover damages caused by Defendants' violations of the federal securities laws and pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and SEC Rule 10b-5 promulgated thereunder.

2. Li-Cycle is a Canadian company that purports to recycle end of life batteries and scrap into new lithium-ion battery packs for electric cars. The Company's "Spoke and Hub" model established four Spokes in the United States. At these Spokes, end of life batteries and scrap are shredded to produce a powder-like substance called black mass that contains valuable metals like lithium, nickel and cobalt. By itself, the production of black mass has minimal commercial value. While black mass can be sold to other manufacturers who refine it further to extract valuable minerals, it is worth far less than the end products contained within it. For this reason, Defendants intended to transport the black mass to a Hub where it could be processed into battery grade materials for electric cars.

3. In September 2020, Defendants announced a plan to build a lithium-ion battery recycling Hub in Rochester, New York (hereafter the "Hub"). Defendants told investors that the Hub was critical to Li-Cycle's success and would be the most significant source of the Company's revenue. Throughout the Class Period, Defendants repeatedly claimed that the Hub was on schedule to be commissioned in 2023 despite any increase in the cost of labor and would cost no more than a range of \$485 million to \$560 million.

4. As the Class Period progressed, the misrepresentations became worse with false claims that the Hub kept achieving “significant milestones,” including advanced construction at process buildings and the full completion of a warehouse located within the Hub. Defendants also repeatedly misled investors by suggesting that the Company’s balance sheet was strong and robust, and Li-Cycle had sufficient liquidity to not only complete the Hub, but also fulfill its future growth plans for rapid expansion.

5. Defendants knew or recklessly disregarded that these claims were false from the start. The Complaint includes an account from a senior officer of the Company who reported directly to Defendants Tim Johnston (“Johnston”), the Company’s Co-Founder and Executive Chair, and Ajay Kochhar (“Kochhar”), the Company’s Chief Executive Officer (“CEO”). Confidential Witness (“CW”) 1 states that, in the fall of 2021, the Hub was redesigned, increasing its complexity and infrastructure needs, but Defendants did not account for the additional contractors and labor required for the expansion. In early 2022, CW1 explains that CW1 attended a meeting where Defendants were present, and the tone and demeanor of the attendees demonstrated that the Hub was headed in the wrong direction.

6. CW1 also spoke to other senior executives with technical expertise, hands on experience and oversight of the Hub during the Class Period. In the beginning of the Class Period, these senior executives told CW1 that the costs of the Hub exceeded the Company’s budget, and that the true cost was \$1 billion. CW1 states that the Defendants did not want investors to know about the true costs, and believed that a grant from the Department of Energy (“DOE”) would make up for the shortfall to keep the Hub alive. So, in early 2023, when Defendants announced that the Company had received a conditional \$375 million government funded loan, they initially claimed it was for future growth, but it was actually needed to bail out the Hub. Defendants made

misrepresentations about this loan as well. Between February 2023 and August 2023, Defendants told investors that the DOE loan would close in 2023 and only some bureaucratic requirements involving mere paperwork were left to be completed. However, Defendants knew that they could not close on the loan because the DOE requires the loan recipient to make a significant equity contribution to the project. As the costs of the project go up, so too does the equity contribution requirement, but Defendants never had the money to meet this obligation or the ability to pay the loan back at any time.

7. CW1 left the Company in January 2023. However, other CWs identified in this Complaint corroborate CW1's account and provide further evidence of Defendants' scienter in the later parts of 2023. For example, according to CW2's account, no later than April 2023, an executive who ran the Hub on the ground told Johnston and Kochhar that the true costs of the Hub were between \$850 million and \$1 billion. Both Johnston and Kochhar continued to mislead investors about the true costs of the Hub after that. As another example, CW3 states that, in the middle of 2023, the Company's Chief Financial Officer ("CFO") ("Simpson"), Defendant Debbie Simpson, shut down all travel to and from the Hub, signaling the project's end. But all three Individual Defendants continued to cause Li-Cycle to issue false statements until as late in the year as September 25, 2023.

8. Kochhar's and Johnston's misconduct was particularly egregious. Both knew that the true costs of the Hub were between \$850 million and \$1 billion no later than April 2023, as CW2 confirms. Shortly thereafter, starting in May 2023, Kochhar and Johnston coordinated a plan to dump their holdings on unsuspecting investors at suspicious times and did so until August 2023, collectively reaping a windfall of approximately \$11.5 million.

9. Barely a month after the last false statements were made, on October 23, 2023, Li-Cycle announced that it would halt work at the Hub because of “escalating construction costs.” On this partial disclosure or the materialization of the concealed risks thereof, Li-Cycle’s stock price plummeted by nearly 46% from its previous day’s closing price of \$2.27 to close at \$1.23.

10. On November 13, 2023, Defendants finally provided investors with more details about the Hub’s failure and the Company’s disastrous state through a series of press releases and SEC filings and an earnings conference call held to announce the financial results for the third quarter of 2023. Defendants finally admitted that the true costs to complete the Hub were \$850 million to \$1 billion, the same figures the CWs state Defendants already knew about before false statements were made to investors. Defendants claimed that the rising costs related to labor, internal installation, completion of the warehouse and process buildings. In addition, the Company terminated employees and shut down most operations to “preserve cash,” disclosed a \$96.5 million impairment charge associated with the Hub, and effectively conceded that it could not receive government funds without making substantial equity contributions towards the Hub first.

11. On this news, the price of Li-Cycle’s common stock again plunged by over 55% from its previous day closing price of \$1.47 per share to close at \$0.66 per share on November 14, 2023.

12. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

13. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

14. This Court has jurisdiction over the subject matter of this Action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

15. Venue is proper in this District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b) because Li-Cycle's common stock trades on the New York Stock Exchange ("NYSE"), and many of the acts and conduct that constitute the violations of law complained of herein occurred in this District. Accordingly, there are presumably hundreds, if not thousands, of investors in Li-Cycle securities located within the U.S., some of whom undoubtedly reside in this District.

16. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

17. Plaintiff, as set forth in his previously filed declaration (ECF No. 24-4), acquired Li-Cycle common stock at artificially inflated prices during the Class Period and was damaged because of the federal securities law violations alleged herein.

18. Defendant Li-Cycle is a corporation incorporated under the laws of the Province of Ontario, Canada, and its principal place of business is located in Toronto, Canada. Li-Cycle's common stock trades on the NYSE under the ticker symbol "LICY."

19. Johnston is a Co-Founder of Li-Cycle, and served as the Company's Executive Chair at all relevant times.

20. Kochhar is a Co-Founder of Li-Cycle, and served as the Company's President and CEO at all relevant times.

21. Simpson became the Company's CFO on February 1, 2022, and served in that role for the rest of the Class Period.

22. Defendants Johnston, Kochhar and Simpson are sometimes referred to herein as the "Individual Defendants." Li-Cycle and the Defendants are collectively referred to herein as the "Defendants."

23. The Individual Defendants possessed the power and authority to control the contents of Li-Cycle's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Li-Cycle's SEC filings, press releases and other market communications alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Li-Cycle, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false and misleading statements and omissions pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

24. Kochhar and Johnston founded Li-Cycle in 2016. The Company went public on August 10, 2021, via a merger with Peridot Acquisition Corp., a special purpose acquisition

company (“SPAC”). Companies seeking to go public have increasingly turned to SPAC structures in recent years. SPAC transactions are faster than traditional Initial Public Offerings, the price is determined in advance instead of by the volatile market, and SPAC sponsors often have a network of contacts and management expertise they can offer to the new company. However, SPAC mergers also have the potential to be rife with inaccurate disclosures and serious conflicts of interest, as the process allows companies to sidestep traditional underwriting and regulatory scrutiny. SEC officials have also expressed concern over the recent surge in SPACs, in particular about the “baseless hype” by which many are sold. *See* John Coates, “SPACS, IPOs and Liability Risk Under Securities Laws,” <https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under-securities-laws> (April 8, 2021).

25. Li-Cycle purports to capitalize on the recent boom of the emission free industry with a particular focus on recycling used battery packs for electric vehicles. It touts itself as “the leading lithium-ion battery recycler in North America.” The Company’s “Spoke and Hub” model relies on four Spokes to shred and process end of life batteries and manufacturing scrap to produce “black mass” and other intermediate products. Black mass is a powder-like substance that contains valuable metals such as nickel, cobalt and lithium. Over the last few years, the Company has recognized a small amount of revenue from the sale of black mass. For example, for the nine months that ended on September 30, 2023, the Company recognized \$11.9 million from the sale of black mass after fair value pricing adjustments. Over the same period, net losses ballooned to \$205.2 million and the Company’s cash on hand depleted to \$137.4 million compared to a high of \$615.6 million on September 30, 2022.

26. Because the sale of black mass on its own was not (and is not) economically viable, Defendants’ most important revenue stream depended on the construction and launch of the Hub.

Black mass is nowhere close to the value of battery grade materials, and while the Company generated a very small amount of revenue from its sales, the real driver of Li-Cycle revenues and profits was supposed to be the Hub. Defendants recognized this crucial fact. On a conference call held on March 17, 2022, to announce the results for the first quarter of 2022, Johnston told investors that “all of our Spoke facilities will feed our Rochester Hub.” Similarly, on a conference call held on March 15, 2023, to announce the results for the first quarter of 2023, Simpson told investors that the sale of black mass was only an “interim strategy,” and transferring black mass to the Hub to produce battery grade materials was Li-Cycle’s ultimate goal.

27. Defendants intended to transport black mass to the Hub where it could be processed through a hydrometallurgical process to create battery grade materials, including nickel sulphate, cobalt sulphate and lithium carbonate. These battery grade materials could then be sold to battery manufacturers at much higher prices than black mass. Defendants claim that Li-Cycle’s Spoke and Hub model has an efficiency rate of 95% with higher recovery rates and less carbon intensity than traditional recycling methods.

28. In an Annual Report filed on Form 20-F on February 6, 2023, the Company stated that the sale of battery grade materials produced at the Hub “will represent the significant majority of its revenues.”

Johnston’s Checkered Past

29. Before the Class Period, the TSX Venture Exchange Inc. (“TSX-V”), a stock exchange in Calgary, Alberta, found that Johnston made material misrepresentations to investors. Between February 23, 2018 and July 16, 2019, Johnston served as the CEO of Desert Lion Energy Inc. (“Desert Lion”), which was a lithium exploration and development company listed on the TSX-V. Desert Lion claimed it was developing the first large-scale lithium mine in Namibia.

However, Desert Lion was in significant financial distress mere months after going public, and faced the prospect of imminent bankruptcy.

30. In November 2018, Johnston caused Desert Lion to issue a false press release concerning a proposed financing of \$5,000,000 that failed to disclose that the arrangement was subject to a \$1,000,000 discount and a covenant that could give rise to a default. Johnston was required to seek TSX-V's preapproval for this transaction. Johnston signed and submitted a form to TSX-V that omitted to disclose the \$1,000,000 discount as well as the covenant.

31. After TSX-V learned that the proposed financing was discounted, Johnston submitted revised forms several times that continued to omit material information and failed to accurately disclose the true nature of the discount or the covenant. In reliance on Johnston's false statements, the TSX-V approved the financing. Desert Lion ultimately defaulted on the covenant and went back to the TSX-V to seek approval to issue new debt. During its consideration of this new application, the TSX-V again discovered that Johnston had repeatedly made misrepresentations regarding the transaction. An investigation followed.

32. On May 11, 2020, the TSX-V published a decision that required Johnston to first seek the TSX-V's permission if he wished to serve as a director or officer of any company listed on the TSX-V. The decision also stated that Johnston's application would not be considered unless (1) the application was made by a TSX-V listed issuer on Johnston's behalf, and (2) the issuer provided "satisfactory evidence" that a copy of the TSX-V's decision regarding Johnston's misconduct had been reviewed.

33. On February 19, 2021, the British Columbia Securities Commission ("BCSC") affirmed the TSX-V's decision, which remains in effect to this day. Before the BCSC, Johnston relied on an advice of counsel defense that was summarily rejected. The BCSC determined that

Johnston's false statements did not involve "a question of any complexity or on which turns on any analysis of the law. The disclosure was wrong on its face." Re Johnston, 2021 BCSECCOM 79 ¶ 80. Further, the BCSC concluded that it could not analyze an advice of counsel defense even if it was considered because Johnston failed to explain what legal advice was sought or given, and failed to provide any context to assess whether the defense could be reasonable or credited.

The Hub Was Critical to Li-Cycle's Viability

34. On September 14, 2020, the Company announced that it would build a Hub facility at the Eastman Business Park in Rochester, New York. An investment of \$175 million in the Hub was made with construction expected to commence in 2021. On December 14, 2021, the Company upsized the Hub to allow the facility to process 40% more black mass annually when complete. Defendants stated that this upgrade required a total capital investment of approximately \$485 million. The Hub's targeted completion date was originally pegged for 2022.

35. On a conference call held on December 14, 2021, Johnston stated that the Hub "can be adequately funded by cash on hand," and that completing a Definitive Feasibility Study on the Hub brought the Company "to the last tollgate for a *fully loaded* estimated capital investment of approximately \$485 million."¹ Then, on January 27, 2022, Li-Cycle announced that it had broken ground on the Hub, which was executing "on time" and "on budget" to support start-up in 2023.

36. Defendants themselves told investors repeatedly that the Hub was critical to Li-Cycle's success. For example, on a January 27, 2022 earnings conference call, Johnston told investors that: "***I would say it is critical.*** People often ask us, Daniel, what's more important, is it spoke or the hub? It's really – I mean you need the funnel, you need to be able to receive and

¹ Unless otherwise noted, all emphasis is supplied.

process those – materials on the front end, *but the hub is the enabler that ensures that they’re able to impart to meet that gap in terms of the critical materials.*”

37. Based on 2024 projected prices for nickel, lithium and cobalt, Defendants estimated that the Hub had total revenue potential of nearly \$600 million.

38. Throughout the Class Period, Defendants told investors that the Hub was on track to be commissioned no later than 2023, and that the total cost of the project would range between \$485 million and \$560 million. However, the costs to commission similar facilities vastly exceeded the amount Defendants claimed was needed. For example, a similar facility commissioned by Redwood Materials Inc. in Nevada in 2022 cost \$3.5 billion. Another company, Ascend Elements, stated on October 20, 2022, that it planned to invest nearly \$1 billion in a Kentucky facility that would return recycled battery materials to the battery supply chain. Indeed, on November 16, 2023, in a video interview with Daniel Gross of Rochester’s WROC-TV after the Class Period ended, even Kochhar admitted that facilities like the Hub can cost up to \$5 billion.

Defendants Knew the Announced Timeline and Budget for the Hub Were False

39. CW1 served as Li-Cycle’s Chief People Officer (“CPO”) or head of Human Resources between April 2021 and January 2023. CW1 reported directly to Johnston and Kochhar and regularly interacted with both Defendants. As the CPO, CW1 was responsible for employee recruitment and development at the Company, including for all personnel at the Hub. CW1 recalls that, in the fall of 2021, Defendants changed the Hub’s design, expanding capacity, which increased complexity and infrastructure add-ons like extensive piping. CW1 notes that, at that time, Li-Cycle did not account for the additional contractors and labor required to meet the demands for the Hub’s expanded redesign.

40. In January 2022, CW1 attended a meeting with members of the Company's Board of Directors, C-suite executives and all department heads. Both Johnston and Kochhar served on the Board and as Executive Chairman and CEO, respectively, at the time. CW1 states that at this January 2022 meeting, there was a lack of clarity on the Hub's budget, and the overall tone and demeanor of the participants present demonstrated that the project was headed in the wrong direction. After attending the January 2022 meeting, CW1 concluded that the project was out of control.

41. According to CW1, Defendants limited their meetings with department heads after the January 2022 meeting to keep a tight lid on negative information concerning the Hub's budget and costs. However, CW1 regularly spoke to senior executives at Li-Cycle with personal knowledge of the Hub's rising costs. One of these individuals was Chris Biederman. Biederman served as the Company's Chief Technology Officer throughout the Class Period. An engineer by training with experience in mining industry projects, Biederman oversaw all of Li-Cycle's capital projects. According to CW1, Biederman oversaw construction at the Hub in early 2022, and he regularly met with the Individual Defendants.

42. CW1 and Biederman discussed concerns about the Hub because CW1 was responsible for staffing at the Hub. CW1 states that, in early 2022, Biederman told CW1 that the cost of the Hub would exceed its original estimates. CW1 asserts that Biederman would have provided this information to Johnston and Kochhar. CW1 explains that the Hub required more than 1,000 indirect hires, and Biederman and CW1 explored how that number could be supported given the labor market conditions in Rochester. According to CW1, by the summer of 2022, Biederman and other executives knew that additional hiring outside Rochester would be required, causing an increase in costs to house the new hires from outside the area.

43. CW1 also discussed the Hub with Connor Spollen. Spollen served at Li-Cycle as the Senior Vice President of Project Delivery throughout the Class Period. On his LinkedIn profile, Spollen writes that his job responsibilities include the deployment of the Hub to produce metal salts for the lithium iron market from recycled batteries. CW1 states that Spollen ran the Hub on the ground. CW1 says that, sometime in 2022, Spollen told CW1 that the true cost to commission the Hub was easily a billion dollars, and that Li-Cycle “was in deep shit.”

44. From CW1’s perspective, it was clear that, as the Hub’s costs escalated, the Individual Defendants tried to identify an upper limit of the costs, and likely decided that only an increase of up to 20% from the original costs would be reported to investors. CW1 states that CW1 learned this from discussions with Biederman and other executives. CW1 states further that, based on CW1’s general discussions with the Individual Defendants concerning the budget, the Individual Defendants were aware that CW1 suspected that there were problems at the Hub. CW1 explains that the Individual Defendants did not want investors to know the true costs to commission the Hub and believed that a grant from the DOE would make up for the shortfall to keep the project alive.

45. CW1 observed that it was well-known within senior management that the Hub was underbudgeted, and the Company scrambled to tap more cash, but the required cash never came.

46. Despite that fact, according to CW1, Johnston spent an excessive amount of money when the Hub was under development, taking private jets to Europe and Asia and spending lavishly on dinners and fine wine on the Company’s dime. CW1 further says that Johnston hired unnecessary employees and paid them excessive compensation.

47. CW1 confirms that Defendants made false statements concerning the construction and commercialization of the Hub, including whether it was “on track” to initiate commissioning

in 2023. Based on conversations with Biederman and Spollen, CW1 learned that the Hub would not be ready until 2025.

48. CW1 also confirms that Johnston and Kochhar sold stock at suspicious times in the summer of 2023.

49. CW2 corroborates CW1's account and provides additional information concerning Defendants' knowledge after CW1 left the Company in January 2023. CW2 was a Senior Director of Learning and Development at Li-Cycle from October 11, 2021 to November 1, 2023. CW2 reported directly to CW1 until January 2023, and then directly to Christine Barlow, the new CPO during the Class Period who took over from CW1. CW2 was responsible for developing and implementing a training program for the Hub. CW2 interacted with Johnston and Anthony Staley ("Staley") about the development and implementation of safety training at the Hub. Staley has served at Li-Cycle as the Vice President of North America – Hub since May 2022. On his current LinkedIn profile, Staley states that he has "[d]emonstrated leadership ability in P&L, project budget management, large hourly and professional FTE staff, and new plant startup."

50. CW2 recalls that Spollen told CW2 to disregard the publicly declared timeline for the Hub's completion. Spollen told CW2 that Johnston admitted to Spollen that the earliest the Hub could be commissioned was in 2024 (the year after the publicly declared commissioning date in 2023). In particular, in April 2023, CW2 met Spollen for drinks at an Applebee's in Rochester. At this meeting, Spollen told CW2 that Spollen had warned Johnston and Kochhar that the true cost of the Hub was between \$850 million and \$1 billion. Despite actual knowledge, Johnston and Kochhar continued to egregiously lie to investors between April 2023 and November 2023 and reaped enormous profits from their fraud. *See infra* at ¶¶101-09. Spollen further told CW2 that

the engagement of multiple subcontractors at the Hub resulted in mounting costs with a 30% markup by the time the project could be completed.

51. At another face-to-face meeting in August 2023, Spollen told CW2 that Li-Cycle had \$200 million in cash, but the monthly cost of the Hub was at least \$50 million. At this meeting, Spollen told CW2 that Defendants' declared timeline and budget for the Hub were always unrealistic.

52. CW2 explains that, in the middle of 2023, Spollen and Staley intended to commission an electrical building at the Hub to satisfy investors, but Li-Cycle expected this building to ultimately shut down. CW2 opined that Defendants could not face investors by admitting to failure.

53. CW2 also corroborates CW1's account that Johnston and Kochhar dumped their holdings at suspicious times, and that Johnston spent lavishly on private jets and gave new employees excessive pay packages and otherwise overspent.

54. CW3 was a Senior Director of Global Talent and Acquisition at Li-Cycle from October 2021 to November 2023. During the Class Period, CW3 reported directly to CW1. CW3 managed executive recruiting at the Hub, and worked closely with business operations as the Hub expanded and the demand for hiring increased. CW3 hired both Spollen and Staley, and participated in weekly calls with Johnston. CW3 further corroborates the accounts of CW1 and CW2.

55. In November 2022, CW3 states that CW3 understood the Hub was under financial strain. CW1, Staley and Spollen all told CW3 that Li-Cycle would not be able to fund completion because the true costs exceeded the cash the Company had on hand. CW3 states that, sometime in the middle of 2023 but no later than August 2023, Simpson sent a companywide email that

effectively ended all travel to and from the Hub, signaling the project's end. In addition, six months before Defendants announced a "pause" at the Hub, CW3 participated in calls concerning the Hub, and learned that the true costs of the Hub exceeded the Company's plan. Still, Defendants continued to mislead investors throughout 2023. *See infra* at ¶¶91-100.

56. CW3 asserts that Defendants' declared costs to commission the Hub were unrealistic, and corroborates CW2's statement that the true costs were, at least, \$50 million a month when the Company was running out of cash. CW3 knows these facts based on CW3's conversations with Spollen and Staley.

57. CW4 was an Operations Office Administrator at Li-Cycle's Spoke in Tuscaloosa, Alabama from May 2023 to January 2024. CW4 tracked and managed the Spoke's inventory, expenses and overall budget. CW4 states that, on the morning of October 23, 2023, Defendants held a Company-wide meeting. According to CW4, at this meeting, Johnston admitted that Defendants did not plan for the rising costs and the Hub became too costly. During the same meeting, CW4 recalls Johnston stating that all projects, including the Spokes, would be paused.

Defendants Seek a Bailout from the Government

58. On February 27, 2023, the Company announced that Li-Cycle entered into a conditional commitment for a \$375 million loan (the "Conditional Commitment") with the U.S. DOE's Loan Programs Office ("LPO"), through its Advanced Technology Vehicle Manufacturing Program, which provides assistance to scale up production of lithium-ion batteries for the electric car market in the U.S. The Company touted the Conditional Commitment as another "significant milestone" in the development of the Hub that provided flexibility for expansion and future growth. However, by this point, Defendants knew or recklessly disregarded facts showing that the

Hub was not “on track” and Li-Cycle could not develop the Hub because it lacked the funds to do so.

59. As the CW accounts demonstrate, by February 2023, Defendants also knew or recklessly disregarded the rising costs to commission the Hub, and sought loans from the government to delay the Hub’s inevitable abandonment. *See supra* at ¶¶42, 43, 52, 55. Defendants represented the DOE’s Conditional Commitment as nearing the finish line for the loan, with only “documentation” remaining. For instance, on an earnings call held on May 15, 2023, Kochhar claimed that there was “nothing major in terms of hurdles remaining to close” and it was “just documentation” and “really a lift on the legal side, primarily.” On the same conference call, Simpson reinforced this notion, stating that “it is really just the volume of the administrative tasks in getting all papers to be fine on both sides, their side and ours.”

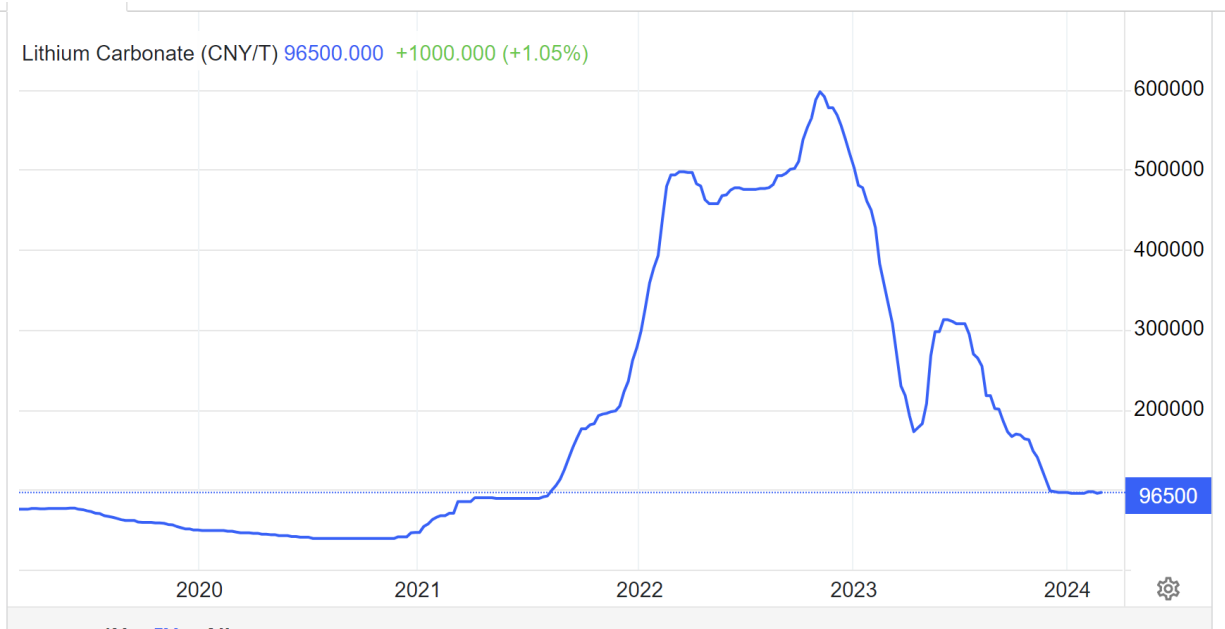
60. However, the Conditional Commitment was subject to several substantive requirements that Defendants could not meet. Specifically, Li-Cycle was required to fund a base equity commitment and ensure that buildings at the Hub were lien-free. Analysts ultimately noted that Li-Cycle would need to commit at least hundreds of millions of dollars in equity to receive funds from the LPO. As the costs of the project went up, so did the equity commitment as Kochhar conceded at an earnings conference call held on November 13, 2023. Pursuant to federal regulations, the DOE denies applications if equity for the proposed project cannot be provided by the time funds are dispersed to the borrower, “or such later time as DOE in its discretion may determine.” 10 C.F.R. § 609.5(b)(5).

61. In addition, the DOE’s regulations require that: (1) the dispersed funds and all other funding available to a borrower be sufficient for expected and potential contingency amounts on the relevant project; (2) the borrower has a reasonable prospect of repaying all funds dispersed by

the LPO and fulfilling all other debt obligations; (3) the borrower pledges sufficient collateral or surety to secure the loan, as determined by DOE; (4) the loan is not subordinated in payment or lien priority to any other financing; and (5) the borrower has made or will make a significant equity investment in the project. *See* 10 C.F.R. §§ 609.8(b)(5)-(7), (9), (17).

62. Defendants could not meet any of these conditions since it was known as early as the beginning of 2022 that the Hub was not “on track” and its true costs would be twice what Defendants claimed. *See supra* at ¶¶40-44, 47, 50, 51, 55. Defendants never had the resources to fund the Hub’s true costs, to make the equity investment required by the DOE, or to substantiate a reasonable prospect of repaying the proposed loan. Thus, there was no basis to state that loans originated by the LPO would close at any point in 2023. *See infra* at ¶¶80-81, 85-90, 95-98.

63. In fact, as CW2 recounts, on either October 17, 2023 or October 18, 2023, the LPO raised concerns about how the Company would pay back the loan. In addition, the LPO questioned Li-Cycle’s high valuations for the costs of lithium. As shown in the following chart, the price of lithium crashed over the Class Period as mining intensified in China. Even though the lithium crash made it materially more difficult for Defendants to show an ability to repay the proposed loan, Defendants omitted this problem from their discussions with investors, deceptively indicating that only mere paperwork was left to receive government funds:



DEFENDANTS' FALSE AND MISLEADING STATEMENTS

64. On January 27, 2022, the Company conducted an earnings call with investors and analysts, in which Kochhar said “*we will continue to execute on the Rochester Hub on time and on budget to support start-up in 2023.*” Analyst PJ Juvekar asked a series of pointed questions about how the Company was controlling cost and budget for the Hub, and Johnston assured that the Company had taken steps to address those risks as follows:

Q - PJ Juvekar: Just a couple of questions. First, on the Rochester Hub, you upsized that to 35,000 tonnes of black mass and you talked about being within budget for capital, but we're seeing labor shortages. We're seeing sort of raw material inflation; the Fed is talking about it. Are you seeing any of that in all the construction that you are doing? Is labor an issue? Can you just sort of talk about what you're seeing out there in the real conditions there?

A - Tim Johnston: No problem, PJ. Happy to answer that. And so, let me address it in two parts. In relation to materials and equipment, we identified this early in the process, and I think that was really a very critical step for the organization. And so, what we did was, *we actually brought forth a lot of our procurement activities into the front end of the project in order to guarantee pricing and supply. The traditional way of building a project like this would be just-in-time delivery of these materials and equipment, but because of those risks that you identify there, PJ, we went against that, and we secured a*

warehouse for example. We are able to address that through our procurement strategy.

Labor is another very important one as we've been going through the process of selecting our general contractor, and we expect, as Ajay said in his earlier remarks to finalize that process in the next few weeks. *We've actually gone through the process and quite detailed labor studies, but we're also looking to work with a contractor that has the ability to impart what we call self perform the work, which provides a certain level of reassurance in relation to that labor supply.*

We are fortunate to be in Rochester. Rochester is the basin for the surrounding area in the Northeast. We have the ability to pull labor from Buffalo or Syracuse and other proximal cities to Rochester. *So, at this point in time, we don't see an issue with that, PJ. We have gone through, we've done the work, we understand what the costs are, we understand what the expected increase in inflation cost of labor are likely to be through the project, and all of that is budgeted in our plan.*

65. The statements identified in Paragraph 64 above were materially false and/or misleading when made because: (a) the Company had not “guarantee[d] pricing and supply” through its procurement practices; and (b) the Company had not included in its budget “the expected increase in inflation cost of labor;” (c) the Hub’s redesign in the fall of 2021 did not account for the additional contractors and labor required to complete the project as confirmed by CW1; and (d) as a result of (a), (b), and (c) the Company had not executed on budget and was not in a position to have a reasonable expectation that continued development would be “on budget.”

66. On August 5, 2022, Li-Cycle filed with the SEC a prospectus on Form 424B3 for a secondary offering used to raise money from investors, which stated the following about the Hub:

Li-Cycle completed a definitive feasibility study for the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle estimates that the Rochester Hub will be able to process battery material that is equivalent to approximately 225,000 EVs per year. Li-Cycle expects the Rochester Hub will have the nameplate input capacity to process 35,000 tonnes of black mass annually (equivalent to approximately 90,000 tonnes or 18 GWh of lithium-ion battery equivalent feed annually), resulting in expected output capacity of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to

8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate. ***Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash and cash equivalents.***

67. The statements identified in Paragraph 66 above were materially false and/or misleading when made because: (a) Spollen had already told CW1 that the costs of the Hub exceeded a billion dollars before these false statements were made; and as a result (b) Li-Cycle did not then estimate that the Hub would require a total capital investment of only \$485 million; and (c) Defendants understated the total capital investment, as Biederman told CW1.

68. The August 5, 2022 prospectus also deceptively minimized Johnston's role in a prior fraud perpetrated on investors:

In addition to co-founding Li-Cycle, Mr. Johnston served as a director and the chief executive officer of Desert Lion Energy Inc. ("Desert Lion"), a lithium exploration and development company whose securities were listed on the TSX Venture Exchange (the "TSX-V"), from February 2018 to July 2019, when Desert Lion was sold to a third party. In mid-2019, the TSX-V initiated a review of the Desert Lion senior management team, including Mr. Johnston, to assess their suitability to act as directors or officers of a listed issuer as a result of certain incorrect statements and omissions made by Desert Lion in its press releases for a financing transaction and its listing application with the TSX-V for approval of the issuance of shares in connection with such transaction. On May 11, 2020, the TSX-V made a procedural determination that requires Mr. Johnston to make a written application to and obtain the prior written acceptance from the Compliance & Disclosure Department of the TSX-V for any proposed involvement by Mr. Johnston as a director or officer of (or to perform similar functions for) any TSX-V-listed issuer. The TSX-V has subsequently publicly stated that it has not reached any conclusions regarding the suitability of Mr. Johnston to be a director or officer of a TSX-V listed company in the future.

69. The statements identified in Paragraph 68 above were materially misleading when made because: (a) the TSX-V ruling was not just a mere "procedural determination" but rather included substantive findings that Johnston's misconduct in connection with a false press release issued to investors violated exchange investor protection rules; (b) the statement implies that the TSX-V later softened that position when it in fact opposed any modification of its determination

on appeal; (c) on appeal, the BCSC upheld the determination of TSX-V, noting that Johnston was not pursued merely as a member of “Desert Lion senior management team,” but because he personally signed the financing misrepresented to investors, personally was listed as the contact in the fraudulent press release and repeatedly submitted false information to the TSX-V.

70. On September 14, 2022, Defendants caused Li-Cycle to issue an earnings press release which contained the same misrepresentations identified in Paragraph 66 above, which were materially false and misleading for the reasons identified in Paragraph 67 above.

71. On September 14, 2022, Defendants also conducted a conference call with investors and analysts in which Simpson stated:

We’re pleased to report that our Rochester Hub project remains on schedule....We maintained our first mover advantage in battery recycling in North America and Europe, which is underpinned by commercial contracts and strategic partnerships with the Rochester Hub as the key future value driver. And we are sufficiently funded to complete our current project pipeline with potential for debt financing from both traditional and government sources in support of future goals.

and Johnston stated:

We proved out the process of our hub with a large-scale pilot plant in Kingston, Ontario, which operated for over one year primarily between 2019 and 2020. We tested our flow sheet with known equipment and proven chemical processing technologies....

During the third quarter, we have maintained our procurement momentum for providing enhanced confidence in material and equipment pricing to keep our projected timeline and cost within target....

While we continue to monitor supply chain, labor costs, and seasonality conditions in Rochester, New York, the Hub remains on track to start commissioning in stages in 2023

We have sufficient liquidity to fund our current projects pipeline and operating needs. In addition, we continue to evaluate multiple capital sources, including debt financing alternatives from both traditional and government sources in support of the next phase of growth beyond our current project pipeline.

Johnston also described that the commissioning of the Hub would occur in three stages, the final stage of which “is ultimately the introduction of black mass.” Kochhar added:

We have sufficient liquidity for our capital and operating needs to fund the current pipeline of projects in development and we are evaluating ways to further optimize our capital structure to support future growth.

72. The statements identified in Paragraph 71 above were materially false and misleading when made because: (a) Li-Cycle was not then currently funded for its pipeline of projects, the largest and most significant of which was the Hub; (b) Li-Cycle needed additional funds for the current projects themselves, not just to “support the next phase of growth beyond [its] current pipeline”; and (c) the statements omitted that Defendants already knew that the true cost of the Hub exceeded the Company’s total cash position.

73. On January 30, 2023, Defendants caused Li-Cycle to issue an earnings release that stated they had *“[a]dvanced the Rochester Hub with key engineering, procurement, and construction milestones; continue to be on track for both project budget and schedule, to commence commissioning in late calendar 2023”* and had *“[m]aintained project budget and schedule for the Rochester Hub*, expected to be the first commercial hydrometallurgical battery resource recovery facility in North America.” The press release further stated with respect to the Hub that the following “milestones” had been achieved that *“are expected to keep the project on track to initiate commissioning in late calendar 2023, and capital costs within the targeted budget (\$486 million +/-15%)”*:

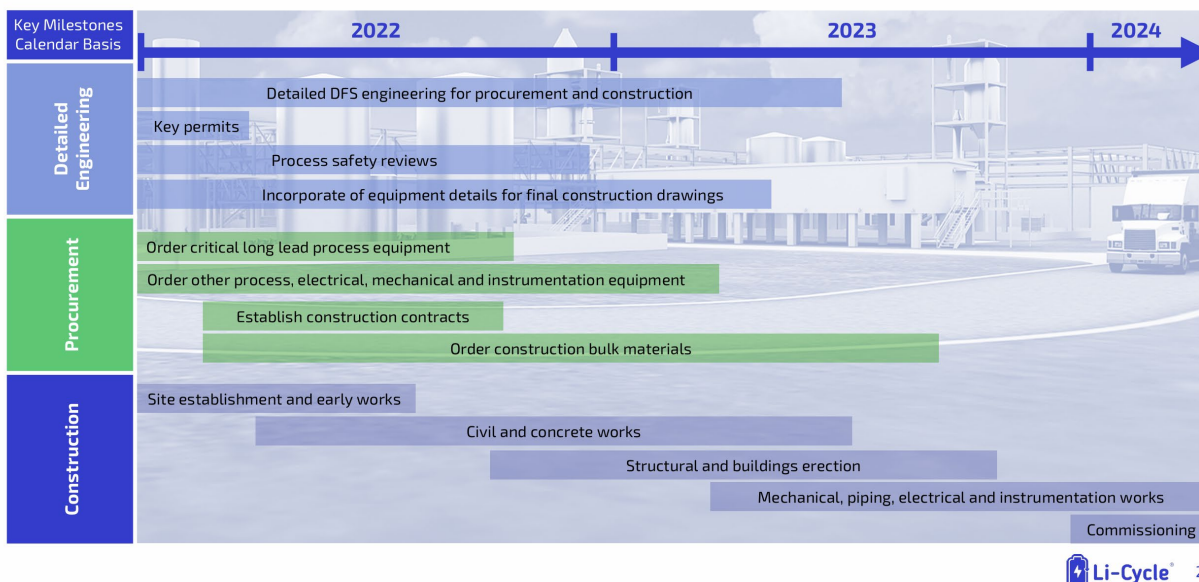
- >90% process equipment ordered;
- *Achieved nearly 75% completion of the warehouse and associated administration center for storage of black mass and finished battery-grade materials;*

- *Progressed construction of the cobalt, nickel and manganese process buildings;*
- 65% of detailed engineering completed; and
- *Largely completed civil works, underground utilities and electrical infrastructure.*

74. The statements identified in Paragraph 73 above were materially false and misleading when made because: (a) they falsely implied that the budget for the Hub had only slipped by \$1 million, from \$485 million to \$486 million, after having conducted the majority of procurement and significant construction and infrastructure, when it was already known the total costs of the project exceeded Defendants’ purported budget; (b) Li-Cycle was not then “on track” to “keep...capital costs within the targeted budget”; (c) the statements omitted that the Hub’s redesign did not take into consideration the costs of additional contractors and labor required for completion as confirmed by CW1; and (d) the true costs of the Hub exceeded the cash the Company had on hand, as CW1 and CW3 confirmed was known internally at the time of the statements.

75. In an earnings conference call also held on January 30, 2023, Kochhar stated “*at our Rochester Hub, we made significant progress on engineering, procurement, and construction keeping it in line with our targeted budget and schedule. We are reiterating that we expect commissioning to commence in late calendar 2023.*” Johnston presented the following slide stressing that most of the work for the Hub was already complete:

Rochester Hub: Remains On Track to Initiate Commissioning in Late Calendar 2023



Johnston described these as “*construction milestones*” for the Hub and stated:

To reiterate a key part of our strategy was to accelerate the procurement of long-lead equipment and construction materials. *This has proven to be a strategically significant advantage to maintain the project schedule. Specifically, key milestones include achieving nearly 75% completion of the warehouse and associated administration center for the storage of black mass and finished batterygrade materials. Progress the construction of the cobalt, nickel, and manganese processing buildings, largely completing civil works as well as underground utilities and electrical infrastructure.* More than 90% of equipment has now been procured and we’re nearing 65% completion on detailed engineering for the project. *We are on track with our project budget and schedule. We are reiterating that we expect to commence commissioning in late 2023.*

Kochhar further stated: “we’re ahead on permits, *we’re ahead on construction*, we’re ahead on procurement.”

76. The statements identified in Paragraph 75 above were materially false and misleading when made because: (a) Li-Cycle was not then “on track” with its “project budget”; (b) Li-Cycle’s accelerated procurement had not “proven to be a strategically significant advantage”; (c) the statements omitted that the true costs of the project could be \$1 billion as

Spollen told CW1 before these statements were made; (d) the statements omitted that the Company did not then have the funds necessary to complete the Hub and was over budget as Biederman told CW1 before these false statements were made; and (e) the statements omitted that costs were being inflated by extravagant expenditures inconsistent with keeping on budget.

77. On February 6, 2023, Li-Cycle filed with the SEC a form 20-F Annual Report, which was signed by Kochhar and stated the following about the Hub:

Rochester Hub

Li-Cycle's first commercial Hub will be located in Rochester, New York, and is currently under construction (the "Rochester Hub"). Li-Cycle's Spoke facilities will be the primary suppliers of Black Mass & Equivalents feedstock for the Rochester Hub. The location for the Rochester Hub was specifically selected due to the nature of the infrastructure available at the site, including utilities and road/rail networks.

Li-Cycle completed a definitive feasibility study for the Rochester Hub in December 2021. Based on the definitive feasibility study, Li-Cycle expects the Rochester Hub will have the nameplate input capacity to process 35,000 tonnes of BM&E annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB feed annually). The Rochester Hub is expected to have output capacity of battery grade materials of approximately 42,000 to 48,000 tonnes per annum of nickel sulphate, 7,500 to 8,500 tonnes per annum of lithium carbonate and 6,500 to 7,500 tonnes per annum of cobalt sulphate.

Li-Cycle has engaged Hatch Ltd. as its engineering and procurement contractor for the Rochester Hub. Hatch Ltd. is also providing select construction management services such as onsite field engineering support and overall project scheduling for the project. Li-Cycle has engaged Mastec Inc. as its general contractor for the Rochester Hub. Procurement activities are well-advanced and have commenced on all equipment and select construction materials for the Rochester Hub. Site works and construction commenced on the Rochester Hub site in January 2022. ***The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late calendar 2023.***

78. The statements identified in Paragraph 77 above were materially false and misleading when made because they omitted the following: (a) that Li-Cycle was then over budget and not on track to complete the Hub at the cost previously reported to investors, \$486 million; (b)

that the Hub's true costs were already known to be up to a \$1 billion ; (c) that the Company did not then have the funds necessary to complete the Hub; and (d) that costs were being inflated by extravagant expenditures inconsistent with keeping on budget.

79. The February 6, 2023 Form 20-F also contained the same misrepresentations about Johnston's prior history of securities fraud identified in Paragraph 68 above which were materially false and/or misleading for the reasons described in Paragraph 69 above.

80. On February 27, 2023, Defendants caused Li-Cycle to issue a press release including quotes from Kochhar and Simpson about a \$375 million loan from the DOE, which stated:

Li-Cycle Holdings Corp. (NYSE: LICY) ("Li-Cycle" or the "Company"), an industry leader in lithium-ion battery resource recovery and the leading lithium-ion battery recycler in North America, is pleased to announce that Li-Cycle and the U.S. Department of Energy ("DOE") Loan Programs Office ("LPO"), through its Advanced Technology Vehicles Manufacturing ("ATVM") program, have entered into a conditional commitment for a \$375 million loan (the "Loan").

The conditional commitment follows extensive DOE technical, market, financial and legal due diligence and marks another significant milestone endorsing Li-Cycle's development of the first commercial hydrometallurgical resource recovery facility in North America, located near Rochester, New York (the "Rochester Hub"). This is the first conditional commitment from the DOE ATVM program for a sustainable pure-play battery materials recycling company and the program's main support for the lithium-ion battery recycling industry.

"We would like to thank the DOE LPO team for their time, support and partnership during this process, and we look forward to our collective efforts to complete the final agreements," commented Debbie Simpson, Li-Cycle Chief Financial Officer. *"This strategic financing achieves our commitment to execute on additional funding opportunities with debt that best optimizes our capital structure. The possibility of this substantial amount of government funding at favorable terms enhances our already robust balance sheet and provides flexibility for continued expansion and future growth plans."*

81. The statements identified in Paragraph 80 above were materially false and/or misleading when made because: (a) they omitted that the loan was dependent on Li-Cycle proving that it had “a reasonable prospect of repayment” of loan amounts, which it could not do; (b) Li-Cycle’s balance sheet was not then “already robust”; (c) the loan was required for existing project construction, not just to “provide[] flexibility for continued expansion and future growth plans”; and (d) Defendants needed the government funds to keep the Hub alive as CW1 explained.

82. On March 17, 2023, Li-Cycle filed its annual proxy materials, which were signed by Kochhar and Johnston. The Management Information Circular contained therein contained the same misrepresentations about Johnston’s prior history of securities fraud identified in Paragraph 68 above which were materially false and/or misleading for the reasons described in Paragraph 69 above. It also stated that “*Li-Cycle continues to be on track to commence commissioning of the Rochester Hub in late calendar 2023,*” which was materially false and/or misleading when made because they omitted the following: (a) that Li-Cycle was then over budget and not on track to complete the Hub at the cost previously reported to investors, \$486 million; (b) the Hub would not be ready until 2025, as Biederman and Spollen told CW1; and (c) that the Company did not then have the funds necessary to complete the Hub.

83. On March 30, 2023, as a result of having changed its fiscal year to align with the calendar year, Li-Cycle reported earnings for the two-month period ending December 31, 2022. Its earnings press release quoted Kochhar as stating: “*At our Rochester Hub, we remain on schedule and were thrilled to receive a low-cost, long-term loan commitment for \$375 million from the DOE, providing us with greater financial flexibility for additional network growth plans.*” It also stated with respect to the Hub that “[t]he Company has continued to make significant strides on key engineering, procurement, and construction milestones, maintaining

the project schedule to initiate commissioning in late 2023. The Rochester Hub's construction costs are currently on track, trending towards the higher end of the previously disclosed budget range of \$486 million to \$560 million, with an expected investment of \$250 million to \$300 million in 2023."

84. The statements identified in Paragraph 83 above were materially false and/or misleading when made because: (a) they omitted that the loan was dependent on Li-Cycle proving that it had "a reasonable prospect of repayment" of loan amounts, which it could not do; (b) the previously disclosed budget was \$486 million (+/- 15%), *i.e.* a range of \$413.1 million to \$558.9 million with a midpoint of \$486 million, not Kochhar's new range of "\$486 million to \$560 million" with a midpoint of \$523 million; (c) construction costs were not then "on track" to complete the Hub either within the previously-reported budget range or Kochhar's new budget range; (d) that Defendants needed the government funds to keep the project alive as CW1 states; and (e) that the Company did not then have the funds necessary to complete the Hub.

85. Also on March 30, 2023, Defendants conducted an earnings conference call with investors and analysts. On that call, Kochhar stated:

we continue to execute on our strategic objectives, solidifying Li-Cycle's position and the development of the sustainable domestic EV battery supply chain in North America and Europe. To highlight some key achievements that we will discuss in greater detail, *we advanced the Rochester Hub construction and are on schedule to start commissioning in late 2023*. Expanded development of our global network of Spokes, marrying customer demand, and building feedstock for our Rochester Hub, enhanced our global position with additional battery supply chain participants including recently being named as a preferred battery recycling partner for KION, a leading global forklift and warehouse trucks supplier. And *strengthen our balance sheet with the U.S. Department of Energy's loan commitment for \$375 million, which will enhance our financial flexibility for future network expansion*.

Johnston stated:

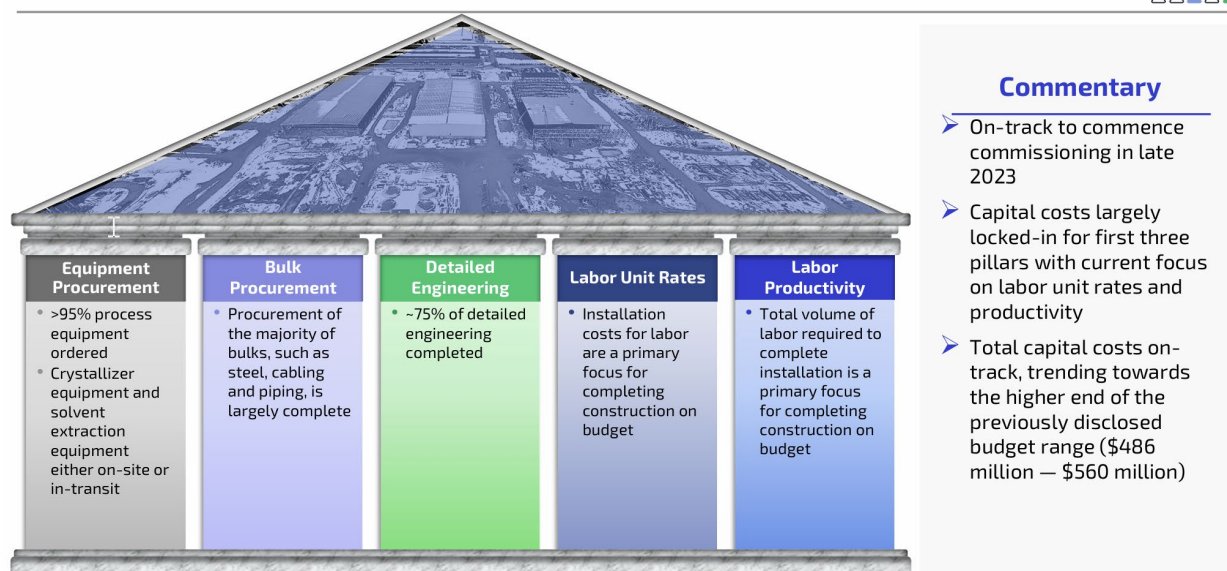
This aerial view of the Rochester Hub in the early March shows significant progress since our last update just two months ago. Major equipment is now on site or en route. The warehouse is now 95% complete and we'll be ready for occupancy by late spring, and key process buildings are well advanced as you can see from the pictures.

Turning to Slide 14 for an overview of the five key pillars driving the project schedule and budget for the Rochester Hub. The first three are well advanced, specifically equipment procurement with greater than 95% of process equipment ordered, key crystallizer equipment and solvent extraction equipment is now either on-site or in transit. Bulk procurement such as steel, cabling, and piping is largely completed. And detailed engineering is more than 75% complete and on track ahead of construction needs. The last two pillars are the current key focus to ensure an on plan, on-budget delivery.

Labor unit rates are the installation costs associated with the construction labor and labor productivity is the total volume of labor required to complete the installation. Currently, we are comfortable with the combination of our rates and productivity. We are pleased to confirm when factoring the six pillars and the remaining drivers that we are currently on-track trending towards the higher end of the previously disclosed range of \$486 million to \$560 million.

The slide to which Johnston referred is as follows:

Rochester Hub: Five Key Pillars to Execution



86. The statements identified in Paragraph 85 above were materially false and/or misleading when made because: (a) they omitted that the loan was dependent on Li-Cycle proving that it had “a reasonable prospect of repayment” of loan amounts, which it could not do; (b) the

previously disclosed budget was \$486 million (+/- 15%), *i.e.* a range of \$413.1 million to \$558.9 million with a midpoint of \$486 million, not a range of “\$486 million to \$560 million” with a midpoint of \$523 million; (c) construction costs were not then “on track” to complete the Hub either within the previously-reported budget range or the new budget range; (d) Defendants needed the government funds to keep the project alive as CW1 states; (e) they omitted that the Company did not then have the funds necessary to complete the Hub; and (f) the Company could not deliver on-budget by controlling the pillars of labor costs (for which it said in 2022 it had already adjusted to accommodate for inflation) or productivity particularly because the redesign in the fall of 2021 did not take those factors into consideration.

87. Also on March 30, 2023, the Company filed its Form 20-F annual report for the 2-month stub period created by the change of its fiscal year. That filing, which was signed by Kochhar, stated as follows about the DOE loan and the Hub:

Funding flexibility and building further balance sheet strength – On February 27, 2023, the Company announced that it had entered into a conditional commitment with the United States Department of Energy (“DOE”) Loan Programs Office for a loan of up to \$375 million (the “DOE Loan”) through the DOE’s Advanced Technology Vehicles Manufacturing program. The loan, which is to be used for the development of the Rochester Hub, would have a term of up to 12 years from financial close, and interest on the loan would be the 10-year U.S. Treasury rates from the date of each advance under the loan. ***The Company expects to close this transaction in Q2 2023, subject to completion of long form agreements and certain conditions to be satisfied prior to closing. The DOE Loan will build further balance sheet strength and liquidity in support of future growth for the Company.***

The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late 2023.... Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$486 million (+/- 15%) based on the definitive feasibility study. Costs for the Rochester Hub are trending towards the higher end of the budgeted range, with spend to date of \$123.1 million at December 31, 2022.

88. The statements identified in Paragraph 87 above were materially false and/or misleading when made because: (a) the DOE loan was needed to complete the Hub, not just to “support future growth for the Company”; (b) they omitted that the loan was dependent on Li-Cycle proving that it had “a reasonable prospect of repayment” of loan amounts, which it could not do; (c) Li-Cycle was not then on track to complete the Hub within even “the higher end of the budgeted range”; (d) Defendants scrambled for government funds to keep the project alive as CW1 states; and (e) they omitted that the Company did not then have the funds necessary to complete the Hub.

89. On May 15, 2023, Defendants caused Li-Cycle to issue an earnings press release, which stated that the Company had “[p]rogressed \$375 million loan commitment from U.S. Department of Energy (DOE), with close on track for mid-2023,” and that:

The Rochester Hub has continued to make significant strides on construction milestones, with procurement of long lead process equipment ahead of schedule and detailed engineering largely completed. The project remains on schedule for commissioning in late 2023 with construction costs within budget, trending at the higher end of the \$486 million to \$560 million range.

90. The statements identified in Paragraph 89 above were materially false and/or misleading when made because: (a) the DOE loan was not “on track” to close in mid-2023; (b) they omitted that the loan was dependent on Li-Cycle proving that it had “a reasonable prospect of repayment” of loan amounts, which it could not do; (c) Li-Cycle was not then on track to complete the Hub “within budget”; (d) the true cost of the Hub was between \$850 million and \$1 billion before these false statements were made as CW2 confirms that Spollen had warned Johnston and Kochhar; and (e) they omitted that the Company did not then have the funds necessary to complete the Hub.

91. On May 15, 2023, Defendants also conducted an earnings conference call with investors and analysts, in which Johnston stated the following with respect to the Hub:

All aspects of construction are moving in parallel and in line with our expectations, which demonstrates the strength and expertise of our team.




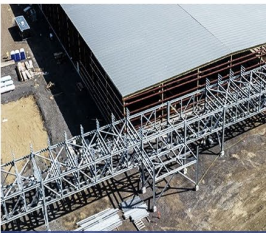
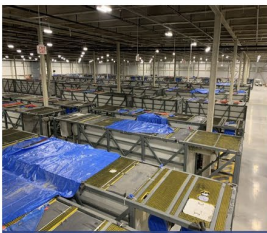

Turning to Slide 8 for further details on construction progress. First, as we've consistently shared, the Hub is on track to commence commissioning in May 2023 and is currently tracking at the high end of the previously disclosed construction cost range. Early on, a key aspect of our construction strategy was to accelerate the procurement of long-lead equipment, and construction materials, first[ph] they will arrive on-site well ahead of when they are anticipated to be needed.

Strategically, this has proven to be a significant advantage both in terms of our ability to maintain our project schedule and our ability to remain within budget, particularly in light of the challenging inflationary and supply chain environment.

Johnston also presented the following slide:

Rochester Hub: Advanced Long Lead Process Equipment and Bulk Material Procurement; Enables On-Time Construction Schedule



Rochester Hub: Advanced Long Lead Process Equipment and Bulk Material Procurement; Enables On-Time Construction Schedule			Commentary
 NICKEL: interior work underway	 COBALT: exterior complete/ interior work underway	 MANGANESE: exterior approaching completion	<ul style="list-style-type: none"> ➤ On-track to commence commissioning in late 2023 ➤ Construction costs largely locked-in with current focus on labor unit rates and productivity ➤ Total construction costs remain in line with prior stated budget, trending at the higher end of \$486 million — \$560 million range
 PIPE RACK: construction progressing	 SOLVENT EXTRACTION EQUIPMENT: on-site	 CRYSTALLIZER: equipment on-site and en route	

92. The statements identified in Paragraph 91 above were materially false and/or misleading when made because: (a) the budget was already exceeding previously-articulated

expectations; (b) the Hub was not “on track” to “commence commissioning in May 2023” or “within budget”; (c) the true cost of the Hub was between \$850 million and \$1 billion before these false statements were made as CW2 confirms that Spollen had warned Johnston and Kochhar; and (d) they omitted that the Company did not then have the funds necessary to complete the Hub.

93. At the same conference call, Kochhar claimed that there was “nothing major in terms of hurdles remaining to close” the loan from the DOE and it was “just documentation” and “really a lift on the legal side, primarily.” On the same conference call, Simpson reinforced this notion, stating that “it is really just the volume of the administrative tasks in getting all papers to be fine on both sides, their side and our side.”

94. The statements identified in Paragraph 93 were materially false and misleading when made because (a) the conditions precedent to receiving loan funds went well beyond “just documentation” and “administrative tasks,” and (b) Defendants did not have the funds to either meet the DOE’s equity contribution requirement or to pay back the loan.

95. On August 14, 2023, Defendants caused Li-Cycle to issue an earnings press release in which Kochhar stated “*the Rochester Hub remains on schedule to commence commissioning in late 2023.*” The press release further stated:

The Rochester Hub achieved significant milestones and remains on schedule to start commissioning in late 2023. Detailed engineering and procurement are nearly complete. Construction activities are progressing on site, with major buildings nearing completion, steel and concrete installation progressing, alongside the start of mechanical and electrical equipment installation. The Company is focused on actively managing the construction labor as part of the Rochester Hub construction budget of \$560 million.

96. The statements identified in Paragraph 95 above were materially false and/or misleading when made because: (a) Li-Cycle then had no ability to complete the Hub for even the modified \$560 million figure it then referenced as its “construction budget”; (b) the true cost of

the Hub was between \$850 million and \$1 billion before these false statements were made as CW2 confirms that Spollen had warned Johnston and Kochhar; (c) Li-Cycle's finances were then so strained that Simpson had already shut down travel signaling the Hub's end, as CW3 explains, and (d) the statements omitted that the Company did not then have the funds necessary to complete the Hub.

97. Also on August 14, 2023, Defendants conducted a conference call with investors, in which Kochhar stated with respect to the Hub:

we significantly advanced construction with a continued expectation of the start of commissioning in late 2023.... We're also pleased to report that we are at the final stages of completing our process with the DOE, Loan Programs Office or LPO, and expect to close the \$375 million loan in September 2023.

Johnston stated:

As we stated on prior calls, we are focused on actively managing the construction labor in order to continue to execute relative to the construction budget of \$560 million.

Simpson stated:

As Ajay noted earlier, we made great strides and advanced documentation to the final stages depicted here at Stage 5 in the DOE LPO process. We are excited to share that our loan agreement is now working its way through the DOE's intraagency process. We are expecting to close the transaction in September 2023.

Turning to Slide 15 for an update on our cash flow and a review of the strength of our balance sheet. During the second quarter, we invested \$78 million in our network growth focused on the Rochester Hub ending the period with nearly \$290 million of cash on hand. Adding the loan commitment of \$375 million from the Department of Energy, we'll take our current pro-forma cash balance to more than \$660 million.

98. The statements identified in Paragraph 97 were materially false and/or misleading when made because: (a) they omitted that the DOE loan was dependent on Li-Cycle proving that it had "a reasonable prospect of repayment" of loan amounts, which it could not do; (b) the

Company was in no position to “close the transaction in September 2023” because it could not meet any of the conditions precedent to the disbursement of government funds by this point; (c) Li-Cycle then had no ability to complete the Hub for even the modified \$560 million figure it then referenced as its “construction budget”; (d) the true cost of the Hub was between \$850 million and \$1 billion before these false statements were made as CW2 confirms that Spollen had warned Johnston and Kochhar; (e) Li-Cycle’s finances were then so strained that Simpson had already shut down travel signaling the Hub’s end, as CW3 explains; and (f) the statements omitted that the Company did not then have the funds necessary to complete the Hub as confirmed by both CW2 and CW3.

99. On August 18, 2023, Li-Cycle filed a registration statement for a shelf offering on Form F-3 seeking to raise up to \$200 million by selling common stock to investors. Kochhar, Johnston and Simpson each signed the Form F-3, which stated with respect to the DOE loan:

On February 27, 2023, the Company announced that it had entered into a conditional commitment with the United States Department of Energy (“DOE”) Loan Programs Office for a loan of up to \$375 million (the “DOE Loan”) through the DOE’s Advanced Technology Vehicles Manufacturing program. The DOE Loan, which is to be used for the development of the Rochester Hub, would have a term of up to 12 years from financial close, and interest on the loan would be the 10-year U.S. Treasury rates from the date of each advance under the loan. ***The Company expects to close the DOE Loan in September 2023. The DOE Loan will build further balance sheet strength and liquidity in support of future growth for the Company.***

100. The statements identified in Paragraph 99 above were materially false and/or misleading when made because: (a) the DOE loan was needed to complete the Hub, not just to “build further balance sheet strength” or “support future growth for the Company”; (b) they omitted that the loan was dependent on Li-Cycle proving that it had “a reasonable prospect of repayment” of loan amounts, which it could not do; and (c) having failed to prove the reasonable prospect of repayment, Li-Cycle was not then positioned to close the loan in September 2023.

101. On or about September 25, 2023, Li-Cycle issued a promotional video to investors about the Hub which was made available on YouTube, and linked to by Kochhar on LinkedIn. That video stated: “*We have made incredible progress developing our flagship Rochester Hub facility,*” and claimed that little remained to be done: “*The Rochester Hub warehouse is now complete, employees have moved into the office space, and we are preparing to start receiving black mass*”:



102. The statements identified in Paragraph 101 above were materially false and/or misleading when made because: (a) they omitted that the Hub’s costs had ballooned far beyond budgeted amounts; (b) the warehouse and process buildings were not even close to being complete but were encumbered and, as a result, the DOE would not approve the Conditional Commitment; (c) internal installation at the Hub remained virtually incomplete, (d) the remaining cost of completion exceeded more than half a billion dollars, and (e) they omitted that the Company did not then have the funds necessary to complete the Hub.

ADDITIONAL ALLEGATIONS OF SCIENTER

103. Several facts demonstrate that Defendants knowingly made false statements or, at a minimum, acted with reckless disregard for the truth or falsity of their Class Period representations to investors.

104. First, as Defendants themselves repeatedly stressed in earnings conference calls as well as SEC filings, the Hub was Li-Cycle's most important business initiative without which the Company could not be profitable. As such, the Hub was a core operation of Li-Cycle. That factor, in combination with other facts, contributes to an inference of scienter.

105. Second, the CW accounts described in detail in Paragraphs 39 through 57 are based on conversations with high-level executives, such as Biederman, Spollen and Staley, who either oversaw the Hub's operations or had hands on experience with the Hub's development. These high-level executives told the CWs, as early as the beginning of 2022, that the Hub's actual costs were drastically higher than what Defendants claimed the costs to be. CW1 directly reported to Defendants and substantiates that Defendants knew that the project was headed in the wrong direction as early as January 2022. Given the timing of CW2's meeting with Spollen at Applebee's (April 2023), Spollen had warned Johnston and Kochhar that the true cost of the Hub was between \$850 million and \$1 billion before they started to dump shares in May 2023. Further, CW3's account confirms that Simpson acted to effectively shut the Hub down by banning all travel to and from the Hub, but Simpson nevertheless continued to make false statements after taking actions that signaled the Hub's end. The CW accounts here, as fully described in more detail in Paragraphs 39 through 57, provide powerful evidence of fraud.

106. Third, Defendants' own statements to investors show that they had access to information about the true costs of the Hub, and also knew or recklessly disregarded adverse facts

that were inconsistent with their positive, Class Period misrepresentations. For example, on an earnings conference call held on June 14, 2022, in response to an analyst's questions about ramping up development at the Hub, Johnston said that "[o]ur attention now is really turning to focus on staffing requirements for the construction, and we're ramping up that team as we speak." Johnston also repeatedly provided updates on construction to investors throughout the Class Period, particularly about the warehouse and the process buildings. Thus, Johnston had access to information about the Hub and its development.

107. In another example, on an earnings conference call held on January 30, 2023, Johnston told investors that 75% of the warehouse was complete. On the same conference call, Kochhar stated that "we're ahead on construction." Kochhar could not make that statement, true or false, unless he knew the true state of construction. The only other inference is that Kochhar recklessly disregarded the truth when he made this specific representation. On an earnings conference call held on March 30, 2023, Johnston told an analyst that "we continue to manage and monitor" construction costs "through the final execution of the project."

108. Even Defendants' false statements suggest they knew or recklessly disregarded the truth. All three Defendants repeatedly told investors that the Hub was "on track" and "on budget." It was not. Hence, Defendants either knew that the Hub was not on track and not on budget or if they did not know, then they were reckless not to know it.

109. With respect to the DOE loan, on an earnings conference call held on May 15, 2023, Kochhar claimed that the primary hurdle to funding was "documentation," and Simpson rubber stamped this misrepresentation by mischaracterizing the serious obstacles as mere "administrative tasks." These specific representations, at least, raise an inference that Defendants were

knowledgeable about the DOE requirements and regulations, and knew or recklessly disregarded that Li-Cycle was unlikely to both meet the equity contribution requirement or pay back the loan.

110. Fourth, as fully described below in Paragraphs 111 through 119, Johnston's and Kochhar's Class Period stock sales are indicative of their motive to defraud investors.

Johnston and Kochhar Profited from Fraud While Investors Suffered Losses

111. During the Class Period, Johnston and Kochhar took advantage of Li-Cycle's artificially inflated stock price to collectively reap approximately \$11.5 million from sales of Li-Cycle common stock on the open market.

Johnston's Class Period Stock Sales²

Date	Shares Sold	Proceeds	Price per Share
06/16/2022	113,009	\$845,307.32	\$7.48
09/16/2022	20,413	\$124,633.61	\$6.11
02/03/2023	10,898	\$64,080.24	\$5.88
05/16/2023	159,640	\$709,631.73	\$4.45
05/17/2023	199,550	\$915,615.22	\$4.59
05/19/2023	2,000,000	\$2,626,960.00	\$1.31

112. During the Class Period, Johnston sold 2,503,510 shares and reaped \$5,286,228.12 in proceeds.³ Proceeds from these stock sales significantly exceeded Johnston's salary of \$487,397 in 2022 and \$286,850 in 2021.

113. The vast majority of these sales took place during an extremely suspicious window of time in May 2023. This is significant because the sales occurred after Spollen told CW2 in April 2023 that Spollen had warned Johnston and Kochhar that the true cost of the Hub was between *\$850 million and \$1 billion*.

² This chart includes sales from Keperra Holdings Limited, a corporation organized under the laws of Ontario, of which Johnston is the sole shareholder. This chart excludes shares sold under automatic "sell to cover" tax liability transactions.

³ As explained in Paragraph 115, some of these shares were pledged as security on May 19, 2023, for a trade expected to settle on August 18, 2024.

114. On May 19, 2023, Johnston filed with the SEC an amendment to a previously filed Schedule 13D (the “Johnston 13D/A”). The Johnston 13D/A explains the actions taken over the suspicious four-day period between May 16, 2023 and May 19, 2023. On May 16, 2023, Johnston exercised previously granted options to acquire 159,640 shares of Li-Cycle’s common stock at a price of \$0.02 per share and, on the same day, sold the corresponding 159,640 shares of common stock for a weighted average price of approximately \$4.45 per share. Then, on May 17, 2023, Johnston exercised previously granted options to acquire 199,550 shares of Li-Cycle’s common stock at a price of \$0.37 per share and, on the same day, sold the corresponding 199,550 shares of common stock for a weighted average price of approximately \$4.59 per share.

115. Additionally, the Johnston 13D/A disclosed that, on May 19, 2023, he entered into a variable prepaid forward contract with Citibank, N.A. (“Citibank”), involving a pledge of 2 million shares of Li-Cycle common stock.⁴ Per a Form 3 filed on December 29, 2023 on Johnston’s behalf, these 2 million shares were pledged to Citibank on May 19, 2023, in return for \$2,626,960.00 in cash. Johnston could settle this trade on August 18, 2024, by simply giving Citibank those 2 million shares—even if they lost substantially all of their value by that time. This single, suspicious transaction enhances an inference of fraud given its temporal proximity to the announcement of disastrous news concerning the Hub.

116. In the Form 144 filed on August 18, 2023, Johnston claimed that he “sold” the 2 million shares pursuant to a Rule 10b5-1 plan executed on May 19, 2023—the same day he entered into the variable forward contract with Citibank. This raises a strong inference that the trading

⁴ Johnston entered into the variable prepaid forward contract through Keperra Holdings Ltd., a corporation organized under the laws of Ontario, of which Johnston is the sole shareholder. This chart excludes shares sold under automatic “sell to cover” tax liability transactions.

plan was concocted in bad faith, further strengthening an inference of fraud. The plan was executed after Johnston certainly knew material nonpublic, adverse information concerning an imminent disaster at the Hub.

Kochhar's Class Period Stock Sales⁵

Date	Shares Sold	Proceed	Price per Share
09/16/2022	20,413	\$124,633.61	\$6.11
02/03/2023	10,898	\$64,080.24	\$5.88
05/16/2023	159,640	\$709,599.80	\$4.45
05/17/2023	139,685	\$640,204.29	\$4.58
05/19/2023	1,000,000	\$3,580,880.00	\$3.58
08/18/2023	2,000,000	\$1,115,360.00	\$0.56

117. During the Class Period, Kochhar sold 3,330,636 shares and reaped \$6,234,757.94 in proceeds.⁶ For comparison, Kochhar earned a salary of \$487,397 in 2022 and \$286,850 in 2021.

118. Just like Johnston, the vast majority of Kochhar's sales occurred because of actions taken over a four-day period in May 2023, suggesting that Defendants coordinated on trading. On May 19, 2023, Kochhar filed an amendment to a previously filed Schedule 13D (the "Kochhar 13D/A") with the SEC. Kochhar did not file any Form 4s disclosing these sales. However, these sales were disclosed in a Form 144 that Kochhar filed on August 18, 2023.

119. The Kochhar 13D/A shows that, like Johnston, on May 19, 2023, Kochhar entered into a variable forward contract with Citibank through 2829908 Delaware LLC. As part of this variable forward contract, Kochhar pledged 3 million shares of Li-Cycle held by 2829908 Delaware LLC. Per a Form 3 Kochhar filed on December 29, 2023, these 3 million shares were pledged in two separate transactions. First, 2829908 Delaware LLC pledged 2 million shares to

⁵ This chart includes sales from 2829908 Delaware LLC, a Delaware limited liability company under Kochhar's control. It excludes shares sold under automatic "sell to cover" tax liability transactions.

⁶ As explained in Paragraph 119, some of these shares were pledged as security in two separate transactions that would settle in August 2024 and November 2024.

Citibank on May 19, 2023, in return for \$3,580,880.00 in cash. Kochhar could then settle this trade on August 18, 2023, by simply giving Citibank those 2 million shares—even if they lost substantially all of their value by that time. Second, 2829908 Delaware LLC pledged another million shares to Citibank on August 16, 2023, in return for \$1,115,360.00 in cash. Kochhar’s suspicious transactions enhance an inference of fraud given their temporal proximity to the announcement of disastrous news concerning the Hub.

PARTIAL DISCLOSURES

120. On October 23, 2023, Li-Cycle issued a press release to announce a “pause” on construction work at the Hub because of “escalating construction costs.” Li-Cycle also disclosed that the total cost of the project exceeded its “previously disclosed guidance.” The Company’s Board of Directors decided to review the project, including its construction strategy and future. The Company barely provided any details, but committed to provide more information about its near-term plans on November 13, 2023 when the Company expected to release the financial results for the third quarter of 2023.

121. Upon this partial disclosure or the materialization of the concealed risks thereof, the Company’s stock price plummeted by nearly 46% from its previous trading day closing price of \$2.27 to close at \$1.23 on extremely heavy trading volume.

122. Analysts, as surrogates for the market, expressed alarm. Cutting target and rating, an October 23, 2023 report by Cantor Fitzgerald noted that “[h]alting construction is a significant decision suggesting a lengthy delay to the construction schedule and/or financing that could strain the balance sheet. It also puts into question the timing and ability to secure the \$375 MM DOE loan. A full construction stop will compound the costs and extend the timeline further.” Analysts at Chardan Research similarly noted in an October 24, 2023 report that “[i]n our view, yesterday’s

~46% share decline (Russell 2000 Index -0.9%) reflects investors' perception that issues run deeper." The analysts also "believe[d] that the recent sharp decline in the shares is a reflection of investor concern the DOE's loan commitment could be at risk."

123. On November 13, 2023, the Company issued a press release to announce the financial results for the third quarter of 2023 and provide a business update. This press release disclosed that (1) Li-Cycle was taking steps "to preserve the Company's available cash," (2) the true cost of the Hub ranged between \$850 million and \$1 billion, and accounting for actual constructions costs caused Li-Cycle to recognize an impairment charge of \$96.5 million, (3) the new cost figures for the Hub included the costs of the process buildings and the warehouse for the Hub in the amount of \$140 million, and (4) the Company would need to raise additional capital to meet the Conditional Commitment's requirement to fund the equity component before any loan funds could be obtained.

124. Also on November 13, 2023, the Company issued another press release to disclose that Moelis & Company, an investment bank, had been hired as a financial advisor to assist in "evaluating financing and strategic alternatives for the Company." In addition, on November 13, 2023, the Company filed with the SEC, on Form 6-K, its condensed consolidated interim financial statements for the third quarter of 2023. In the November 13, 2023 6-K, the Company disclosed that (1) on November 1, 2023, the Company implemented a cash preservation plan that resulted in the termination of employees and a halt in production at its Ontario Spoke, (2) rising costs at the Hub related to installation and labor costs associated with mechanical equipment, piping, structural steel, electrical and instrumentation for measurement and process control devices, and (3) the Company expected a refund for a substantial portion of \$92 million it spent on the process buildings and the warehouse because of a lease back agreement that could not be implemented

“due to complexities in bringing them together with the planned DOE loan.” On a conference call held on November 13, 2023, to discuss the financial results for the third quarter of 2023, Kochhar explained the “complexity” related to the DOE’s concerns about encumbrance: “that arrangement would have a set of creditors and the DOE is another financing party, is part of the project. So it’s always been that way along the course.” With respect to the requirement that Li-Cycle raise additional funds as a condition precedent to any loan proceeds disbursed by the DOE, Kochhar conceded the requirement was “always” part of the process. At the November 13, 2023 earnings conference call, Simpson also disclosed that, in addition to the Conditional Commitment, the Company would need even more additional funding before it could restart the Hub project.

125. Upon this partial disclosure or the materialization of the concealed risks thereof, the price of the Company’s common stock plunged from its previous day closing price of \$1.47 to close at \$0.66 on November 14, 2023, again on extremely heavy trading volume.

PLAINTIFF’S CLASS ACTION ALLEGATIONS

126. Plaintiff brings this Action as a Class Action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired the Company’s common stock during the Class Period, and were damaged upon the revelation of the alleged corrective disclosures or materialization of the concealed risks. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

127. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Li-Cycle securities actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be

ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Further, during the Class Period, weekly trading volume averaged over 8,344,257 shares, with 176,254,266 shares outstanding. The high average trading volume and weekly turnover creates a strong presumption in favor of market efficiency. Record owners and other members of the Class may be identified from records maintained by Li-Cycle or its transfer agent and may be notified of the pendency of this Action by mail, using the form of notice similar to that customarily used in securities class actions.

128. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

129. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

130. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Li-Cycle;
- whether the Individual Defendants caused Li-Cycle to issue false and misleading statements during the Class Period;
- whether Defendants Kochhar, Johnston and Simpson were control persons of the Company;

- whether Defendants acted knowingly or recklessly in making false and misleading statements;
- whether the prices of Li-Cycle securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

131. A Class Action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this Action as a Class Action.

132. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations of fact were material;
- Li-Cycle securities traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Li-Cycle securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

133. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

134. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as fully described above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

135. Plaintiff repeats and re-alleges each and every allegation contained in Paragraphs 1 through 134 above as if fully set forth herein.

136. This Count is asserted against Defendants based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and SEC Rule 10b-5 promulgated thereunder.

137. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Li-Cycle securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Li-Cycle's

common stock at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

138. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of SEC filings, press releases, presentations and statements made to investors in analyst calls described above, including statements made to securities analysts and the media that were designed to influence the market for Li-Cycle securities. Such reports, filings, releases and public statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Hub.

139. By virtue of their positions at Li-Cycle, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

140. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Li-Cycle, the Individual Defendants had knowledge of the details of Li-Cycle's internal affairs.

141. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Li-Cycle. As officers and/or directors of a publicly held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Li-Cycle's business, operations, financial condition and prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Li-Cycle securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Li-Cycle's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Li-Cycle securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants and were damaged thereby.

142. During the Class Period, Li-Cycle securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued, or caused to be disseminated, or relying upon the integrity of the market, purchased, or otherwise acquired shares of Li-Cycle securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Li-Cycle securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Li-Cycle securities declined sharply upon the corrective

disclosures or the materialization of the concealed risks alleged herein to the injury of Plaintiff and other Class members.

143. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder.

144. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that Defendants made false and misleading statements concerning the Hub.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

145. Plaintiff repeats and re-alleges each and every allegation contained in Paragraphs 1 through 144 as if fully set forth herein.

146. During the Class Period, the Individual Defendants participated in the operation and management of Li-Cycle, and conducted and participated, directly and indirectly, in the conduct of Li-Cycle's business affairs. Because of their senior positions, they knew or recklessly disregarded the adverse non-public information about the true cost of the Hub and the fact that it could not be commissioned in 2023. Defendants also knew or recklessly disregarded that there was a high risk that the DOE loan would be denied because of the numerous conditions precedent to funding that Defendants could not meet.

147. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information concerning the Hub, and

to correct promptly any public statements issued by Li-Cycle which had become materially false or misleading.

148. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Li-Cycle disseminated in the marketplace during the Class Period concerning the Hub and Li-Cycle's operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Li-Cycle to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Li-Cycle within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Li-Cycle securities.

149. Each of the Individual Defendants, therefore, acted as a controlling person of Li-Cycle. By reason of their senior management positions and/or being directors of Li-Cycle, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Li-Cycle to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Li-Cycle and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

150. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Li-Cycle.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant Action may be maintained as a Class Action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class Representative;

B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;

C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: March 18, 2024

Respectfully submitted,

POMERANTZ LLP

/s/ Omar Jafri

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Additional Counsel for Plaintiff

Tab I

This is Exhibit "I" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, reading "Meena Alnajar". The signature is written in black ink and is positioned above a horizontal line.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

AMENDED THIS August 26, 2024 PURSUANT TO
MODIFIÉ CE CONFORMÉMENT À

☒ RULE/LA RÈGLE 26.02 (9)

☐ THE ORDER OF
L'ORDONNANCE DU
DATED / FAIT LE

Court File No.: CV-23-00710373-00CP

Harriet A. Handberg

REGISTRAR
SUPERIOR COURT OF JUSTICE

OFFICER
BOUR SUPRÉRIEURE DE JUSTICE

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

EVAN WYSHYNSKI

Plaintiff

– and –

LI-CYCLE HOLDINGS CORP. and AJAY KOCHHAR

Defendants

Proceeding under the *Class Proceedings Act, 1992*

THIRD AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyers or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFFS' CLAIM, and \$5,000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400.00 for costs and have the costs assessed by the court.

Date Issued: November 27, 2023	Issued by: "electronically" Local Registrar
	Address of Court Office: Superior Court of Justice 330 University Avenue, 7th Floor Toronto, Ontario, M5G 1R8

TO: **MCCARTHY TÉTRAULT LLP**
TD Bank Tower
66 Wellington Street, Suite 5300
Toronto, Ontario, M5K 1E6
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H. Michael Rosenberg (LSO# 58140U)
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*Lawyers for the Defendants, Li-Cycle Holdings Corp.
and Ajay Kochhar*

DEFINED TERMS

1. In addition to the terms defined in ss. 1(1) and 138.1 of the *Securities Act*, R.S.O. 1990, c. S. 5, and elsewhere herein, the following capitalized terms used throughout this Statement of Claim have the meanings indicated below:

- (a) “**CEO**” means Chief Executive Officer;
- (b) “**CFO**” means Chief Financial Officer;
- (c) ~~“**Class (OSA Statutory)**” means all persons, other than Excluded Persons, who acquired Li-Cycle’s common shares during the Class Period and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;~~
- (d) “**Class (OBCA Statutory)**” means all Canadian beneficial owners persons, other than Excluded Persons, who acquired Li-Cycle’s common shares during the Class Period and who continue to hold some or all of those common shares until October 23, 2023, at a minimum, for certain damages and relief until the resolution of this proceeding;
- (e) “**Class (Common Law)**” means all Canadian beneficial owner entities and persons, other than Excluded Persons, who acquired Li-Cycle’s common shares and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;
- (f) “**Class Period**” means February 27, 2023 through November 10, 2023, inclusive;
- (g) “**Company**” means Li-Cycle Holdings Corp;
- (h) “**CPA**” means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended;
- (i) “**DOE**” means the U.S. Department of Energy;
- (j) “**DOE Loan**” means the conditional \$375 million loan announced on February 27, 2023, from the DOE to Li-Cycle to build-out the Rochester Hub production facility;
- (k) “**Excluded Persons**” means any of the Defendants, their executives, family members and business partners during the Class Period, and any business entities in which any family member of the Individual Defendant had a controlling interest during the Class Period;
- (l) “**Glencore**” means Glencore International AG, Glencore Ltd., Glencore plc and Glencore Canada;

- (m) **“Impugned Documents”** means the documents and statements released on February 27, March 17, March 30, May 15, and August 14, 2023;
- (n) **“Individual Defendant”** means the Defendant Kochhar, the CEO of Li-Cycle during the Class Period;
- (o) **“Kochhar”** means Ajay Kochhar, the co-founder of Li-Cycle and the CEO of Li-Cycle during the Class Period;
- (p) **“Li-Cycle”** means the Defendant Company, a Reporting and Responsible Issuer in Ontario, Canada;
- (q) **“MD&A”** means Management’s Discussion and Analysis;
- (r) **“OSA”** means the *Securities Act*, R.S.O. 1990 c. S.5, as amended;
- (s) **“OBCA”** means the Ontario Business Corporations Act, RSO 1990, c B.16, as amended;
- (t) **“Public Corrective Disclosures”** means the material facts released to the market on October 23 and November 13, 2023;
- (u) **“Rochester Hub”** means Li-Cycle’s proposed 325,000 sq. ft. facility in the Town of Greece, State of New York, allegedly able to refine up to 35,000 metric tons annually of feedstock material recovered from lithium-ion batteries or black mass concentrate using a hydrometallurgical process, which would have been refined to produce battery grade end-products, such as lithium, nickel and cobalt, for sale back into the battery manufacturing and related markets (a/k/a, “Project Forward”).

CAUSES OF ACTION

2. The causes of action asserted by the Plaintiff, on behalf of himself and the Classes in this proceeding, are:

- (a) Common law secondary market ~~negligent~~ misrepresentations;
~~If Part XXIII.1, s. 138.8 of the OSA is granted, statutory secondary market negligent misrepresentations, pursuant to Part XXIII.1, s. 138.3 of the OSA;~~
- (b) Pursuant to ss. 100, 140(2), 145, and 146 of the *OBCA* to produce a copy of adequate records and minutes of meetings of the directors relating to the DOE Loan and list of registered shareholders; and
- (c) Pursuant to s. 248 of the *OBCA*, an Order to:
 - (i) Remove the individuals that ~~were negligent in reporting the status of the DOE Loan, Rochester Hub, those that~~ had access to non-public material facts about the same status of the DOE Loan and Rochester Hub and sold Li-Cycle securities, and those that had access to non-public material facts about the same topics and negligently allowed corporate-waste;
 - (ii) Appoint an independent third-party monitor to investigate the conduct of the Individual Defendant, including the selling of securities during the Class Period and their relationship with Glencore, and the corresponding governmental investigations of Li-Cycle and the DOE that are being conducted within the United States (“an order directing an investigation”) and,
 - (iii) Requiring the Individual Defendants to compensate the Plaintiff and the members of the Class as aggrieved persons for the damages that they have done as alleged herein.

RELIEF CLAIMED

3. The Plaintiff claims on his own behalf and on behalf of the members of the Class, subject to further disclosures from Li-Cycle, 3d-parties and confidential witnesses, discovery and due diligence:

- (a) a declaration pursuant to s. 248 of the *OBCA* reflecting that the Individual Defendant's conduct alleged herein was oppressive ~~(i) because he they acted grossly negligent or intentionally in failing to disclose all the material facts relating to the DOE Loan; and (ii) status of the Rochester Hub's build-out and licensing status, within the Impugned Documents while they, directly or indirectly, sold shares of Li-Cycle into the secondary market during the Class Period while in possession of material non-public information and he with others put Li-Cycle into a financial situation whereby the DOE Loan was not received during or prior to September 2023, and put Li-Cycle into a financial position whereby it was forced to sell securities to Glencore and new investors at an advantage compared to members of the Classes that purchased shares during the Class Period;~~
- (b) a declaration pursuant to s. 248 of the *OBCA* appointing a s. 248(3)(a) third-party monitor to review and report upon all the material facts about the DOE Loan and status of the Rochester Hub that results in the publication of the Public Corrective Disclosures;
- (c) an order pursuant to s. 140(2) and/or s. 145 of the *OBCA* directing Li-Cycle to allow the Plaintiff and/or Plaintiff's counsel to examine records and minutes of meetings of the directors relating to the DOE Loan;

- (d) an order pursuant to s. 140(2) and/or s. 145 of the *OBCA* directing Li-Cycle to allow the Plaintiff and/or Plaintiff's counsel to examine records and minutes of meetings of the directors relating to the Individual Defendant selling shares during the Class Period;
- (e) an order pursuant to s. 146 of the *OBCA* directing Li-Cycle to produce a copy of the registered shareholder list to the Plaintiff;
- (f) an order pursuant to s. 5 of the *CPA* certifying this action as a class proceeding and appointing him as the representative plaintiff for the Class advancing the causes of action identified herein;
~~an order granting leave to pursue the statutory cause of action set out in Part XXIII.1 of the *OSA*;~~
- (g) a declaration that the Impugned Documents released by the Defendants contained misrepresentations related to the Company's business, operations and finances because the documents omitted material facts;
- (h) subject to common law ~~and Part XXIII.1 of the *OSA*~~, damages in a sum to be determined, or such other sum as this Court finds appropriate at the trial of the common issues or at a reference or references;
- (i) an order directing a reference or giving such other directions as may be necessary to determine issues not determined in the trial of the common issues;
- (j) prejudgment and post-judgment interest, compounded, or pursuant to ss. 128 and 129 of the *CJA*;

- (k) costs of this action on a full indemnity scale, or in an amount that provides substantial indemnity, plus, pursuant to s. 26(9) of the *CPA*, the costs of administering the plan of distribution of the recovery in this action; and
- (l) such further and other relief that this Honourable Court deems just.

NATURE OF THIS ACTION

4. Li-Cycle is a Canadian corporation and a responsible issuer under the *OSA* that is publicly traded. Li-Cycle reports itself as a leading global lithium-ion battery resource recovery company and North America's largest pure-play lithium-ion battery recycler, with a rapidly growing presence across Europe. Li-Cycle seeks to recover critical battery grade materials to create a domestic closed-loop battery supply chain for a clean energy future.

5. On February 27, 2023, Li-Cycle published a news release that it had received a conditional commitment for a \$375 million loan from the DOE, i.e., the DOE Loan, to build-out the Rochester Hub, which was represented to investors, including the Plaintiff which he relied upon, to produce lithium carbonate, MHP, nickel sulphate and cobalt sulphate. Li-Cycle negligently omitted what conditions the DOE required before Li-Cycle would receive the DOE Loan (i.e., misrepresentation number one).

6. Thereafter and until October 23, 2023, Li-Cycle reported additional bullish material facts about the DOE Loan and status of the build-out of the Rochester Hub. Li-Cycle did not report or publish any additional material facts about the conditions or the status of the DOE Loan, cost-overruns into the hundreds of millions (i.e., misrepresentation number two), or problems with engineering designs and property owners (i.e., misrepresentation number three).

7. On October 23, 2023, Li-Cycle published a news release reporting that it would halt construction of its Rochester Hub Project pending a comprehensive review. Li-Cycle expressly

blamed the decision on "escalating construction costs", which was followed by a Material Change Report. The market impact of this public corrective statement caused the price of Li-Cycle's shares to diminish from \$2.27 down to \$1.23, or a drop of 66%.

8. On November 13, 2023, Li-Cycle released its Q3 2023 financial statements and MD&A and disclosed further negative material facts about the halt of the Rochester Hub Project. The market impact of this corrective statement caused the price of Li-Cycle's shares to further diminish from \$1.56 down to \$0.89, or a drop of 42%.

9. The Plaintiff and putative Class suffered a foreseeable economic loss from the market impact of the Public Corrective Disclosures contradicting the material fact statements released within the Impugned Documents as well as being impacted by the dilution of their equity investment by Li-Cycle having to sell additional securities to fund its operations; further damaged because Li-Cycle had to adopt radical operation changes by mass lay-offs and slowing down and shutting down plants around the globe, and limit the scope of the build-out of the Rochester Hub to producing lithium carbonate and MHP, as described below.

10. The market impact of the post October 23, 2023 material fact and change disclosures have resulted in hundreds of millions of shareholder value being from \$1.23 to pennies.

THE MATERIAL FACT CONTRADICTIONS

11. The contradictions of material facts within the Impugned Documents and the Public Corrective Disclosures released by the Defendants were profound:

- (a) On **February 27, 2023**, Li-Cycle published a News Release about the DOE Loan but omitted the material fact requirements;
- (b) On **May 15, 2023**, Li-Cycle reported the following during an investor conference call:

“So, no, in short nothing major in terms of hurdles remaining to close [the DOE Loan]. We, as articulated, we're on track. Look, I mean, a lot of this is just documentation. It's really a core loan agreement, a range of ancillary agreements, closing certificates, legal opinions, as you can imagine. So that's the sort of work that's ongoing, which is really a lift on the legal side primarily;”

- (c) On **November 13, 2023**, Li-Cycle reported the following material facts:
 - (i) The Company has performed an initial analysis of options for completion of the Rochester Hub and is continuing to develop a more detailed analysis. Based on the initial analysis, the Company has determined that the revised project costs could be in the range of approximately \$850 million to approximately \$1.0 billion depending on the option selected;
 - (ii) In addition to the conditions precedent to financial close [of the DOE Loan], *the Company will need to meet additional conditions precedent prior to the first advance*, including obtaining additional financing to fund a required base equity commitment; and
 - (iii) Construction was halted because of "escalating construction costs."
- (e) The Defendants' negligent statements about when the DOE Loan would close and negligent omissions of material fact as to why the DOE Loan closure date was being continuously pushed off:
 - (i) On March 30, 2023, Li-Cycle reported during an investor conference call that the DOE Loan was a result of "extensive technical market, financial and legal diligence... favourable with a term of up to 12 years and interest based on a 10-year US treasury rate... We expect to close this transaction in Q2 2023 subject to customary closing conditions... "we expect the \$375 million financing commitment by the DOE to close in the second quarter [2023];"

- (ii) On May 15, 2023, Li-Cycle reported during an investor conference call that it was on track to close the DOE Loan by mid-2023, it was just a “legal side primary” and “work around the legal documentation”;
- (iii) On August 14, 2023, Li-Cycle reported during an investor conference call that it was on track to close the DOE Loan in September 2023, e.g., “in the final stages of completing our process... we are working closely with the DOE LPO team for a targeted close of \$375 million loan this September;”
- (iv) On August 18, 2023, Li-Cycle released a core document on EDGAR reporting that it expected the DOE Loan to close in September 2023;
- (v) On November 13, 2023, Li-Cycle reported during an investor conference call that:

We were delayed from our initial target close from the end of June to September 2023. Also at September 30, 2023, the company had contributed approximately \$92 million for the construction of process buildings and a warehouse for the Rochester Hub (and omitted to disclose that the owner the buildings was unable to obtain financing to make the necessary improvements);

We anticipate needing additional funding in addition to the DOE loan before restarting the Rochester Hub project... work closely with the DOE to satisfy conditions precedent to financial close for growth proceeds of \$375 million, as it undertakes its comprehensive review of the go-forward strategy of the Rochester Hub... the company will need to meet additional conditions precedent prior to the first advance, including obtaining additional financing to fund the required space equity commitment before restarting the Rochester Hub project;

... we can't comment specifically on individual contractors or just say that we're working closely with all stakeholders as part of this review process; and

... The DOE has always had a based equity commitment, and it's actually, I believe, a programmatic feature for them... you have to put in a certain amount of equity first, then followed by the debt coming in... As you can imagine if the capital cost is different, then the project size is bigger. And with an existing commitment remaining at \$375 million, there's additional funding needed.

- (vi) On December 14, 2023, it was reported that the DOE was still working with Li-Cycle to close the DOE Loan but there were “conditions precedent ahead of a loan closing, which can include legal, technical, commercial, contractual, and financial requirements”; and
- (vii) During December 2023, the U.S. Congress/Senate opened an investigation on the DOE Loan as being improper.

THE PLAINTIFF

12. Evan Wyshynski is an investor who resides in Saskatoon, SK, Canada. On August 22, and September 28, 2023, he purchased 3,682 shares of Li-Cycle and suffered a loss by holding those securities until after both Public Corrective Disclosures on October 23 and November 13, 2023. ~~As of the filing of this amendment he still owns these shares.~~

13. Upon further reliance upon the Defendants’ October 23, 2023 disclosures as containing all the material facts, Mr. Wyshynski purchased an additional 4,000 shares to lower his average cost of his investment, but suffered another financial loss by holding all 7,682 shares of Li-Cycle after the second Public Corrective Disclosure released on November 13, 2023.

14. The Plaintiff:

(a) Has disclosed a cause of action for common law negligent misrepresentations seeking damages for (i) purchasing shares at artificially high prices during Class Period A; and (ii) purchasing shares at any time and holding them after the date that the Defendants’ released statements that artificially inflated the price of Li-Cycle’s shares;

(b) In good-faith believes that there are more than several similarly situated investors like him, i.e., that purchased Li-Cycle’s shares at artificially high prices and/or held said shares during a period prior to the release of the Public Corrective Disclosures but were not informed by Li-Cycle of all the material facts relating to the DOE Loan and suffered an economic injury;

(c) In good-faith believes that he shares the same common issues as other similarly situated investors;

(d) In good-faith believes that a class proceeding would be the preferable procedure for the resolution of the common issues, and specifically, for the Canadian, causes of action advanced herein especially when Li-Cycle was formed under the Ontario

Business Corporations Act and located in Ontario and markets itself to investors as being an Ontario responsible issuer; and

(e) In good-faith retained Class Counsel who are experienced in Canadian and U.S. shareholder class action litigation that can adequately represent him and the putative members of the Classes, can produce the same type of Litigation Plan in other similar shareholder class actions; and does not believe that there are any conflicts of interest with the putative members of the Classes.

THE DEFENDANTS

Li-Cycle Holdings Corp.

15. Li-Cycle is a company incorporated pursuant to Canada's *Business Corporations Act*, which maintained its headquarters in Toronto, Ontario. Li-Cycle conducts business across North America and Europe. Li-Cycle is a reporting issuer for purposes of Ontario securities laws and subject to the continuous disclosure requirements of the *OSA* and ~~Part XXIII.1~~.

16. Li-Cycle's common shares, which have a CUSIP identifier number of 50202P, were listed under the ticker symbol "LICY" on the NYSE. In its 2022 Annual Report, Li-Cycle reported that it had 176,254,266 shares issued and outstanding as of January 31, 2023.

Ajay Kochhar

17. Kochhar was the co-founder of Li-Cycle and served as the CEO of Li-Cycle at all relevant times. In this position he did or should have had access to all material fact information about the status of the DOE Loan and Rochester Hub Project. He signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact when in fact they did.

18. During the Class Period, Kochhar, direct and indirectly through a Delaware limited liability company, sold millions of shares of Li-Cycle for proceeds greater than \$5 million.

THE TOTAL MIX OF INFORMATION

19. On **December 14, 2021**, Li-Cycle announced that it was going to proceed with the construction of the Rochester Hub and that it would cost approximately \$485 million (+/- 15%).

20. On **January 31, 2022**, Li-Cycle updated the total mix of information to the market about the cost of the Rochester Hub project and *announced that it was fully funded for the \$485 million (+/- 15%) project but would seek lines of credit from government related institutions*. Li-Cycle further reported that it engaged Hatch Ltd. as its engineering, procurement and construction management contractor for the project and was in the process of selecting its general contractor. Li-Cycle announced that procurement had commenced on long-lead items and that it had obtained firm-price competitive quotes for 80% of the required equipment for the Rochester Hub.

21. On **February 27, 2023**, the DOE announced that it provided a "conditional commitment" for a \$375 million loan to Li-Cycle for its to-be-built Rochester Hub electric vehicle battery recovery facility. Importantly, the DOE Loan required Li-Cycle to satisfy certain conditions, *but those material-fact conditions were negligently omitted from this Impugned Document as well as every other Impugned Document*.

22. On **February 27, 2023**, Li-Cycle published a News Release about this conditional \$375 million loan *but negligently omitted* (a) what those DOE Loan conditions were; and (b) that the Rochester Hub project was no longer fully funded.

23. On **March 17, 2023**, Li-Cycle published its 2022 Annual Report and therein reported, in relevant part, that:

- (a) The Rochester Hub was being built-out and Li-Cycle would commence commissioning in late 2023; and
 - (b) The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and was expected to initiate commissioning in stages in late calendar 2023; but
negligently omitted
 - (i) what those DOE Loan conditions were; and
 - (ii) that the Rochester Hub project was no longer fully funded.
24. On **March 30, 2023**, Li-Cycle published its 2022 Annual MD&A and Annual Information Form and therein reported, in relevant part, that:
- (a) The Rochester Hub was being built-out and Li-Cycle would commence commissioning in late 2023;
 - (b) Li-Cycle had made significant progress on the construction and development of the Rochester Hub to date, with a life to date spending \$123.1 million as at December 31, 2022, which included the achievement of key engineering, permitting, procurement and construction milestones, and was on track to initiate commissioning in stages in late 2023;
 - (c) Li-Cycle estimated that the Rochester Hub would require a total capital investment of approximately \$486 million (+/-15%) based on a definitive feasibility study. Costs for the Rochester Hub were trending towards the higher end of the budgeted range, with spend to date of \$123.1 million at December 31, 2022;

- (d) After the Rochester Hub becomes operational and Li-Cycle starts processing black mass internally, Li-Cycle expected to recognize revenue from the sale of end products, including nickel sulphate, cobalt sulphate and lithium carbonate;
- (e) Li-Cycle expected that it would invest \$35 to \$45 million towards its Spoke expansion plans in 2023 and that it would invest \$250 million to \$300 million towards the Rochester Hub project in 2023; and
- (f) The Company expected to close the DOE Loan transaction in Q2 2023, subject to the completion of long form agreements and certain conditions being satisfied prior to closing. The DOE Loan would build further balance sheet strength and liquidity in support of future growth for the Company; but *negligently omitted*
 - (i) what those DOE Loan conditions were; and
 - (ii) that the Rochester Hub project was not fully funded with the DOE Loan.

25. Li-Cycle's CEO (Defendant Kochhar) and CFO provided certifications that the 2022 Annual MD&A and Annual Information Form, a core document, together with all of its incorporated documents, constituted full, true, and plain disclosure of all the material facts relating to the DOE Loan and the status and costs of the Rochester Hub; which said certifications became an integral part of the total mix of information about the Company's business, capital, finances, and the Rochester Hub build-out project.

26. On **March 30, 2023**, Li-Cycle also published a PowerPoint presentation and therein reported that the cost of the Rochester Hub project increased from \$485 million to \$560 million but still "remains on track to initiate commissioning in late 2023." Li-Cycle also affirmed that it expected the DOE Loan to close during Q2 2023 (i.e., prior to July 2023).

27. On May 15, 2023, Li-Cycle released its 1Q 2023 financial statements and MD&A, supplementing the total mix of information about the DOE Loan and Rochester Hub:

- (a) Li-Cycle intended to meet its currently anticipated capital requirements through cash on hand, cash flow from operations, the DOE Loan (expected to close in Q2 2023), and additional ongoing fund-raising activities. Li-Cycle had no material debt maturities until September 29, 2026. As at March 31, 2023, the Company had \$409.2 million of cash and cash equivalents on hand and convertible debt of \$282.3 million;
- (b) Li-Cycle's CEO (Defendant Kochhar) and CFO provided certifications that these core documents, together with all of their incorporated documents, constituted full, true, and plain disclosure of all the material facts relating to the DOE Loan and the status and costs of the Rochester Hub; said certifications became an integral part of the total mix of information about the Company's business, capital, finances, and the Rochester Hub build-out project; and
- (c) Li-Cycle would invest \$250 million to \$300 million towards the build-out of the Rochester Hub project during 2023; but
- (d) *Negligently omitted:*
 - (i) what those DOE Loan conditions were; and
 - (ii) that the Rochester Hub project was not fully funded with the DOE Loan.

28. These core documents were released halfway during Q2 2023; and, as such, Li-Cycle created the total mix of information in the market concerning the DOE Loan, indicating that it was on schedule and that it would close within 6-weeks.

29. Li-Cycle's CEO and CFO provided certifications that these core documents, together with all of their incorporated documents, constituted full, true, and plain disclosure of all the material facts relating to the DOE Loan and the status and costs of the Rochester Hub; said certifications became an integral part of the total mix of information about the Company's business, capital, finances, and Rochester Hub build-out project.

30. On May 15, 2023, the Defendant also hosted an investor conference call and its officers reported to the market (a non-core document):

"We invested \$86 million to fund our network growth focused on the Rochester Hub, ending the period with \$409 million of cash on hand. With a conditional loan of \$375 million from the Department of Energy, our current pro-forma cash balance would be in excess of \$780 million."

"In terms of additional approvals, we have no additional approvals that are required, it's simply a matter of now completing the project and starting it up. As we get closer to the timing for startup, we will come back to you with a more detailed plan around commissioning and ramp-up. We just want to make sure that we are at the right level of definition when we do that. So, more to come on that one, Brian. I know it's important to you, but everything is looking good at this point."

Question from Cowen & Co:

"On the DOE side, I was wondering what the remaining milestones and conditions are to hit. I think you originally were targeting 2Q for that loan and now I think the verbiage now says mid 2023. Not a big change, but I'm just curious if you could walk us through if there is any delay there and then what the remaining milestones are would be helpful."

Li-Cycle's answer,

"So, no, in short nothing major in terms of hurdles remaining to close [the DOE Loan]. We, as articulated, we're on track. Look, I mean, a lot of this is just documentation. It's really a core loan agreement, a range of ancillary agreements, closing certificates, legal opinions, as you can imagine. So that's the sort of work that's ongoing, which is really a lift on the legal side primarily.

One nuance there is around conditions and just broadly speaking about the DOE Loan Programs Office, sometimes for some companies, they do have, for example, conditions on permits to close. In Li-Cycle's case, we have our key operational permits for the Rochester Hub. So that is not a condition for us, but

sometimes there's externalities that affect closing timing, it's really just doing the work around the legal documentation." (Emphasis added)

31. For the remainder of the second quarter 2023 and to August 14, 2023, Li-Cycle negligently omitted to inform the market about why the DOE Loan had not closed.

32. On **August 14, 2023**, Li-Cycle released its 2Q 2023 financial statements and MD&A; therein it supplemented the total mix of information about the DOE Loan:

- (a) The Rochester Hub is on track to commence commissioning in stages in late 2023. The Rochester Hub will produce battery grade lithium carbonate, among other battery grade materials, from the Company's BM&E feedstock and the sale of these finished products is expected to unlock the additional metal value contained within the Company's BM&E;
- (b) The DOE Loan, which is to be used for the development of the Rochester Hub, would have a term of up to 12 years from financial close, and interest on the loan would be the 10-year U.S. Treasury rates from the date of each advance under the loan. The Company expects to close the DOE loan in September 2023. The DOE Loan would build further balance sheet strength and liquidity in support of future growth for the Company; and
- (c) It had made significant progress on the construction and development of the Rochester Hub to date, with life to date spending at \$227.0 million as at June 30, 2023, which includes the achievement of key engineering, permitting, procurement and construction milestones and is on track to initiate commissioning in stages in late 2023; but
negligently omitted
 - (i) what those DOE Loan conditions were;

- (ii) that the Rochester Hub project was not fully funded with the DOE Loan;
- (iii) the engineering and procurement of vendors was not complete (as it reported to the State of New York in September but in contradiction to what it reported to the market in May); and,
- (iv) it was recognizing cost overruns greater than 15% and that unless the DOE Loan amount was increased it would halt the Rochester Hub project.

33. Li-Cycle's CEO and CFO provided certifications that this core document, together with all the incorporated documents, constituted full, true, and plain disclosure of all the material facts relating to the DOE Loan and the status and costs of the Rochester Hub; said certifications became an integral part of the total mix of information about the Company's business, capital, finances, and Rochester Hub build-out project.

34. On August 14, 2023, the Defendant also hosted an investor conference call and its officers reported to the market (non-core documents):

"The aerial view of the Rochester Hub that you see here was taken at the end of April and reflects the significant progress that our team has made in just two months' time. All aspects of construction are moving in parallel and in line with our expectations which demonstrates the strength and expertise of our team.

Turning to slide 8 for further details on construction progress. First, as we've consistently shared, the Hub is on track to commence commissioning in late 2023 and is currently tracking at the high end of the previously disclosed construction cost range. Early on, a key aspect of our construction strategy was to accelerate the procurement of long lead equipment and construction materials, such that they would arrive on-site well ahead of when they were anticipated to be needed.

Strategically, this has proven to be a significant advantage, both in terms of our ability to maintain our project schedule and our ability to remain within budget, particularly in light of the challenging inflationary and supply chain environment.

At our Rochester Hub in North America, we significantly advanced construction with continued expectation of the start of commissioning in late 2023.

Importantly, and to put it into context, once the Rochester and Portovesme Hubs are in full operation, these facilities will have a total lithium carbonate production capacity of up to 25,000 tonnes per year. With this first-mover advantage, Li-Cycle is uniquely positioned to become a leading global and sustainable producer of lithium carbonate and other key battery-grade materials.

We are thrilled to share an updated aerial view of the Rochester Hub. This image illustrates a significant construction progress that has been made since our first quarter call in May. Our continued execution on the Rochester Hub project is a testament to the talent, expertise and commitment of the Li-Cycle team.

With detailed engineering and procurement activities near complete, our main near-term priority is the continued ramping up of the construction labor to support the remaining inflation activities. As we stated on prior calls, we are focused on actively managing the construction labor in order to continue to execute relative to the construction budget of \$560 million. With expected annual production of 7,500 to 8,500 tonnes of lithium carbonate, 42,000 to 48,000 tonnes of nickel sulphate, and 6,500 to 7,500 tonnes of cobalt sulphate, the Rochester Hub will be a leading source of battery-grade materials in North America.

An update on our cash flow and a review of the strength of our balance sheet. During this second quarter, we invested \$78 million in our network growth focused on the Rochester Hub, ending the period with nearly \$290 million of cash on hand. Adding the loan commitment of \$375 million from the Department of Energy will take our current pro forma cash balance to more than \$650 million. To reiterate, we are looking to optimize their future black mass production to meet feedstock needs for the start-up of our Rochester Hub, unlocking future value of lithium carbonate and other battery-grade materials. As a result, we intend to start building black mass inventory in the second half of 2023. Regarding capital investment, we expect to allocate a total of \$285 million to \$345 million for the development of the Spoke & Hub network. Due to the timing on construction of the Rochester Hub, this will be more heavily weighted to the second half of 2023. And finally, we are working closely with the DOE LPO team for a targeted close of \$375 million loan this September.

We remain focused on continued optimization of our Spoke & Hub strategy, prudently aligning with commercial demand. We remain focused on continued execution, completing the Rochester Hub with commissioning commencing late 2023, growing our global Spoke & Hub network, specifically exploring a new spoke site in Hungary and progressing the Portovesme Hub, setting us up to be a leading global and sustainable lithium carbonate producer with a capacity of up to 25,000 tonnes per year; expanding and diversifying commercial relationships with key global battery supply chain participants, such as with EVE Energy; and increasing financial flexibility for our network growth plans with the DOE loan expected to close this September.”

(Emphasis added; and noting that Li-Cycle omitted the material facts as to why the DOE Loan had not closed during 2Q 2023 as previously reported to the market).

35. Li-Cycle also published an investor presentation affirming that:

- (a) the DOE Loan was anticipated to close in September 2023 with commissioning to commence during late 2023;
- (b) Li-Cycle was actively managing the construction labor within the budget of \$560 million;
- (c) the long-lead equipment and bulk materials were largely procured; and
- (d) the DOE Loan would fund the cost of the Rochester Hub project, but now disclosed that the DOE Loan would be subject to additional conditions precedent to loan distributions but negligently omitted these additional conditions, and that it was having material problems with its contactors and landlord (e.g., which evolved into litigation after the Class Period).

36. On September 27, 2023, Li-Cycle's President and Chief Executive Officer, Ajay Kochar, spoke at the largely followed Deploy23 event affirming that Rochester Hub project was track, also in part because the location already had access to capital efficiency and return on capital; enjoying a close relationship with Unions and local colleges; but while discussing the Rochester Hub project and the DOE Loan, Mr. Kochar negligently omitted that Li-Cycle was weeks away from shutting down the Rochester ~~est~~ Hub project and that the DOE Loan was not even close to being closed as reported only a month earlier.

THE PUBLIC CORRECTIVE DISCLOSURES

37. On October 23, 2023, Li-Cycle released a statement that it would halt construction of its Rochester Hub Project pending a comprehensive review. Li-Cycle blamed the decision to halt construction simply on "escalating construction costs." However, Li-Cycle negligently

omitted to disclose all the material facts about the conditions to receive the DOE Loan, ongoing engineering issues, the dispute-problems with the real estate, or how the anticipated costs to complete the Rochester Hub project were 50% to 90% greater than disclosed in August 2023.

38. The market impact of this negative material fact news was harsh and immediate, sending Li-Cycle's share price from \$2.27 to \$1.23 with over 271 million shares trading.

39. On November 13, 2023, Li-Cycle released its 3Q 2023 financial results and MD&A stating the following:

"At September 30, 2023, the Company had contributed \$92.2 million for the construction of process buildings and warehouse for the Rochester Hub. The Company was previously anticipating a refund of a substantial portion of this contribution upon completion of a landlord funding agreement and was expecting to enter into leasing arrangements for the buildings. The contribution of \$92.2 million was incremental to the Hub Project budget of \$560 million. The Company experienced challenges in closing these anticipated arrangements due to complexities in bringing them together with the planned DOE Loan. The Company has subsequently decided not to pursue the building leasing arrangements and no longer anticipates the contributed amounts to be refunded.

The Company has performed initial analysis of options for completion of the Rochester Hub and is continuing to develop more detailed analysis. Based on the initial analysis, the Company has determined that the revised project costs could be in the range of approximately \$850.0 million to approximately \$1.0 billion depending on the option selected. This range includes the cost of the process buildings and warehouse for the Rochester Hub of approximately \$140 million. This total project range is based solely upon that initial analysis, is subject to a number of assumptions and is likely to change as the Company continues to complete its comprehensive review work and determine which options to pursue accordingly. The Company will require additional funding to the DOE Loan before restarting the Rochester Hub project.

The Company is actively engaged and continues to work closely with the DOE to satisfy conditions precedent for financial close for the loan for gross proceeds of \$375 million as it undertakes its comprehensive review of the go-forward strategy for the Rochester Hub. In addition to the conditions precedent to financial close [of the DOE Loan], the Company will need to meet additional conditions precedent prior to the first advance, including obtaining additional financing to fund a required base equity commitment. Net proceeds from the loan will reflect customary deductions such as capitalized interest and other items. There can be no assurances that this review process will not affect the expected timing, terms and closing of the DOE Loan. (Emphasis added).

40. The market impact of this negative material fact news was harsh and immediate, sending Li-Cycle's share price from \$1.56 to \$0.89 per share; numerous down-grades from investment bank analysts followed shortly thereafter.

41. The direct and foreseeable impact of this negative material fact news had the reasonable foreseeable results of: (a) reduced value of the equity securities; (b) requiring Li-Cycle to raise additional capital resulting in further dilution of historical investors' investment; and (c) having to materially adjust capital allocations resulting (i) in mass lay-offs, (ii) not paying vendors resulting additional litigation, (iii) diluting equity and further exposing investors re-capitalization; (iv) shutting down various operations, and (most recently) (v) limit the scope of the Rochester Hub's productions (assuming that it ever gets fully operational).

POST OCTOBER 23, 2023 MISREPRESENTATIONS

42. As reflected by Li-Cycle's communications as reflected in records released in court-filings, on SEDAR, EDGAR, and exchanged with DOE and Glencore, the Defendants downplayed the seriousness of the October 23, 2023 news release; and a few examples include:

(a) Omitting to disclose the what the pre-October 23, 2023 requirements-conditions to obtain the DOE Loan;

(b) Omitting to disclose the new requirements-conditions to obtain the DOE Loan;

(c) The projected costs associated with the Rochester Hub were not independent but, rather, "internal technical review," where as independent sources believe the costs are materially greater which would explain why Glencore continued to invest at favourable terms; and

(d) The material facts as to why KPMG refused to continue as the Company's auditor.

COMMON LAW

43. The Individual Defendant owed a duty of care to the Class Members based upon a special relationship by certifying certain of the Impugned Documents that said documents did not contain misrepresentations to the members of the Class and be seeking members of the Classes' vote as a director of Li-Cycle; as we all as inviting members of the Classes to cast their votes in 2023 and 2024 proxies.

44. The Plaintiff relied upon the material fact statements within the Impugned Documents and and in other related non-core documents/statements found at BNN Bloomberg in making a decision to purchase Li-Cycle's securities and to hold all of those securities until the release of the Public Corrective Disclosures.

45. The Plaintiff's reliance is reflected by the act of purchasing the Defendant's securities in an open-market opposed to an off-exchange transaction or dark-pool.

46. It was also reasonable for members of the Class to rely upon the Defendant's core documents in make a decision to invest in Li-Cycle; as reflected by the act of purchasing Li-Cycle's securities for an investment that the price or value of Li-Cycle's securities would go up in price or value.

47. The Impugned Documents contain misrepresentations of material fact; which has evolved into subsequently released material change reports published on SEDAR, e.g., slow down all operations and close the Ontario, Canada operation as well as delusion of equity.

48. The Defendants, i.e., Li-Cycle through its directors and officers, breached the applicable standard of care as set out above by either negligently monitoring the DOE Loan and status of the Rochester Hub; or having the accurate material facts but negligently reported the material facts within the Impugned Documents and statements:

(a) Commencing February 27, 2023, and continuing to the date of this Pleading, omitted to disclose the terms and conditions of the DOE Loan commencing; and

(b) Commencing some point during the Class Period and publicly corrected on October 23, 2023, to be determined during discovery, negligently reported the status and the “escalating construction costs” of the build-out of the Rochester Hub was within budget.

49. The Plaintiff and members of the Class suffered a direct and foreseeable economic injury by purchasing Li-Cycle’s securities at a time when the investment price and value was artificially inflated and holding all or some of the artificially priced securities until after Li-Cycle released the Public Corrective Disclosures; as well as holding Li-Cycle’s securities during a period when there was materially greater investment risks not disclosed to him and members of the Class.

ONTARIO BUSINESS CORPORATIONS ACT

50. Under the OBCA, Li-Cycle is a corporation with share capital incorporated by or under the Province of Ontario.

51. Under the OBCA, the Individual Defendant was Influential Persons and Directors or Officers of Li-Cycle.

52. Under the OBCA, the Individual Defendant owed a duty of care to Li-Cycle, to ensure Li-Cycle’s continuous disclosure documents contained ~~all the material facts about the DOE Loan, status of the Rochester Hub Project, and transparency about insider sales.~~

53. The Individual Defendant’s conduct and omissions breached the reasonable expectations of the Plaintiff and members of the Class for the reasons alleged herein.

54. The Individual Defendant's conduct resulted in the direct and foreseeable result of corporate waste, destruction of goodwill as reflected by: third-party research reports and the corresponding drop in share price, their selling shares to members of the Class during the Class Period, and requiring Li-Cycle to sell further securities to Glencore (along with all the corresponding dilution and capital structure risks).

55. Li-Cycle should be required to produce a copy of the Shareholder List, as defined by s. 100 of the OBA, to the Plaintiff to review the circumstances and seek the members of the Class, which own greater than 5% of Li-Cycle's equity, to remove any and all Directors of Li-Cycle that were responsible for the alleged wrongful conduct.

ONTARIO SECURITIES ACT

56. Under the guidelines of the OSA, Li-Cycle is a responsible issuer and subject to the continuous disclosure requirements.

57. Under the guidelines of the OSA, the Individual Defendant, and Glencore, were was ~~an~~ Influential Persons and Directors and an Officer of Li-Cycle.

Subject to disclosures or discovery, the Plaintiff may invoke s. 138.7(2) of the OSA.

REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

58. The Plaintiff pleads that this action has a real and substantial connection with Ontario and for the application of Ontario substantive and procedural laws on behalf of all Class Members for the following non-exhaustive reasons:

- (a) Li-Cycle is a reporting issuer in Ontario, created pursuant to the Ontario *Business Corporations Act*, and is headquartered at 207 Queens Quay, in the city of Toronto, Ontario;
- (b) The Plaintiff and members of the putative Classes are located in Ontario;
- (c) Li-Cycle warns global investors that they may need to litigate claims in Ontario, Ontario;

- (d) Li-Cycle's auditor is located in Toronto, Ontario;
- (e) Li-Cycle's counsel is located in Ontario and reported to the U.S. Securities and Exchange Commission that Li-Cycle is a corporation amalgamated under the Ontario *Business Corporations Act*;
- (f) Li-Cycle reported in a 2023 preliminary prospectus that investors may need to go to Ontario enforce judgments and, excluding causes of action under the U.S. Securities and Exchange Act, the only permissible jurisdiction is Ontario, Canada;
- (g) Likely, the relevant directors and officers' insurance policy to finance the defense of this litigation is based in Ontario;
- (h) The causes of action advanced herein could not be advanced in any known jurisdiction, globally; and
- (i) At a minimum, approximately 20% of Li-Cycle's equity during the Class Period was beneficially owned by residents of Canada.

RELEVANT LEGISLATION, PLACE OF TRIAL AND JURY TRIAL

- 59. The Plaintiff pleads and relies upon the *CJA*, the *CPA*, *OBCA*, the *OSA*.
- 60. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.
- 61. The Plaintiff may serve a jury notice.

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EVAN WYSHYNSKI
Plaintiff

and

LI-CYCLE HOLDINGS CORP. et al
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT TORONTO

THIRD AMENDED STATEMENT OF CLAIM

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Lawyers for the Plaintiff

Tab J

This is Exhibit "J" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF MONROE**

CARLOS NIEVES, Derivatively On Behalf Of
LI-CYCLE HOLDINGS CORP.,

Plaintiff,

vs.

TIM JOHNSTON, SUSAN ALBAN,
JACQUELINE DEDO, DIANE PEARSE,
SCOTT PROCHAZKA, KUNAL SINHA,
ANTHONY TSE, MARK WELLINGS, AJAY
KOCHHAR, DEBBIE SIMPSON, RICK
FINDLAY, and ALAN LEVANDE,

Defendants,

-and-

LI-CYCLE HOLDINGS CORP.,

Nominal Defendant.

Index No.: _____

Plaintiff designates
New York County
as the place of trial

The basis of venue is
Residence of Defendants

SUMMONS

To the above named Defendants

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's Attorneys within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
December 04, 2023

GAINEY McKENNA & EGGLESTON

By: /s/ Gregory M. Egleston
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Li-Cycle Holdings Corp.,
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Rochester, NY 14615

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF MONROE**

CARLOS NIEVES, Derivatively On Behalf Of
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Plaintiff,

vs.

TIM JOHNSTON, SUSAN ALBAN,
JACQUELINE DEDO, DIANE PEARSE,
SCOTT PROCHAZKA, KUNAL SINHA,
ANTHONY TSE, MARK WELLINGS, AJAY
KOCHHAR, DEBBIE SIMPSON, RICK
FINDLAY, and ALAN LEVANDE,

Defendants,

-and-

LI-CYCLE HOLDINGS CORP.,

Nominal Defendant.

Case No.:

**VERIFIED SHAREHOLDER
DERIVATIVE COMPLAINT**

JURY DEMANDED

Plaintiff Carlos Nieves (“Plaintiff”), by and through his undersigned counsel, derivatively on behalf of Nominal Defendant Li-Cycle Holdings Corp. (“Li-Cycle” or the “Company”), submits this Verified Shareholder Derivative Complaint (the “Complaint”). Plaintiff’s allegations are based upon his personal knowledge as to himself and his own acts, and upon information and belief, developed from the investigation and analysis by Plaintiff’s counsel, including a review of publicly available information, including filings by Li-Cycle with the U.S. Securities and Exchange Commission (“SEC”), press releases, news reports, analyst reports, investor conference transcripts, publicly available filings in lawsuits, and matters of public record. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable

opportunity for discovery.

NATURE OF THE ACTION

1. This is a shareholder derivative action that seeks to remedy wrongdoing committed by Li-Cycle directors and officers from June 14, 2022 and October 23, 2023 (the “Relevant Period”).

2. Li-Cycle is a battery resource recovery company and purports to be “an industry leader in lithium-ion battery resource recovery and the leading lithium-ion battery recycler in North America.” According to its website, Li-Cycle has “four operational Spoke recycling facilities in North America” and plans to open its Rochester Hub which is “expected to be the first commercial hydrometallurgical battery resource recovery facility and the first source of recycled battery-grade lithium carbonate production in North America.”

3. On October 23, 2023, before the market opened, Li-Cycle announced that it would halt construction work on its Rochester Hub project pending a comprehensive review of the project including construction strategy, even though “engineering and procurement for the project are largely complete.” The Company also disclosed it had “recently experienced escalating construction costs” and now “expects the aggregate cost for the current scope of the project to exceed its previously disclosed guidance.”

4. On this news, Li-Cycle shares declined by \$1.04, or approximately 45.81%, to close at \$1.23 per share on October 23, 2023, on unusually heavy trading volume.

5. Throughout the Relevant Period, the Individual Defendants (defined below) made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, the Individual Defendants failed to disclose to investors: (i) that the Company’s Rochester Hub was allegedly experiencing

escalating construction costs; (ii) that these alleged “escalating construction costs” exceeded the expected aggregate cost of the project; (iii) that, as a result, the Company allegedly would be forced to temporarily halt construction and reevaluate the construction strategy for the Rochester Hub; and (iv) that, as a result of the foregoing, the Individual Defendants’ alleged positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of the wrongful acts and omissions, the Company suffered significant damage.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the claims asserted herein because the amount in controversy exceeds the sum of \$25,000, exclusive of interest and costs.

8. Venue is proper in this Court because the Company, the true plaintiff to this derivative action, has its principal place of business in this County, located at 55 McLaughlin Rd, Rochester, NY 14615. Defendant Sinha is also a citizen of New York.

9. Venue is also proper in this Court because a substantial portion of the transactions and wrongs complained of herein occurred in this County, and Defendants have received substantial compensation in this County by doing business here and engaging in numerous activities that had an effect in this County.

PARTIES

Plaintiff

10. *Plaintiff Carlos Nieves* (“Plaintiff”) acquired the Company securities on September 28, 2021 and will continue to hold Li-Cycle shares throughout the pendency of this action. Plaintiff will fairly and adequately represent the interests of the shareholders in enforcing

the rights of the corporation.

Nominal Defendant

11. *Nominal Defendant Li-Cycle* is corporation with a substantial presence and operations in the U.S. and with its North American head office and a separate “Spoke” both located in Rochester, New York. Li-Cycle’s common stock trades on the New York Stock Exchange (“NYSE”) under the symbol “LICY.”

Director Defendants

12. *Defendant Tim Johnston* (“Johnston”) is the Company’s co-founder and has also been the Company’s Executive Chairman since the Company’s business combination with Peridot Acquisition Corp. in August 2021.

13. *Defendant Susan Alban* (“Alban”) has been a Company director since April 2023. Defendant Alban is a member of the Company’s Compensation Committee and Health, Safety, Environment & Sustainability (“HSE&S”) Committee.

14. *Defendant Jacqueline Dedo* (“Dedo”) has been a Company director since August 2022. Defendant Dedo is the Chair of the Company’s Compensation Committee and serves as a member of the Audit Committee and Nomination and Corporate Governance (“N&G”) Committee.

15. *Defendant Diane Pearse* (“Pearse”) has been a Company director since April 2023. Defendant Pearse is a member of the Company’s Audit Committee and HSE&S Committee.

16. *Defendant Scott Prochazka* (“Prochazka”) has been a Company director since at least the business combination in August 2021. Defendant Prochazka is the Chair of the Company’s Audit Committee and a member of the Compensation Committee and N&G Committee.

17. ***Defendant Anthony Tse*** (“Tse”) has been a Company director since 2019. Defendant Tse is also the Chair of the Company’s HSE&S Committee.

18. ***Defendant Mark Wellings*** (“Wellings”) has been a Company director since at least the business combination in August 2021. Defendant Wellings is also the Chair of the Company’s N&G Committee and a member of the Audit Committee and Compensation Committee.

19. ***Defendant Kunal Sinha*** (“Sinha”) has been a Company director since June 2022. Defendant Sinha is also a member of the Company’s HSE&S Committee. Upon information and belief, Defendant Sinha is a citizen of New York.

Officer Defendants

20. ***Defendant Ajay Kochhar*** (“Kochhar”) is, and was at all relevant times, the Company’s President, Chief Executive Officer (“CEO”), co-founder, and director. Defendant Kocchar is also a named defendant in the Securities Class Action (defined below).

21. ***Defendant Debbie Simpson*** (“Simpson”) is, and was at all relevant times, the Company’s Chief Financial Officer (“CFO”), having joined the Company in February 2022. Defendant Simpon is also a named defendant in the Securities Class Action.

Former Director Defendants

22. ***Defendant Rick Findlay*** (“Findlay”) was a Company director from 2017 until his retirement from the Board in March 2023.

23. ***Defendant Alan Levande*** (“Levande”) was a Company director from the Company’s business combination in August 2021 until his retirement from the Board in March 2023.

24. The above-named defendants at ¶¶ 12–19 are referred to hereinafter as the “Director Defendants.”

25. The above-named defendants at ¶¶ 20–21 are referred to hereinafter as the “Officer Defendants.”

26. The above-named defendants at ¶¶ 22–23 are referred to hereinafter as the “Former Director Defendants.”

27. The above-named defendants at ¶¶ 12–23 are referred to hereinafter as the “Individual Defendants.”

DUTIES OF THE INDIVIDUAL DEFENDANTS

28. By reason of their positions as officers, directors, and/or fiduciaries of Li-Cycle and because of their ability to control the business and corporate affairs of Li-Cycle, the Individual Defendants owed the Company and its shareholders the fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage the Company in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of the Company and its shareholders.

29. Each director and officer of the Company owes to the Company and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the affairs of the Company and in the use and preservation of its property and assets, as well as the highest obligations of fair dealing. In addition, as officers and/or directors of a publicly held company, the Individual Defendants had a duty to promptly disseminate accurate and truthful information regarding the Company’s operations, finances, financial condition, and present and future business prospects so that the market price of the Company’s stock would be based on truthful and accurate information.

30. The Individual Defendants, because of their positions of control and authority as directors and/or officers of the Company, were able to and did, directly and/or indirectly, exercise

control over the wrongful acts complained of herein, as well as the contents of the various public statements issued by the Company. Because of their advisory, executive, managerial and directorial positions with the Company, each of the Defendants had access to adverse non-public information about the financial condition, operations, sales and marketing practices, and improper representations of the Company.

31. To discharge their duties, the officers and directors of the Company were required to exercise reasonable and prudent supervision over the management, policies, practices, and controls of the financial affairs of the Company. By virtue of such duties, the officers and directors of the Company were required to, among other things:

(a) Ensure that the Company complied with its legal obligations and requirements, including acting only within the scope of its legal authority and disseminating truthful and accurate statements to the SEC and the investing public;

(b) Conduct the affairs of the Company in an efficient, businesslike manner so as to make it possible to provide the highest quality performance of its business, to avoid wasting the Company's assets, and to maximize the value of the Company's stock;

(c) Properly and accurately guide investors and analysts as to the true financial condition of the Company at any given time, including making accurate statements about the Company's business prospects, and ensuring that the Company maintained an adequate system of financial controls such that the Company's financial reporting would be true and accurate at all times;

(d) Remain informed as to how the Company conducted its operations, and, upon receipt of notice or information of imprudent or unsound conditions or practices, make reasonable inquiries in connection therewith, take steps to correct such conditions or

practices, and make such disclosures as necessary to comply with federal and state securities laws;

(e) Ensure that the Company was operated in a diligent, honest, and prudent manner in compliance with all applicable federal, state and local laws, and rules and regulations; and

(f) Ensure that all decisions were the product of independent business judgment and not the result of outside influences or entrenchment motives.

32. Each Individual Defendant, by virtue of his or her position as a director and/or officer, owed to the Company and to its shareholders the fiduciary duties of loyalty, good faith, and the exercise of due care and diligence in the management and administration of the affairs of the Company, as well as in the use and preservation of its property and assets. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of the Company, the absence of good faith on their part, and a reckless disregard for their duties to the Company and its shareholders that the Individual Defendants were aware or should have been aware posed a risk of serious injury to the Company.

33. The Individual Defendants breached their duties of loyalty and good faith by causing the Company to misrepresent the information as detailed *infra*. The Individual Defendants subjected the Company to the costs of defending, and the potential liability from, the securities class action entitled *Davis v. Li-Cycle Holdings Corp., et al.*, Case No. 1:23-cv-09894 (S.D.N.Y.) (the “Securities Class Action”). As a result, the Company has expended, and will continue to expend, significant sums of money.

34. The Individual Defendants’ actions have irreparably damaged the Company’s corporate image and goodwill.

THE COMPANY'S CORPORATE GOVERNANCE

35. At all relevant times, the Company had in place corporate governance documents imposing duties and responsibilities on its directors and officers, and additional duties on the Company's committee members. Accordingly, each of the Individual Defendants were required to comply with the corporate governance documents, as detailed below.

Code of Business Conduct and Ethics

36. The Company has in place its Code of Business Conduct and Ethics ("Code of Conduct") applicable to all "directors, officers, and employees" and "focuses on the expectations, values, ethical conduct and commitment that the Company expects from each of its employees." The Code of Conduct "summarizes the standards that must guide our actions in representing the Company" as one of the Company's "most valuable assets" is its "reputation for integrity, professionalism and fairness."

37. The Code of Conduct highlights the importance of "conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations."

38. In a section entitled "Accuracy of the Company's Records," the Code of Conduct states:

All official records showing the conduct of the Company's business must be accurate and complete in all material respects. All those involved in the preparation of such materials should consider the accuracy of the records to be of critical importance, and should understand that the Company does not maintain, nor does it countenance, any off-the-books funds for any purposes. It is the policy of the Company to fully and fairly disclose the financial condition of the Company in compliance with applicable accounting principles, laws, regulations and rules. All books and records of the Company shall be kept in such a way as to fully and fairly reflect all Company transactions in accordance with International Financial Reporting Standards.

The Company has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the

U.S. Securities and Exchange Commission and/or the Ontario Securities Commission, as well as our other public communications, shall include full, fair, accurate, timely and understandable disclosure.

39. All employees, officers and directors of the Company are expected to comply with the Code of Conduct. Accordingly, the Company “encourages all employees, officers and directors to report any suspected violations [of the Code of Conduct or Company policies] promptly and intends to thoroughly investigate any good faith reports of violations.”

40. The Company further has in place the Code of Ethics for Principal Executive and Senior Financial Officers applicable to the CEO, CFO, Executive Chair, and all other senior financial officers of the Company. This Code of Ethics states that: “[a]s a Senior Officer, you must not only comply with applicable laws, rules and regulations, but also must abide by the Company’s Code of Conduct, this Code and other Company policies and procedures. You also have a responsibility to conduct yourself in an honest and ethical manner. Your leadership responsibilities include creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns.”

41. This further Code of Ethics for Senior Officers provides that “[e]ach Senior Officer shall act with honesty and integrity in the performance of his or her duties at the Company, shall endeavor to comply with all securities and other laws, rules and regulations of federal, state, provincial and local governments and other private and public regulatory agencies that affect the conduct of the Company’s business and the Company’s financial reporting, and this Code, the Company’s Code of Conduct and other Company policies and procedures.”

42. Further, with respect to “Disclosures,” the Code of Ethics for Senior Officers states:

It is Company policy to make full, fair, accurate, timely, and understandable disclosure in compliance with all applicable laws and regulations in all reports and

documents that the Company files with, or submits to, the Securities and Exchange Commission or Canadian securities regulatory authorities, as well as in other public communications made by the Company. As a Senior Officer, you are required to promote compliance by all employees with this policy and to abide by Company standards, policies and procedures designed to promote compliance with this policy. It is the responsibility of the CEO and each Senior Officer to promptly bring to the attention of the General Counsel or the CEO any material information of which he or she may become aware that affects the disclosures made by the Company in public filings and communications. Without limiting the generality of the foregoing, each Senior Officer shall promptly bring to the attention of the General Counsel or CEO any information he or she may have concerning:

- (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; or
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

43. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of the Company, the absence of good faith on their part, and a reckless disregard for their duties to the Company and its investors that the Individual Defendants were aware posed a risk of serious injury to the Company.

Board of Directors Charter

44. The Board of Directors Charter states that the Board "is responsible for the supervision of the management of the business and affairs of the Company. The Board, directly and through its committees, will provide direction to senior management, generally through the President and Chief Executive Officer [...], to pursue the best interests of the Company."

45. The Board of Directors Charter further provides that the Board "will act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances."

46. Moreover, the Board of Directors Charter sets forth certain responsibilities of the

Board over, *inter alia*: (i) the Company's strategy and budget; (ii) corporate governance; (iii) risk management, internal controls and compliance, (iv) financial reporting; and (v) communications.

Audit Committee Charter

47. The Audit Committee Charter imposed additional duties on the Audit Committee members – consisting of Defendants Dedo, Pearse, Prochazka, and Wellings. The Audit Committee Charter states that the Audit Committee will assist the Board in fulfilling its oversight responsibilities by: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors.

N&G Committee Charter

48. The N&G Committee Charter sets forth additional duties of the N&G Committee – comprised of Defendants Dedo, Prochazka, and Wellings. The N&G Committee Charter states, in relevant part, that the N&G Committee is to assist the Board in fulfilling its responsibilities with respect to “overseeing the establishment of the Company's corporate governance policies and practices.”

BACKGROUND

49. The Company is a battery resource recovery company and lithium-ion battery recycler which recycles battery manufacturing scrap and end-of-life batteries to produce black mass, a powder-like substance which contains a number of valuable metals, including lithium, nickel, and cobalt. The Company touts its “four operational Spoke recycling facilities in North America” and plans to open post-processing facilities, to process black mass, and its first facility

is being constructed in Rochester, New York (the “Rochester Hub”).

50. In March 2022, the Company announced that it had received the necessary permits and began construction of the Rochester Hub. The Company targeted commissioning the facility in 2023, and the Rochester Hub was expected to process 35,000 tonnes of black mass annually and to generate approximately 42,000 to 48,000 tonnes of nickel sulphate, 7,500 to 8,500 tonnes of lithium carbonate and 6,500 to 7,500 tonnes of cobalt sulphate. Li-Cycle expected the total capital investment for the Rochester Hub to be approximately \$485 million.

THE FALSE AND MISLEADING STATEMENTS

51. On June 14, 2022, Li-Cycle announced its second quarter 2022 financial results in a press release, stating the Company had “Progressed the Rochester Hub and continue[s] to be on track for commissioning in 2023.”

52. That same day, the Company submitted to the SEC a Form 6-K to report its second quarter 2022 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” wherein the Company stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash and cash equivalents. Li-Cycle has engaged Hatch Ltd. as its engineering and procurement contractor. Hatch is also providing select construction management services such as onsite field engineering support and overall project scheduling for the Hub project. Procurement activities have commenced on all equipment and select construction materials for the Rochester Hub. Li-Cycle commenced construction on the Rochester Hub site in January 2022 and has engaged Mastec Inc. as its general contractor. The Company expects the Rochester Hub to reach mechanical completion in 2023.

53. Then, on September 14, 2022, Li-Cycle announced its third quarter 2022 financial results in a press release (“3Q22 Press Release”), stating the Company had “Progressed

construction at the Rochester Hub; on track to commence commissioning in stages in calendar 2023[.]”

54. Along with its 3Q22 Press Release, the Company filed with the SEC its Form 6-K to report its third quarter 2022 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” in which the Company reiterated that “The Company expects the Rochester Hub to commence commissioning in phases in calendar 2023.” Moreover, the press release stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash and cash equivalents.

55. Then, on January 30, 2023, the Company announced its fourth quarter and full year 2022 financial results in a press release, stating:

Advanced the Rochester Hub with key engineering, procurement, and construction milestones; continue to be on track for both project budget and schedule, to commence commissioning in late calendar 2023;

* * *

Maintained project budget and schedule for the Rochester Hub, expected to be the first commercial hydrometallurgical battery resource recovery facility in North America;

* * *

“We are pleased by our strong fourth quarter operating performance as we brought on our third-generation Arizona and Alabama Spokes, which have a first-of-its kind full battery pack processing capabilities,” said Ajay Kochhar, Li-Cycle President and Chief Executive Officer. “Also significant, at our Rochester Hub, we made meaningful progress on engineering, procurement, and construction, keeping us in-line with our targeted budget and schedule, with commissioning expected to commence in late calendar 2023.”

* * *

The Rochester Hub has made significant progress to date on key engineering,

procurement, and construction milestones. Through January 2023, these include:

- >90% process equipment ordered;
- Achieved nearly 75% completion of the warehouse and associated administration center for storage of black mass and finished battery-grade materials;
- Progressed construction of the cobalt, nickel and manganese process buildings;
- ~65% of detailed engineering completed; and
- Largely completed civil works, underground utilities and electrical infrastructure. These achievements are expected to keep the project on track to initiate commissioning in late calendar 2023, and capital costs within the targeted budget (\$486 million +/-15%)

56. On February 6, 2023, the Company submitted to the SEC its Form 20-F reporting financial results for the fiscal year ended October 31, 2022. Therein, the Company stated: “The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late calendar 2023.”

57. On May 15, 2023, Li-Cycle announced its first quarter 2023 financial results in a press release (“1Q23 Press Release”), stating in relevant part:

Advanced the construction of Rochester Hub, maintaining budget and schedule to commence commissioning in late 2023;

* * *

The Rochester Hub has continued to make significant strides on construction milestones, with procurement of long lead process equipment ahead of schedule and detailed engineering largely completed. The project remains on schedule for commissioning in late 2023 with construction costs within budget, trending at the higher end of the \$486 million to \$560 million range.

58. Concurrent with the 1Q23 Press Release, the Company submitted to the SEC its Form 6-K to report its first quarter 2023 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results

Of Operations” wherein the Company reiterated that “the Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late 2023.” Moreover, the press release stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$486 million (+/-15%) based on the definitive feasibility study. Costs for the Rochester Hub are trending towards the higher end of the budgeted range, with spend to date of \$178.4 million at March 31, 2023.

59. Then, on August 14, 2023, Li-Cycle announced its second quarter financial results in a press release (“2Q23 Press Release”), which stated:

Advanced construction of the Rochester Hub, maintaining start of commissioning in late 2023; successfully received and installed the largest piece of progress equipment on site – video link here [link omitted];

* * *

The Rochester Hub achieved significant milestones and remains on schedule to start commissioning in late 2023. Detailed engineering and procurement are nearly complete. Construction activities are progressing on site, with major buildings nearing completion, steel and concrete installation progressing, alongside the start of mechanical and electrical equipment installation. The Company is focused on actively managing the construction labor as part of the Rochester Hub construction budget of \$560 million.

60. Concurrent with the 2Q23 Press Release, the Company submitted to the SEC a Form 6-K to report its second quarter 2023 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” wherein it was reiterated:

The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages starting in late 2023. Detailed engineering and procurement are nearly complete. Construction activities are processing on site, with major buildings nearing completion, steel and concrete installation progressing, alongside the start of mechanical and electrical equipment installation. The Company is focused on actively managing the construction labor as part of the Rochester Hub construction budget of \$560 million. Capital expenditures for the Rochester Hub were \$70.9 million during the three months ended June 30, 2023 with spend to date of \$227.0

million at June 30, 2023.

61. The above statements were materially false and/or misleading and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, the Individual Defendants failed to disclose to investors: (i) that the Company's Rochester Hub was allegedly experiencing escalating construction costs; (ii) that these alleged "escalating construction costs" exceeded the expected aggregate cost of the project; (iii) that, as a result, the Company allegedly would be forced to temporarily halt construction and reevaluate the construction strategy for the Rochester Hub; and (iv) that, as a result of the foregoing, the Individual Defendants' alleged positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

THE TRUTH EMERGES

62. On October 23, 2023, before the market opened, Li-Cycle issued a press release entitled "Li-Cycle Announces Review of the Rochester Hub Project," which revealed:

As previously disclosed, engineering and procurement for the project are largely complete, with the current focus being on construction activities on site. Li-Cycle has recently experienced escalating construction costs. Accordingly, the Company expects the aggregate cost for the current scope of the project to exceed its previously disclosed guidance. *In light of these developments, the Board of Directors has decided to pause construction work on the Rochester Hub, pending a review of the project, including an evaluation of the go-forward phasing of its scope and budget, including construction strategy. Li-Cycle continues to work closely with the U.S. Department of Energy ("DOE") with respect to the previously announced \$375 million loan commitment through the Advanced Technology Vehicles Manufacturing ("ATVM") program for the project, in conjunction with the project review.* [Emphasis added].

63. On this news, Li-Cycle shares declined by \$1.04, or approximately 45.81%, to close at \$1.23 per share on October 23, 2023, on unusually heavy trading volume.

64. As a result of the Individual Defendants' wrongful acts and omissions, as alleged herein, the Company has suffered significant losses and damages.

DAMAGES TO THE COMPANY

65. As a direct and proximate result of the Individual Defendants' conduct, the Company has and will continue to lose and expend many millions of dollars.

Securities Class Action



66. On November 8, 2023, the Securities Class Action was filed in the United States District Court for the Southern District of New York alleging violations of federal securities laws against the Company and Defendants Kochhar and Simpson, on behalf of "persons and entities that purchased or otherwise acquired Li-Cycle securities between June 14, 2022 and October 23, 2023, inclusive."

67. In particular, the Securities Class Action alleges violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act.

68. As a result, the Company has had to expend significantly on defending itself and certain of the Individual Defendants against the Securities Class Action and will continue to expend significantly on its defense and any verdict or settlement that may result.

Unjust Compensation

69. Further, the losses incurred by the Company include lavish compensation and benefits paid to the Individual Defendants in 2022 who breached their fiduciary duties to the Company, as follows:

Name (Age)	5-Year Trend	2022
Ajay Kochhar (31) Director, President and Chief Executive Officer		1,854,860
Debbie Simpson (56) Chief Financial Officer		4,395,959

Name (Age)	Committees	2022
Tim Johnston (37) Executive Chairman of the Board	—	—
Jacqueline A. Dedo (61) Independent Director	Compensation, Health, Safety, Environment and Sustainability , Nominating and Governance	114,575
Rick Findlay (65) Independent Director	Audit, Compensation, Health, Safety, Environment and Sustainability	205,000
Alan Levande (66) Director	—	192,500
Scott Mathew Prochazka (56) Independent Director	Audit, Compensation, Nominating and Governance	210,000
Kunal Sinha (42) Director	Health, Safety, Environment and Sustainability	151,359
Anthony Tse (52) Independent Director	Health, Safety, Environment and Sustainability	208,801
Mark Wellings (59) Independent Director	Audit, Compensation, Nominating and Governance	227,500

70. The Company paid the Individual Defendants in connection with their respective roles as officers and/or directors of the Company. Accordingly, as part of their respective roles, the Individual Defendants were required to, among other things, exercise due care and act in the best interests of the Company, act honestly and ethically and in compliance with all laws and

regulations, maintain adequate internal controls, and ensure full and accurate disclosures in public filings and statements. Further, each of the Individual Defendants had additional duties and responsibilities owed to the Company by virtue of their executive and/or committee roles, as detailed *supra*, for which they were compensated for.

71. However, the Individual Defendants failed to carry out their duties adequately or at all, causing harm to the Company, as alleged herein. Because the Individual Defendants failed to carry out their respective duties, the compensation they received during the Relevant Period was excessive and unjust. As such, the Individual Defendants were unjustly enriched to the detriment of the Company.

Additional Damage to the Company

72. In addition to the damages specified above, the Company will also suffer further losses in relation to any internal investigations and amounts paid to lawyers, accountants, and investigators in connection thereto.

73. The Company will also suffer losses in relation to the Company's failure to maintain adequate internal controls; including the expense involved with implementing and maintaining improved internal controls.

74. As a direct and proximate result of Defendants' conduct, the Company has also suffered and will continue to suffer a loss of reputation and goodwill, and a "liar's discount" that will plague the Company's stock in the future due to the Company's and their misrepresentations and Defendants' breaches of fiduciary duties and misconduct as alleged herein.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

75. Plaintiff brings this action derivatively in the right and for the benefit of the Company to redress injuries suffered and to be suffered as a direct and proximate result of

Individual Defendants' violations of the law, and their breaches of fiduciary duties, waste of corporate assets, and other wrongful conduct as alleged herein.

76. Plaintiff is a current owner of Li-Cycle securities and has owned Li-Cycle stock at all relevant times hereto. Plaintiff understands his obligation to hold Li-Cycle stock throughout the pendency of this action and is prepared to do so, in accordance with New York Business Corporation Law § 626(b).

77. Plaintiff will adequately and fairly represent the interests of the Company in enforcing and prosecuting its rights and has retained counsel competent and experienced in derivative litigation.

78. Because of the facts set forth herein, Plaintiff has not made a demand on the Board to institute this action against the Individual Defendants. Such a demand would be a futile and useless act because the Board is incapable of making an independent and disinterested decision to institute and vigorously prosecute this action.

79. At the time this suit was filed, the Board was comprised of nine (9) members – the Director Defendants along with Defendant Kochhar (“Current Director Defendants”). Thus, Plaintiff is required to show that a majority of the Board, *i.e.*, five (5), could not exercise independent objective judgment about whether to bring this action or whether to vigorously prosecute this action.

80. Each of the Current Director Defendants face a likelihood of liability in this action because they caused and/or permitted the Company to make false and misleading statements and omissions concerning the information described herein. Because of their advisory, managerial, and directorial positions within the Company, the Current Director Defendants had knowledge of material, non-public information regarding the Company and were directly involved in the

operations of the Company at the highest levels.

81. The Current Director Defendants either knew or should have known of the false and misleading statements and omissions that were issued on the Company's behalf and took no steps in a good faith effort to prevent or remedy that situation.

82. The Current Director Defendants cannot exercise independent objective judgment about whether to bring this action or whether to vigorously prosecute this action. For the reasons that follow, and for reasons detailed elsewhere in this Complaint, Plaintiff did not make (and was excused from making) a pre-filing demand on the Board to initiate this action because making a demand would have been a futile and useless act.

83. Each of the Current Director Defendants approved and/or permitted the wrongs alleged herein to have occurred and, with gross negligence, disregarded the wrongs complained of herein and are therefore not disinterested parties.

84. Each of the Current Director Defendants authorized and/or permitted the false statements to be disseminated directly to the public and made available and distributed to shareholders, authorized and/or permitted the issuance of various false and misleading statements and omissions, and are principal beneficiaries of the wrongdoing alleged herein, and thus, could not fairly and fully prosecute such a suit even if they instituted it.

85. Additionally, each of the Current Director Defendants received payments, benefits, stock options, and other emoluments by virtue of their membership on the Board and their control of the Company.

Defendant Johnston

86. Defendant Johnston is the co-founder and Executive Chairman of the Company. As a director, Defendant Johnston was required to, among other things: (a) approve and assess

compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Johnston failed to fulfil these duties by permitting the false and/or misleading statements to be made.

87. Moreover, as Executive Chairman, Defendant Johnston was subject to the further responsibilities set forth in the Code of Ethics, *supra*. Defendant Johnston failed to uphold these heightened responsibilities expected of him as Executive Chairman as he permitted the false and/or misleading statements to be made.

88. As co-founder, Defendant Johnston has an intrinsic interest in the Company and cannot reasonably consider a demand to sue the officers and directors with whom he built the Company and works with on a day-to-day basis. Therefore, Defendant Johnston is not independent.

89. Defendant Johnston is neither independent nor disinterested. Any demand upon Defendant Johnston is futile and, thus, excused.

Defendant Kochhar

90. Defendant Kochhar is the current President, CEO, co-founder, and director of the Company. Accordingly, Defendant Kocchar fails the NYSE's "bright-line" independence test and cannot, therefore, be considered independent.

91. The Company also provides Defendant Kochhar with his primary source of income and has done so for many years. Indeed, Defendant Kochhar received in excess of \$1.8 million in 2022. As such, Defendant Kocchar cannot consider a demand to sue Defendants Alban, Dedo,

Prochazka, and Wellings – the Compensation Committee who control his continued employment and pay – or fellow members of management with whom he works on a day-to-day basis. Defendant Kochhar, as a co-founder, also has an intrinsic interest in the Company and cannot reasonably consider a demand to sue the directors and officers with whom he built the Company. Therefore, Defendant Kochhar is not independent.

92. As a director, Defendant Kochhar was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Kochhar failed to fulfil these duties by making the false and/or misleading statements.

93. Moreover, as CEO, Defendant Kochhar was subject to the further responsibilities set forth in the Code of Ethics, *supra*. Defendant Kochhar failed to uphold these heightened responsibilities expected of him as CEO as he made the false and/or misleading statements.

94. Defendant Kochhar made false and/or misleading statements and, as a result, is a named defendant in the Securities Class Action and faces a substantial likelihood of liability therefor.

95. Defendant Kochhar is neither independent nor disinterested. Any demand upon Defendant Kochhar is futile and, thus, excused.

Defendant Alban

96. Defendant Alban is a director of the Company and has been since April 2023. As a director, Defendant Alban was required to, among other things: (a) approve and assess

compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Alban failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

97. Defendant Alban, in connection with her role as a director, receives substantial compensation from the Company. Accordingly, Defendant Alban could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

98. Defendant Alban is neither independent nor disinterested. Any demand upon Defendant Alban is futile and, thus, excused.

Defendant Dedo

99. Defendant Dedo is a director of the Company and has been since August 2022. As a director, Defendant Dedo was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

100. Defendant Dedo is also a member of the Audit Committee and thus has further additional duties by virtue of her position on the Audit Committee. Such additional duties include:

(i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made.

101. Defendant Dedo is also a member of the N&G Committee which is responsible for assisting the Board in fulfilling its responsibilities with respect to "overseeing the establishment of the Company's corporate governance policies and practices." Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made.

102. Defendant Dedo, in connection with her role as a director, receives substantial compensation from the Company and received in excess of \$114,000 in 2022. Accordingly, Defendant Dedo could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

103. Defendant Dedo is neither independent nor disinterested. Any demand upon Defendant Dedo is futile and, thus, excused.

Defendant Pearse

104. Defendant Pearse is a director of the Company. As a director, Defendant Pearse was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant

Pearse failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

105. Defendant Pearse is also a member of the Audit Committee and thus has further additional duties by virtue of her position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Pearse failed to fulfil these duties by permitting the false and/or misleading statements to be made.

106. Defendant Pearse, in connection with her role as a director, receives substantial compensation from the Company. Accordingly, Defendant Pearse could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

107. Defendant Pearse is neither independent nor disinterested. Any demand upon Defendant Pearse is futile and, thus, excused.

Defendant Prochazka

108. Defendant Prochazka is a director of the Company. As a director, Defendant Prochazka was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this,

Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

109. Defendant Prochazka is also the Chair of the Audit Committee and thus has further additional duties by virtue of his position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made.

110. Defendant Prochazka is also a member of the N&G Committee which is responsible for assisting the Board in fulfilling its responsibilities with respect to "overseeing the establishment of the Company's corporate governance policies and practices." Despite this, Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made.

111. Defendant Prochazka, in connection with his role as a director, receives substantial compensation from the Company, earning \$210,000 in 2022. Accordingly, Defendant Prochazka could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

112. Defendant Prochazka is neither independent nor disinterested. Any demand upon Defendant Prochazka is futile and, thus, excused.

Defendant Sinha

113. Defendant Sinha is a director of the Company. As a director, Defendant Sinha was

required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Sinha failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

114. Defendant Sinha, in connection with his role as a director, receives substantial compensation from the Company, earning in excess of \$150,000 in 2022. Accordingly, Defendant Sinha could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

115. Defendant Sinha is neither independent nor disinterested. Any demand upon Defendant Sinha is futile and, thus, excused.

Defendant Tse

116. Defendant Tse is a director of the Company. As a director, Defendant Tse was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Tse failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

117. Defendant Tse, in connection with his role as a director, receives substantial

compensation from the Company, earning in excess of \$208,000 in 2022. Accordingly, Defendant Tse could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

118. Defendant Tse is neither independent nor disinterested. Any demand upon Defendant Tse is futile and, thus, excused.

Defendant Wellings

119. Defendant Wellings is a director of the Company. As a director, Defendant Wellings was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

120. Defendant Wellings is also a member of the Audit Committee and thus has further additional duties by virtue of his position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made.

121. Defendant Wellings is also Chair of the N&G Committee which is responsible for

assisting the Board in fulfilling its responsibilities with respect to “overseeing the establishment of the Company’s corporate governance policies and practices.” Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made.

122. Defendant Wellings, in connection with his role as a director, receives substantial compensation from the Company, earning in excess of \$227,000 in 2022. Accordingly, Defendant Wellings could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

123. Defendant Wellings is neither independent nor disinterested. Any demand upon Defendant Wellings is futile and, thus, excused.

Additional Reasons Demand is Futile

124. In violation of the Code of Conduct, the Current Director Defendants conducted little, if any, oversight of the Company’s engagement in the Individual Defendants’ scheme to cause the Company to issue materially false and misleading statements to the public and to facilitate and disguise the Individual Defendants’ violations of law, including breaches of fiduciary duty, gross mismanagement, waste of corporate assets, and unjust enrichment. In violation of the Code of Conduct, the Current Director Defendants failed to comply with laws and regulations, failed to maintain the accuracy of company records, public reports, and communications, and failed to uphold the responsibilities related thereto. Thus, the Current Director Defendants face a substantial likelihood of liability and demand is futile as to them.

125. The Company has been and will continue to be exposed to significant losses due to the wrongdoing complained of herein, yet the Board has not caused the Company to take action to recover for the Company the damages it has suffered and will continue to suffer thereby.

126. The Individual Defendants’ conduct described herein and summarized above could

not have been the product of legitimate business judgment as it was based on bad faith and intentional, reckless, or disloyal misconduct. Thus, none of the Current Director Defendants can claim exculpation from their violations of duty pursuant to the Company's charter (to the extent such a provision exists). As a majority of the Current Director Defendants face a substantial likelihood of liability, they are self-interested in the transactions challenged herein and cannot be presumed to be capable of exercising independent and disinterested judgment about whether to pursue this action on behalf of the shareholders of the Company. Accordingly, demand is excused as being futile.

127. The acts complained of herein constitute violations of fiduciary duties owed by the Company's officers and directors, and these acts are incapable of ratification.

128. Moreover, publicly traded companies, such as Li-Cycle, typically carry director and officer liability insurance from which the Company could potentially recover some or all of its losses. However, such insurance typically contains an "insured vs. insured" disclaimer that will foreclose a recovery from the insurers if the Individual Defendants sue each other to recover the Company's damages. If no such insurance is carried, then the Current Director Defendants will not cause the Company to sue the Individual Defendants named herein, since, if they did, they would face a large uninsured individual liability. Accordingly, demand is futile in that event.

129. The Company, at all material times, had its Code of Conduct and related corporate governance policies which required each of the Current Director Defendants to maintain the highest standards of honesty and integrity, particularly in relation to accurate and truthful public disclosures. Yet, despite this Code of Conduct, and other relevant policies and committee charters, each of the Current Director Defendants failed to ensure that the Company upheld high standards of integrity, misrepresented facts to the investing public, and failed to report any concerns, or

investigate any misconduct, let alone commence litigation against the directors.

130. Accordingly, each of the Current Director Defendants, and at least five (5) of them, cannot reasonably consider a demand with the requisite disinterestedness and independence. Indeed, any demand upon the Current Director Defendants is futile and, thus, excused.

CLAIMS FOR RELIEF

COUNT I

(Against the Individual Defendants for Breach of Fiduciary Duty)

131. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

132. The Individual Defendants owed the Company fiduciary obligations. By reason of their fiduciary relationships, the Individual Defendants owed the Company the highest obligation of good faith, fair dealing, loyalty, and due care.

133. The Individual Defendants violated and breached their fiduciary duties of care, loyalty, reasonable inquiry, and good faith.

134. The Individual Defendants engaged in a sustained and systematic failure to properly exercise their fiduciary duties. Among other things, the Individual Defendants breached their fiduciary duties of loyalty and good faith. These actions could not have been a good faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

135. As a direct and proximate result of the Individual Defendants' failure to perform their fiduciary obligations, the Company has sustained significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

136. As a direct and proximate result of the Individual Defendants' breach of their fiduciary duties, the Company has suffered damage, not only monetarily, but also to its corporate

image and goodwill. Such damage includes, among other things, costs associated with defending and/or settling securities lawsuits and governmental investigations, severe damage to the share price of the Company's stock, resulting in an increased cost of capital, and reputational harm.

COUNT II

(Against the Individual Defendants for Waste of Corporate Assets)

137. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

138. The wrongful conduct alleged regarding the issuance of false and misleading statements was continuous, connected, and on-going throughout the Relevant Period. It resulted in continuous, connected, and ongoing harm to the Company.

139. As a result of the misconduct described above, the Individual Defendants wasted corporate assets by, *inter alia*: (a) paying excessive compensation, bonuses, and termination payments to certain of its executive officers, as detailed, *supra*; (b) awarding self-interested stock options to certain officers and directors; and (c) incurring potentially millions of dollars of legal liability and/or legal costs to defend and/or settle the Securities Class Action, addressing the Individual Defendants' unlawful action.

140. As a result of the waste of corporate assets, the Individual Defendants are liable to the Company.

COUNT III

(Against the Individual Defendants for Unjust Enrichment)

141. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

142. As a result of their wrongful conduct, violations of law, and false and misleading

statements, the Individual Defendants were unjustly enriched at the expense of, and to the detriment of, the Company.

143. The Individual Defendants, by virtue of their positions as directors and officers of the Company, received financial compensation, stock awards, and other benefits, as detailed *supra*, which was unjust in light of the Individual Defendant's bad faith conduct and is thus against equity and good conscience to permit the Individual Defendants to retain.

144. Plaintiff, as a shareholder and representative of Li-Cycle, seeks restitution from the Individual Defendants and seeks an order from this Court disgorging all profits, including from benefits, insider trading, and other compensation, including any performance-based or valuation-based compensation, obtained by the Individual Defendants due to their wrongful conduct and breach of their fiduciary duties.

COUNT IV

(Against the Individual Defendants for Gross Mismanagement)

145. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

146. By their actions alleged herein, the Individual Defendants, either directly or through aiding and abetting, abandoned and abdicated their responsibilities and fiduciary duties with regard to prudently managing the assets and business of Li-Cycle in a manner consistent with the operations of a publicly-held corporation.

147. As a direct and proximate result of the Individual Defendants' gross mismanagement and breaches of fiduciary duty alleged herein, Li-Cycle has sustained and will continue to sustain significant damages.

148. As a result of the misconduct and breaches of duty alleged herein, the Individual

Defendants are liable to the Company.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(A) Declaring that Plaintiff may maintain this action on behalf of the Company and that Plaintiff is an adequate representative of the Company;

(B) Finding the Individual Defendants liable for breaching their fiduciary duties owed to the Company, waste of corporate assets, unjust enrichment, and gross mismanagement;

(C) Directing the Individual Defendants to take all necessary actions to reform and improve the Company's corporate governance, risk management, and internal operating procedures to comply with applicable laws and to protect the Company and its stockholders from a repeat of the rampant wrongful conduct described herein;

(D) Awarding damages to the Company for the harm the Company suffered as a result of the Defendants' wrongful conduct;

(E) Awarding Plaintiff the costs and disbursements of this action, including attorneys', accountants', and experts' fees; and

(F) Awarding such other and further relief as is just and equitable.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: December 4, 2023

GAINEY McKENNA & EGLESTON

By: /s/ Gregory M. Egleston

Gregory M. Egleston

Thomas J. McKenna

Christopher M. Brain

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Attorneys for Plaintiff

VERIFICATION

I, CARLOS NIEVES, declare that I have reviewed the Verified Shareholder Derivative Complaint (“Complaint”) prepared on behalf of Li-Cycle Holdings Corp. and authorize its filing. I have reviewed the allegations made in the Complaint, and to those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely on my counsel and their investigation and for that reason believe them to be true. I further declare that I am a current holder, and have been a holder, of Li-Cycle Holdings Corp. common stock at all relevant times.


Carlos Nieves

12/04/2023

CARLOS NIEVES

Tab K

This is Exhibit "**K**" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-40733

Li-Cycle Holdings Corp.
(Exact Name of Registrant as Specified in Its Charter)

Province of Ontario, Canada
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer Identification No.)

207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada

(Address of principal executive offices, including zip code)

(877) 542-9253

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(S)	Name of each exchange on which registered
Common shares, without par value	LICY	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2024, the registrant had 23,219,938 common shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws.

Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this Quarterly Report on Form 10-Q include but are not limited to statements about: the expectation that Li-Cycle will recover critical battery materials to create a domestic closed-loop battery supply chain for a clean energy future; the expectation that the steps taken under the Cash Preservation Plan will result in cash savings; Li-Cycle’s expectations regarding cash outflows; Li-Cycle’s expectations regarding its ability to raise additional capital for operating expenses and liquidity requirements; Li-Cycle’s expectations regarding the DOE Loan Facility; Li-Cycle’s expectations that it will require significant funding before restarting the Rochester Hub project or that it will be able to restart the Rochester Hub project and raise the capital needed to complete the Rochester Hub project; Li-Cycle’s expectations that it will be stopping or slowing operations at its remaining operating Spokes and re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term; Li-Cycle’s expectation to recognize revenue from the sale of critical battery materials; Li-Cycle’s expectation regarding other capital expenditures; Li-Cycle’s expectation that it will need to secure an alternative short or long-term financing in the near term or else it will not have sufficient cash and cash equivalents on hand or other resources to support current operations for the twelve months following the filing of this Quarterly Report; expectations related to potential financing and other strategic alternatives; expectations related to the outcome of future litigation, including the disclosure of certain mechanic’s liens against the Company and the amount owed; expectations regarding the ability to attract new suppliers; expectations regarding annual growth rate of the number of EVs and hybrids; expectations regarding the price and supply of nickel and cobalt; and expectations regarding expected growth in the amount of LIB materials available for recycling and expectations regarding the total number of shares into which the Glencore Convertible Notes are convertible. These statements are based on various assumptions, whether or not identified in this Quarterly Report on Form 10-Q, made by Li-Cycle’s management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects, including paused projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s expectations regarding workforce reductions; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms or execute any strategic transactions; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; the success of the Cash Preservation Plan, the outcome of the review of the go-forward strategy of the Rochester Hub; Li-Cycle’s ability to attract new suppliers or expand its supply pipeline from existing suppliers; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. The risk factors and cautionary language discussed in the Annual Report on Form 10-K provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- Li-Cycle’s estimated total addressable market;
 - risk and uncertainties related to Li-Cycle’s ability to continue as a going concern;
 - Li-Cycle’s reliance on the experience and expertise of senior management and key personnel;
 - the potential for Li-Cycle’s directors and officers who hold Company common shares to have interests that may differ from, or be in conflict with, the interests of other shareholders;
 - Li-Cycle’s insurance may not cover all liabilities and damages;
 - Li-Cycle’s reliance on a limited number of commercial partners to generate revenue;
 - customer demand for recycled materials;
-

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- the NYSE may delist our common shares, which could limit investors' ability to engage in transactions in our common shares and subject us to additional trading restrictions;
- Li-Cycle's failure to effectively remediate the material weaknesses in its internal control over financial reporting that it has identified or its failure to develop and maintain a proper and effective internal control over financial reporting; and
- risk of litigation or regulatory proceedings that could materially adversely impact Li-Cycle's financial results.

The risk and uncertainties discussed in our Annual Report on Form 10-K, as well as other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections titled "Part II—Item 1A. Risk Factors", "Part I—Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statements. Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle's assessments as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

Unless otherwise indicated, the estimates included in this Quarterly Report on Form 10-Q, including with respect to the size of the EV and hybrid market globally and in any individual component market, price and supply of nickel and cobalt and the supply of battery materials for recycling, are based on the good faith estimates of our management, which in turn are based upon our management's review of internal surveys, independent industry surveys and publications, including reports by third party research analysts and publicly available information. These data involve a number of assumptions and limitations and you are cautioned not to give undue weight to such estimates. We have not independently verified the accuracy or completeness of the data contained in such sources.

FREQUENTLY USED TERMS

As used in this Quarterly Report on Form 10-1Q, unless the context otherwise requires or indicates otherwise, references to “we,” “us,” “our,” “Li-Cycle” or the “Company” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries.

In this document:

“**A&R Glencore Convertible Notes**” means the Glencore Unsecured Convertible Notes, as amended and restated on March 25, 2024 in connection with the closing of the issuance of the Glencore Senior Secured Convertible Note, as well as the First A&R Glencore Note and Second A&R Glencore Note.

“**Alabama Spoke**” means Li-Cycle’s Spoke near Tuscaloosa, Alabama, which commenced operations on October 13, 2022.

“**Allocation Agreement**” the North American Black Mass and Refined Products Allocation Agreement by and between Li-Cycle and certain of its affiliates, Traxys and Glencore.

“**Amalgamation**” means the amalgamation of Peridot Ontario and NewCo in accordance with the terms of the Arrangement.

“**Annual Report on Form 10-K**” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 15, 2024, as amended by the Form 10-K/A filed with the SEC on April 29, 2024.

“**Arrangement**” means the plan of arrangement (including the Business Combination) in substantially the form attached as Annex C to the proxy statement/prospectus forming a part of the registration statement on Form F-4, filed by the Company with the SEC on July 6, 2021.

“**Arizona Spoke**” means Li-Cycle’s Spoke in Gilbert, Arizona, which commenced operations on May 17, 2022.

“**ATM Program**” means “at the market” equity offering program for offer and sale of common shares pursuant to the At The Market Issuance Sales Agreement between the Company and B. Riley Securities, Inc. dated June 28, 2024.

“**ATVM Program**” means the DOE LPO’s Advanced Technology Vehicles Manufacturing Program.

“**black mass**” means a powder-like substance which contains a number of valuable metals, including nickel, cobalt and lithium.

“**Black Mass & Equivalents**” or “**BM&E**” means black mass and products analogous to black mass that have a similar metal content.

“**Board**” means the board of directors of the Company.

“**Borrower Entities**” means Li-Cycle U.S. Inc., Li-Cycle Inc. and Li-Cycle North America Hub, Inc.

“**Business Combination**” means the transactions contemplated by the Business Combination Agreement.

“**Business Combination Agreement**” means the Business Combination Agreement, dated as of February 15, 2021, as amended, by and among Peridot, Li-Cycle Corp. and NewCo.

“**B. Riley**” means B. Riley Securities, Inc.

“**Cash Preservation Plan**” means the cash preservation plan initiated on November 1, 2023, which included reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage

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lower levels of Black Mass & Equivalents production and otherwise slow down operations at its remaining operating Spoke locations in order to reduce expenses and slow cash outflows as well as reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company's available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.

"CECL" means current estimated credit losses.

"CODM" means chief operating decision maker.

"common shares" means the common shares of the Company, without par value.

"Company" means Li-Cycle Holdings Corp.

"Consolidated Financial Statements" means the unaudited condensed consolidated interim financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

"Continuance" means the continuance of Peridot from the Cayman Islands under the Companies Act to the Province of Ontario, Canada as a corporation existing under the OBCA.

"CTC" means cost to complete.

"DFS" means definitive feasibility study.

"DOE" means United States Department of Energy.

"DOE Loan Facility" means the definitive financing agreement with the United States Department of Energy for a loan facility of up to \$475.0 million.

"EV" means electric vehicles.

"First Advance" means drawing on the DOE Loan Facility.

"First A&R Glencore Note" means the first tranche of the A&R Glencore Unsecured Convertible Note.

"Germany Spoke" means Li-Cycle's Spoke in Magdeburg, Germany, which commenced operations on August 1, 2023.

"Glencore" means Glencore plc and its subsidiaries.

"Glencore Convertible Notes" means the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

"Glencore Nominees" means three directors nominated to the Board by Glencore and its subsidiaries.

"Glencore Note Purchase Agreement" means the note purchase agreement, dated as of May 5, 2022, between the Company and Glencore Ltd.

"Glencore Senior Secured Convertible Note" means the senior secured convertible note in an aggregate principal amount of \$75.0 million issued to an affiliate of Glencore plc on March 25, 2024 pursuant to the Glencore Senior Secured Convertible Note Purchase Agreement, as such note may be amended from time to time.

"Glencore Senior Secured Convertible Note Purchase Agreement" means the agreement dated March 11, 2024 and amended and restated on March 25, 2024, by and between the Company, an affiliate of Glencore plc and the other parties named therein for the issuance of the Glencore Senior Secured Convertible Note.

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“Glencore Unsecured Convertible Note” means the unsecured convertible note in the principal amount of \$200.0 million due May 31, 2027 issued to Glencore Ltd. pursuant to the Glencore Note Purchase Agreement on May 31, 2022, as such note may be amended from time to time.

“Glencore Unsecured Convertible Notes” means the Glencore Unsecured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“Glencore Warrants” means warrants to be issued by Li-Cycle to the holder of a Glencore Convertible Note in connection with an optional redemption of such Glencore Convertible Note that entitle the holder to acquire, until the maturity date of such Glencore Convertible Note, a number of common shares equal to the principal amount of the Glencore Convertible Note being redeemed divided by the then applicable conversion price.

“Hub” means a centralized facility for large-scale production of specialty materials that achieves economies of scale in recycling.

“HubCo” means Li-Cycle North America Hub, Inc.

“Hubiack Securities Action” means Hubiack v. Li-Cycle Holdings Corp., et al., 1:23-cv-09894 (S.D.N.Y.).

“ICFR” means internal control over financial reporting.

“Issuance Date Note Guarantors” means Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle Inc., and Li-Cycle North America Hub, Inc.

“KPMG” means KPMG LLP.

“KSP Convertible Note” means the unsecured convertible note in the principal amount of \$100.0 million due September 29, 2026 originally issued to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) pursuant to the KSP Note Purchase Agreement on September 29, 2021 and subsequently assigned on May 1, 2022, to one of its affiliates, Wood River Capital, LLC, and amended on May 5, 2022, February 13, 2023 and March 25, 2024, as such note may be further amended from time to time.

“KSP Convertible Notes” means the KSP Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“KSP Note Purchase Agreement” means the Note Purchase Agreement, dated as of September 29, 2021, between the Company and Spring Creek Capital, LLC, and assigned on May 1, 2022, to Wood River Capital, LLC.

“LIB” means lithium-ion batteries, including lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

“LIBOR” means the London Inter-Bank Offered Rate.

“lienors” means certain contractors, subcontractors, consultants and suppliers.

“Long-Term Incentive Plan” means Li-Cycle Holding Corp.’s 2021 Incentive Award Plan.

“LPO” means U.S. Department of Energy’s Loan Programs Office.

“main line processing capacity” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB using Li-Cycle’s patented submerged shredding process or “wet shredding” designed specifically for battery materials that contain electrolyte and have risk of thermal runaway.

“Marcum” means Marcum Canada LLP.

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“**MasTec**” means Mastec Industrial Corp.

“**MHP**” means mixed hydroxide precipitate, containing nickel, cobalt and manganese.

“**MHP payables**” means percentage of metal payables that the Company would receive on MHP products being sold.

“**MHP scope**” means a scope for the Rochester Hub project that focuses only on those process areas needed to produce lithium carbonate and MHP.

“**Moelis**” means Moelis & Company LLC.

“**NewCo**” means Li-Cycle Holdings Corp. prior to the Amalgamation.

“**New York Spoke**” means Li-Cycle’s operational Spoke in Rochester, New York, which commenced operations in late 2020.

“**Norway Spoke**” means Li-Cycle’s planned Spoke in Moss, Norway, the development of which is currently paused.

“**Note Guarantors**” means Post-Closing Guarantors and Issuance Date Guarantors.

“**NYSE**” means the New York Stock Exchange.

“**OBCA**” means the Ontario Business Corporations Act.

“**OEM**” means an original equipment manufacturer.

“**Ontario Spoke**” means Li-Cycle’s Spoke in Kingston, Ontario, the operations of which were paused on November 1, 2023 and where work towards closure is underway.

“**Peridot**” means, before the Continuance, Peridot Acquisition Corp., a Cayman Islands exempt company and, after the Continuance, Peridot Ontario.

“**Peridot Ontario**” means Peridot as continued under the OBCA following the Continuance.

“**PIK**” means payment in-kind.

“**PIK interest**” means interest paid in kind.

“**PIK Notes**” means the additional unsecured convertible notes that may be issued by Li-Cycle from time to time in satisfaction of the interest due and payable on the KSP Convertible Notes, the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as the case may be, as such notes may be amended from time to time.

“**Pike**” means Pike Conductor DEV 1, LLC.

“**Planned Portovesme Hub**” means the planned joint development project with Glencore to produce critical battery materials at a Hub facility in Portovesme, Italy, the definitive feasibility study for which is currently paused.

“**Post-Closing Guarantors**” means Li-Cycle Europe AG and Li-Cycle Germany GmbH.

“**PSUs**” means performance share units.

“**Rochester Hub**” means Li-Cycle’s planned, first commercial-scale Hub, under development in Rochester, New York, the construction of which is currently paused.

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“ROU assets” means right-of-use assets.

“RSUs” means restricted stock units.

“SEC” means the U.S. Securities and Exchange Commission.

“Second A&R Glencore Note” means the second tranche of the A&R Glencore Unsecured Convertible Note.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Share Consolidation” means the share consolidation of all the common shares at a ratio of one post-consolidation common share for every eight pre-consolidation common shares, effective June 3, 2024.

“Side Letter Agreement” means side letter agreement entered into with Glencore Ltd., Glencore Canada Corporation and Glencore plc and its subsidiaries.

“SOFR” means the Secured Overnight Financing Rate.

“Special Committee” means the Special Committee comprised of independent directors that was established in connection with the comprehensive review of the go-forward strategy of the Rochester Hub project. See “Part I—Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Liquidity Developments.”

“Spoke” means a decentralized facility that mechanically processes batteries close to sources of supply and handles the preliminary processing of end-of-life batteries and battery manufacturing scrap.

“SpokeCo” means Li-Cycle Inc.

“Traxys” means Traxys North America LLC.

“U.S. GAAP” means Generally Accepted Accounting Principles.

References to **“dollar,” “USD,” “US\$”** and **“\$”** are to U.S. dollars, references to **“CA\$”** and **“Cdn. \$”** are to Canadian dollars and references to **“EUR,” “€”** are to the common currency of the European Monetary Union.

This Quarterly Report on Form 10-Q includes certain trademarks, service marks and trade names that we own or otherwise have the right to use, such as “Li-Cycle” and “Spoke & Hub Technologies” which are protected under applicable intellectual property laws and are our property. We have, or are in the process of obtaining, the exclusive right to use such trademarks, service marks and trade names in the countries in which we operate or may operate in the future. This Quarterly Report on Form 10-Q also contains additional trademarks, tradenames, and service marks belonging to other parties, which are the property of their respective owners. Solely for convenience, our trademarks, service marks and trade names referred to in this Quarterly Report on Form 10-Q may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other parties’ trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

~~Index to Unaudited Condensed Consolidated Interim Financial Statements~~

Unaudited condensed consolidated interim statements of operations and comprehensive loss
Unaudited condensed consolidated interim balance sheets
Unaudited condensed consolidated interim statements of equity
Unaudited condensed consolidated interim statements of cash flows
Notes to the unaudited condensed consolidated interim financial statements

Li-Cycle Holdings Corp.**Unaudited condensed consolidated interim statements of operations and comprehensive loss**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Revenue				
Product revenue	\$ 4.4	\$ 3.5	\$ 11.5	\$ 9.7
Recycling service revenue	4.0	1.2	9.5	2.2
Total revenue	8.4	4.7	21.0	11.9
Cost of sales				
Cost of sales - Product revenue	(19.4)	(20.1)	(54.3)	(59.4)
Cost of sales - Recycling service revenue	(0.6)	—	(3.0)	—
Total cost of sales	(20.0)	(20.1)	(57.3)	(59.4)
Selling, general and administrative expense	(12.9)	(25.9)	(58.8)	(73.5)
Research and development	(0.7)	(2.7)	(1.2)	(4.9)
Loss from operations	\$ (25.2)	\$ (44.0)	\$ (96.3)	\$ (125.9)
Other income (expense)				
Interest income	0.5	2.5	2.0	11.7
Interest expense	(17.3)	(0.2)	(44.4)	(1.4)
Foreign exchange gain (loss)	(0.7)	0.1	(0.9)	(0.9)
Fair value gain on financial instruments	99.2	10.9	110.1	17.5
Debt extinguishment loss (Note 11)	—	—	(58.9)	—
	\$ 81.7	\$ 13.3	\$ 7.9	\$ 26.9
Net profit (loss) before taxes	\$ 56.5	\$ (30.7)	\$ (88.4)	\$ (99.0)
Income tax	—	—	—	(0.1)
Net profit (loss) and comprehensive loss	\$ 56.5	\$ (30.7)	\$ (88.4)	\$ (99.1)
Net profit (loss) and comprehensive profit (loss) attributable to				
Shareholders of Li-Cycle Holdings Corp.	56.5	(30.7)	(88.4)	(99.0)
Non-controlling interest	—	—	—	(0.1)
Profit (loss) per common share - diluted	\$ 2.15	\$ (1.38)	\$ (3.81)	\$ (4.47)
Profit (loss) per common share - basic	\$ 2.43	\$ (1.38)	\$ (3.81)	\$ (4.47)

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Unaudited condensed consolidated interim balance sheets

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 32.2	\$ 70.6
Restricted cash	9.9	9.7
Accounts receivable, net	8.2	1.0
Other receivables	1.2	1.9
Prepayments, deposits and other current assets	21.4	56.2
Inventories, net	9.2	9.6
Total current assets	82.1	149.0
Non-current assets		
Property, plant and equipment, net	693.2	668.8
Operating lease right-of-use assets	88.5	56.4
Finance lease right-of-use assets	—	2.2
Other assets	6.8	9.6
	788.5	737.0
Total assets	\$ 870.6	\$ 886.0
Liabilities		
Current liabilities		
Accounts payable	\$ 105.1	\$ 134.5
Accrued liabilities	24.2	17.6
Deferred revenue	—	0.2
Operating lease liabilities	6.5	4.4
Total current liabilities	135.8	156.7
Non-current liabilities		
Accounts payable	3.3	—
Deferred revenue	5.8	5.3
Operating lease liabilities	86.7	56.2
Finance lease liabilities	—	2.3
Convertible debt	342.6	288.1
Asset retirement obligations	1.1	1.0
	439.5	352.9
Total liabilities	\$ 575.3	\$ 509.6
Commitments and contingencies (Note 14)		
Going concern (Note 1)		
Equity		
Common stock and additional paid-in capital		
Authorized unlimited shares, Issued and outstanding - 23.2 million shares at September 30, 2024 (22.2 million shares at December 31, 2023)	655.6	648.3
Accumulated deficit	(360.0)	(271.6)
Accumulated other comprehensive loss	(0.3)	(0.3)
Total equity	295.3	376.4
Total liabilities and equity	\$ 870.6	\$ 886.0

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Li-Cycle Holdings Corp.

Unaudited condensed consolidated interim statements of equity

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	Number of common shares	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to the shareholders of Li- Cycle Holdings Corp.	Non- controlling interest	Total
For the three months ended							
Balance, June 30, 2024	22,500,000	\$ 652.5	\$ (416.5)	\$ (0.3)	\$ 235.7	\$ —	\$ 235.7
Settlement of RSUs	—	—	—	—	—	—	—
Issuance of common stock in connection with the ATM Program	700,000	1.2	—	—	1.2	—	1.2
Stock-based compensation - RSUs	—	3.0	—	—	3.0	—	3.0
Stock-based compensation - options	—	(1.1)	—	—	(1.1)	—	(1.1)
Net loss and comprehensive loss	—	—	56.5	—	56.5	—	56.5
Balance, September 30, 2024	23,200,000	655.6	(360.0)	(0.3)	295.3	—	295.3
Balance, June 30, 2023	22,225,000	642.2	(202.0)	(0.3)	439.9	—	439.9
Settlement of RSUs	37,500	—	—	—	—	—	—
Exercise of stock options	12,500	—	—	—	—	—	—
Stock-based compensation - RSUs	—	3.0	—	—	3.0	—	3.0
Stock-based compensation - options	—	1.0	—	—	1.0	—	1.0
Net loss and comprehensive loss	—	—	(30.7)	—	(30.7)	—	(30.7)
Balance, September 30, 2023	22,275,000	\$ 646.2	\$ (232.7)	\$ (0.3)	\$ 413.2	\$ —	\$ 413.2
For the nine months ended							
Balance, December 31, 2023	22,200,000	\$ 648.3	\$ (271.6)	\$ (0.3)	\$ 376.4	\$ —	\$ 376.4
Settlement of RSUs	300,000	—	—	—	—	—	—
Issuance of common stock in connection with the ATM Program	700,000	1.2	—	—	1.2	—	1.2
Stock-based compensation - RSUs	—	6.1	—	—	6.1	—	6.1
Stock-based compensation - options	—	—	—	—	—	—	—
Net loss and comprehensive loss	—	—	(88.4)	—	(88.4)	—	(88.4)
Balance, September 30, 2024	23,200,000	655.6	(360.0)	(0.3)	295.3	—	295.3
Balance, December 31, 2022	22,012,500	635.3	(133.6)	(0.3)	501.4	0.2	501.6
Settlement of RSUs	100,000	—	—	—	—	—	—
Exercise of stock options	162,500	—	—	—	—	—	—
Stock-based compensation - RSUs	—	8.5	—	—	8.5	—	8.5
Stock-based compensation - options	—	2.8	—	—	2.8	—	2.8
Payment to the holders of non-controlling interest in subsidiary	—	(0.4)	—	—	(0.4)	(0.2)	(0.6)
Net loss and comprehensive loss	—	—	(99.1)	—	(99.1)	—	(99.1)
Balance, September 30, 2023	22,275,000	\$ 646.2	\$ (232.7)	\$ (0.3)	\$ 413.2	\$ —	\$ 413.2

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Li-Cycle Holdings Corp.

Unaudited condensed consolidated interim statements of cash flows

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the nine months ended September 30,	
	2024	2023
Operating activities		
Net loss for the period	\$ (88.4)	\$ (99.1)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	6.1	10.7
Depreciation and amortization	11.2	6.4
Foreign exchange loss on translation	0.5	(0.3)
Fair value (gain) on financial instruments	(110.1)	(17.5)
Bad debt expense	—	1.0
Adjustment to net realizable value	(1.8)	4.4
Loss on write off of fixed assets	0.1	—
Interest and accretion on convertible debt	44.4	1.4
Interest paid	(0.8)	—
Debt extinguishment loss (Note 11)	58.9	—
Non-cash lease expense	(1.8)	0.1
	(81.7)	(92.9)
Changes in working capital items:		
Accounts receivable	(7.2)	0.9
Other receivables	0.7	6.4
Prepayments and deposits	(1.2)	(15.3)
Inventories	2.2	(0.8)
Deferred revenue	0.3	5.3
Accounts payable and accrued liabilities	(5.6)	7.1
Net cash used in operating activities	\$ (92.5)	\$ (89.3)
Investing activities		
Purchases of property, plant, equipment, and other assets	(20.6)	(290.8)
Net cash used in investing activities	\$ (20.6)	\$ (290.8)
Financing activities		
Proceeds from convertible debt	75.0	—
Issuance of common shares	1.2	—
Payments of transaction costs	(1.3)	—
Purchase of non-controlling interest	—	(0.4)
Net cash provided (used in) by financing activities	\$ 74.9	\$ (0.4)
Net change in cash, cash equivalents and restricted cash	(38.2)	(380.5)
Cash, cash equivalents and restricted cash, beginning of period	80.3	517.9
Cash, cash equivalents and restricted cash, end of period	\$ 42.1	\$ 137.4
Supplemental non-cash investing activities:		
Purchases of property and equipment included in liabilities	\$ 23.9	\$ 16.1
Supplemental information:		
Bad debt recovery	\$ 1.0	\$ —

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated interim financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") for interim financial reporting and applicable quarterly reporting regulations of the SEC and are presented in U.S. Dollars.

These condensed consolidated interim financial statements of the Company, including the condensed consolidated interim balance sheet as of September 30, 2024, the condensed consolidated interim statements of operations and comprehensive loss, condensed consolidated interim statement of equity and condensed consolidated interim statement of cash flows for the nine months ended September 30, 2024 and 2023, as well as other information disclosed in the accompanying notes, are unaudited. The condensed consolidated balance sheet at December 31, 2023, has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of its financial position as of September 30, 2024, and the results of operations for the three and nine months ended September 30, 2024, and 2023, and cash flows for the nine months ended September 30, 2024, and 2023, have been included. Interim results are not necessarily indicative of financial results for a full year or any future years or interim periods.

The Company reclassified certain amounts in the condensed consolidated interim financial statements to conform to the current period's presentation.

Going concern

The going concern basis of accounting assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the unaudited condensed consolidated interim financial statements are issued. Based on its recurring losses from operations since inception, which included losses from operations of \$25.2 million and \$96.3 million for the three and nine months ended September 30, 2024 (\$44.0 million and \$125.9 million for the three and nine months ended September 30, 2023), net cash used in operating activities of \$92.5 million during the nine months ended September 30, 2024 (\$89.3 million for the nine months ended September 30, 2023), and the pause on construction of the Rochester Hub project (as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these unaudited condensed consolidated interim financial statements were issued.

As of September 30, 2024, the Company had \$9.9 million in restricted cash of which \$3.0 million was held as security for waste disposal obligations related to the Germany Spoke operations, and \$5.6 million was a bank guarantee against a reservation fee for future battery waste recycling services. Additionally, the Company has \$1.3 million held as cash collateral with its bank as security for credit cards and a performance bond. As these funds are contractually restricted, and the Company cannot use them for general operating purposes, they are classified as restricted cash in the consolidated balance sheets.

To date, the Company has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; (iii) other private placements of Li-Cycle securities (including convertible notes and common shares); (iv) the ATM Program; and (v) government grants. On March 11, 2024, the Company entered a private placement agreement (the "**Glencore Senior Secured Convertible Note Purchase Agreement**") to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the "**Glencore Senior Secured Convertible Note**") which closed on March 25, 2024. On November 7, 2024, the Company entered an agreement for a loan facility ("**DOE Loan Facility**") of up to \$475 million (including up to \$445 million of principal and up to \$30 million in deferred and accrued interest) through the United States Department of Energy's ("**DOE**") Loan Programs Office's Advanced Technology Vehicles Manufacturing Program ("**ATVM Program**"). The Company is actively exploring additional financing and strategic alternatives for a complete funding package needed to restart construction at the Rochester Hub (of which the DOE Loan Facility is a key component) and for general corporate purposes. The funding package would assist in satisfying the conditions required to draw against the DOE Loan Facility, including funding the remaining Base Equity Contribution (which includes reserve account requirements) and a minimum cash balance. There can be no assurance that the Company will be able to secure additional funding at attractive commercial terms or at all. Furthermore, any additional financing, including the recent Glencore Senior Secured Convertible Note investment, and any borrowings that

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

become available under the DOE Loan Facility, and any future sales made under the ATM Program may be insufficient to provide adequate liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs and obligations. The Glencore Convertible Notes, and the DOE Loan Facility have, or will have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future funding.

In addition, there are inherent risks associated with the Company's ability to execute its growth strategy. There can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design or production standards, or meet the required production volumes to grow into a viable, cash-flow-positive business successfully.

These factors, in addition to potential rising inflation, commodity and labor prices and other challenging macroeconomic conditions, have led the Company to undertake mitigation initiatives to strengthen its financial position, enhance liquidity and preserve cash flow, including:

- On October 23, 2023, Li-Cycle announced that it had paused construction work on its Rochester Hub, pending completion of a comprehensive review of the project's future strategy.
- In connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board of Directors (the **"Board"**) established the Special Committee to, among other things, (1) oversee and supervise a strategic review of all or any of the Company's operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives.
- The Special Committee selected Moelis and other advisors to assist with exploring financing options to increase the liquidity of Li-Cycle and strategic alternatives managing short-term liquidity and implementing liquidity generating initiatives.
- On November 1, 2023, the Company initiated the implementation of the Cash Preservation Plan which continued to be updated and executed during the quarter ended September 30, 2024. Preservation activities include reducing staffing in its corporate support functions, pausing production and working towards closure of the Company's Ontario Spoke and warehouse facility, suspending other development projects pending strategic review, and pursuing reductions in overhead and selling, general and administrative costs.

These factors represent material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. These unaudited consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these unaudited condensed consolidated interim financial statements, adjustments to the carrying value of assets and liabilities or reported expenses may be necessary, and these adjustments could be material.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and right-of-use assets (**"ROU assets"**) for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead, management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable.

For further information and details of the Company's significant accounting policies, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K, and "Part I. Financial Information—Item 2. Management's discussion and analysis of financial condition and results of operations - Material Accounting Policies and Critical Estimates" in this Quarterly Report on Form 10-Q.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

2. Accounting Changes

Recently issued accounting standards

Segment Reporting Disclosures

Standard/Description – Issuance date: November 2023. This guidance requires the disclosure of significant segment expenses that are regularly provided to a company's chief operating decision maker and included within each reported measure of segment profit or loss. The Company must also disclose “other segment items,” which is the difference between segment revenue less significant expenses for each reported measure of segment profit or loss, and a description of its composition. This guidance also requires all segment annual disclosures to be provided on an interim basis.

Effective Date and Adoption Considerations – The guidance is effective for annual periods beginning after December 15, 2024, and for interim periods beginning January 1, 2025, and is required to be applied on a retrospective basis to all prior periods presented. Early adoption is permitted. The Company will adopt the guidance as of the effective date.

Effect on Financial Statements or Other Significant Matters – The Company is currently evaluating the impact of adoption on its financial statements; however, as the guidance is a change to disclosures only, no impacts to the consolidated financial results are expected.

Income Tax Disclosures

Standard/Description – Issuance date: December 2023. This guidance requires disaggregated disclosure of the tax rate reconciliation into eight categories, with further disaggregation required for items greater than a specific threshold. Additionally, the guidance requires the disclosure of income taxes paid disaggregated by federal, state and foreign jurisdictions.

Effective Date and Adoption Considerations – The guidance is effective January 1, 2025 and early adoption is permitted. The Company expects to adopt the guidance as of the effective date.

Effect on Financial Statements or Other Significant Matters – The Company is currently evaluating the impact of adoption on its financial statements; however, as the guidance is a change to disclosures only, no impacts to the consolidated financial results are expected.

3. Revenue – product sales and recycling services

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Product revenue recognized in the period	\$ 4.3	\$ 3.5	\$ 10.7	\$ 15.7
Fair value pricing adjustments	0.1	—	0.8	(6.0)
Product revenue	\$ 4.4	\$ 3.5	\$ 11.5	\$ 9.7
Recycling service revenue recognized in the period	4.0	1.2	9.5	2.2
Revenue	\$ 8.4	\$ 4.7	\$ 21.0	\$ 11.9

During the currently paused construction of the Rochester Hub project, the Company's principal lines of business are the sale of products (including Black Mass & Equivalents and shredded metal) and lithium-ion battery recycling services which together account for 100% of sales. The principal markets for the Company's products and recycling services are the United States, Canada, Germany, and Asia.

Product revenue, and the related trade accounts receivables are measured at initial recognition using provisional prices for the constituent metals and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals. Changes in fair value are recognized as an adjustment to product revenue, and the related accounts receivable, and can result in gains and losses when the applicable metal prices increase or decrease from the date of initial recognition.

Accounts receivable, net

The Company recognizes current estimated credit losses (“CECL”) for trade receivables not subject to provisional pricing. The CECL for accounts receivable are estimated based on days past due consisting of customers with similar risk characteristics that operate under similar economic environments. The Company determines the CECL based on an evaluation of certain criteria and evidence of collection uncertainty including client industry profile. When specific customers are identified as no longer sharing the same risk profile as their current pool, they are removed from the pool and evaluated separately.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

The allowance for credit losses as at September 30, 2024 was \$nil (December 31, 2023 : \$nil) and no expected credit loss provisions were recognized for the nine months ended September 30, 2024.

Bad debt expense recovery for the three and nine months ended September 30, 2024 was \$nil and \$1.0 million (Bad debt expense for the three and nine months ended September 30, 2023: \$nil and \$0.9 million).

Accounts receivable are stated at the amount the Company expects to collect. The Company generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial condition.

Deferred revenue

In the normal course of business, the Company receives advances from customers for the sale of products and the provision of lithium-ion battery recycling services. The table below depicts the activity in the deferred revenue account during the nine months ended September 30, 2024 and twelve months ended December 31, 2023.

Product Revenue

	September 30, 2024	December 31, 2023
Balance, beginning of the period	\$ —	\$ —
Additions	7.8	—
Revenue recognized	(7.8)	—
Balance, end of the period	\$ —	\$ —
Current deferred revenue	—	—
Non-current deferred revenue	\$ —	\$ —

Recycling Service Revenue

	September 30, 2024	December 31, 2023
Balance, beginning of the period	\$ 5.5	\$ —
Additions	—	5.4
Foreign exchange revaluation	0.3	0.1
Balance, end of the period	\$ 5.8	\$ 5.5
Current deferred revenue	—	0.2
Non-current deferred revenue	\$ 5.8	\$ 5.3

The remaining performance obligation (RPO) relates to the delivery of products or services for which cash has been received in advance. At September 30, 2024, \$5.8 million relates to services and is expected to be recognized in 3-5 years.

4. Prepayments, deposits and other current assets

As at	September 30, 2024	December 31, 2023
Prepaid equipment deposits	\$ 1.0	\$ 40.1
Prepaid transaction costs	11.1	7.8
Prepaid lease deposits	5.3	5.6
Prepaid insurance	4.5	4.6
Prepaid construction charges	0.9	2.6
Other prepaids	3.7	3.3
Total prepayments, deposits and other current assets	\$ 26.5	\$ 64.0
Non-current security deposits	(5.0)	(5.0)
Non-current insurance	(0.1)	(2.8)
Current prepayments and deposits	\$ 21.4	\$ 56.2

Other prepaids consist principally of other deposits, prepaid subscriptions and environmental deposits. Non-current security deposits and non-current insurance are recorded in other assets on the condensed consolidated interim statements of financial

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position. Prepaid transaction costs primarily consist of prepayments made in connection with the conditional commitment with the U.S. Department of Energy Loan Programs Office for a loan.

5. Inventories, net

As at	September 30, 2024	December 31, 2023
Raw materials	\$ —	\$ 0.8
Finished goods	4.4	3.7
Parts and tools	4.8	5.1
Total inventories, net	\$ 9.2	\$ 9.6

The inventory balances for raw materials and finished goods are presented at the lower of cost and net realizable value. For the three and nine months ended September 30, 2024, the net realizable impact resulted in a favorable inventory adjustment of \$1.6 million and \$1.8 million (three and nine months ended September 30, 2023: write down of \$0.8 million and \$4.4 million). The adjustments are recorded in cost of sales in the unaudited condensed consolidated interim statements of operations and comprehensive income (loss).

6. Property, plant and equipment, net

As at	September 30, 2024	December 31, 2023
Building	\$ 58.8	\$ 58.8
Plant equipment	51.2	55.3
Computer software and equipment	4.9	4.5
Vehicles	0.2	0.2
Leasehold improvements	14.7	13.5
Assets under construction	588.5	552.6
	\$ 718.3	\$ 684.9
Less - accumulated depreciation	(25.1)	(16.1)
Total property, plant and equipment, net	\$ 693.2	\$ 668.8

For the three and nine months ended September 30, 2024, \$nil and \$nil in borrowing costs (for the three and nine months ended September 30, 2023: \$5.4 million and \$29.9 million) were capitalized to assets under construction due to the pause of construction at the Rochester Hub. Depreciation expense for the three and nine months ended September 30, 2024 was \$4.2 million and \$9.0 million compared to \$2.2 million and \$3.9 million in the corresponding periods of 2023. In the nine months ended September 30, 2024, the Company received proceeds of \$5.8 million (€5.3 million) of the \$6.9 million (€6.4 million) approved grant for the Germany Spoke from the State of Saxony-Anhalt, Germany and recognized this amount as a reduction in plant equipment.

Refer to *Note 14 (Commitments and contingencies)* for details of contractual commitments to purchase fixed assets.

7. Leases

The Company's lease portfolio is predominantly operating leases for plant operations, storage facilities, and office space. The Company presents operating and finance lease balances separately on the consolidated balance sheets. The Company's finance leases relate to plant operations. The Company does not include options to extend leases in the lease term until they are reasonably certain to be exercised. The following table presents the Company's lease balances and their classification on the unaudited condensed consolidated interim statements of operations and comprehensive loss:

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	September 30, 2024	September 30, 2023
Finance lease		
Amortization of ROU assets	\$ —	\$ —
Interest on lease liabilities	0.1	—
Total finance lease cost	\$ 0.1	\$ —
Operating lease cost	\$ 9.8	\$ 7.0
Short-term lease cost	—	—
Variable lease cost	1.4	1.2
Total lease cost	\$ 11.3	\$ 8.2

The weighted average remaining lease term of the Company's premises and equipment operating leases is 20.59 years as at September 30, 2024 and 14.48 years as at December 31, 2023. The weighted average remaining lease term of the Company's premises and equipment finance leases is 2.37 years as at September 30, 2024 and 46.78 years as at December 31, 2023.

The weighted average lease discount rate of the Company's premises and equipment operating leases is 8.01% as at September 30, 2024 and 7.69% as at December 31, 2023. The weighted average lease discount rate of the Company's premises and equipment finance leases is 11.61% as at September 30, 2024 and 9.49% as at December 31, 2023.

Supplemental Cash Flow Related Disclosures	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cash paid for amounts related to lease liabilities:		
Operating cash flows from operating leases	\$ 10.1	\$ 7.2
Operating cash flows from finance leases	0.1	—
Financing cash flows from finance leases	—	—
Recognition of ROU assets and lease liabilities for new operating leases	\$ 36.6	\$ 18.7
Derecognition of ROU assets and lease liabilities for new finance leases	(2.2)	—

Maturities of lease liabilities as of September 30 were as follows:

	Operating Leases	Finance Leases
2025	\$ 13.6	—
2026	13.4	—
2027	12.6	—
2028	12.0	—
2029	12.0	—
Thereafter	159.4	—
Total future minimum lease payments	\$ 223.0	\$ —
Imputed interest	(129.8)	—
Total lease liabilities	\$ 93.2	\$ —

At September 30, 2024, none of the Company's executed leases that had not yet commenced will create significant rights or obligations in the future and sublease transactions are not material. The Company's leases did not impose any restrictions or covenants.

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8. Other assets

As at	September 30, 2024	December 31, 2023
Non-current security deposits	\$ 5.0	\$ 5.0
Non-current insurance	0.1	2.8
Intangible assets, net	1.7	1.8
Total other assets	\$ 6.8	\$ 9.6

As of September 30, 2024 and December 31, 2023, the Company's intangible assets consisted of the following:

As at	September 30, 2024	December 31, 2023
Internal-use software	\$ 0.7	\$ 0.7
Cloud computing arrangements	1.4	1.3
	\$ 2.1	\$ 2.0
Less - accumulated amortization	(0.4)	(0.2)
Intangible assets, net	\$ 1.7	\$ 1.8

Amortization expense relating to cloud computing arrangements is recorded in selling, general and administrative expenses in the unaudited condensed consolidated interim statements of operations and comprehensive loss for the three and nine months ended September 30, 2024 is less than \$0.1 million and \$0.2 million (for the three and nine months ended September 30, 2023: \$nil and nil).

9. Related party transactions

For information about Li-Cycle's related party transactions, refer to *Note 9 (Related party transactions)* to the Consolidated Financial Statements and the section of the Annual Report on Form 10-K titled "Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions".

The Company has convertible debt instruments with affiliates of Glencore plc. ("**Glencore**"). Refer to *Note 11 (Convertible debt)* for more information.

The Company has agreements with Glencore to sell certain products from its Spokes. During the three and nine months ended September 30, 2024, product revenue from sales to Glencore was \$1.3 million and \$1.0 million, respectively. This was driven by losses from the finalization of provisional sales from prior periods, which exceeded sales in the period (revenue from sales to Glencore was \$0.6 million and \$1.8 million for the three and nine months ended September 30, 2023).

On May 31, 2022, the Company entered into agreements with Glencore, pursuant to which the Company pays (i) sourcing fees on feed purchased for the Company's Spokes; and (ii) marketing fees on the sale of Black Mass to third parties. Sourcing fees and marketing fees for the three months ended September 30, 2024 were below \$nil, compared to below \$nil in the three months ended September 30, 2023. The sourcing and marketing fees for the nine months ended September 30, 2024, were below \$0.1 million (for the nine months ended September 30, 2023: below \$0.1 million). The net account payable to Glencore as of September 30, 2024 was \$0.1 million (net account receivable as of December 31, 2023: \$0.2 million).

Since 2017, the Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the former interim non-executive Chair of the Company's Board, to provide it with corporate video production services since 2017. Total expenses were below \$0.1 million for the nine months ended September 30, 2024 (below \$0.1 million for the nine months ended September 30, 2023).

On September 1, 2020, the Company engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with technology services in relation to the Company's inventory management system. Total expense and accrual was \$nil and below \$0.1 million for the three and nine months ended September 30, 2024 (below \$0.1 million and below \$0.1 million for the three and nine months ended September 30, 2023, respectively).

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10. Accounts payable and accrued liabilities

As at	September 30, 2024	December 31, 2023
Accounts payable	\$ 108.4	\$ 134.5
Accrued expenses	17.4	14.5
Accrued compensation	6.8	3.1
Total accounts payable and accrued liabilities	\$ 132.6	\$ 152.1
Non-current accounts payable	(3.3)	—
Current accounts payable and accrued liabilities	\$ 129.3	\$ 152.1

During the nine months ended September 30, 2024, the Company reached new agreements and renegotiated certain previous agreements with certain suppliers to extend the payment terms for the amounts invoiced beyond one year. The Company recorded these amounts as non-current accounts payable in the unaudited condensed consolidated interim balance sheet as of September 30, 2024.

On March 25, 2024, the Board approved plans to reduce approximately 17% of its workforce, primarily at the corporate level, as part of the Company's ongoing efforts to right size and right shape its organization as part of the Cash Preservation Plan. The workforce reduction provided certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. Related to this event, the Company recorded an expense of \$0.8 million in cost of sales and \$5.6 million in selling, general and administrative expense in the unaudited condensed consolidated interim statements of operations and comprehensive income (loss) for the nine months ended September 30, 2024, for contractual termination benefits that are considered severance benefits plans as they are both probable and reasonably estimable as of September 30, 2024. For the nine months ended September 30, 2024, the Company accrued \$3.7 million of these expenses in accrued compensation.

11. Convertible debt

As at	September 30, 2024	December 31, 2023
KSP Convertible Notes (a)	\$ 114.1	\$ 99.1
Glencore Convertible Notes (b)	228.5	189.0
Total convertible debt at end of the period	\$ 342.6	\$ 288.1

The KSP Convertible Notes and the A&R Glencore Convertible Notes are all unsecured debt instruments and the Glencore Senior Secured Convertible Note is a secured debt instrument. The amount of maturities and sinking fund requirements for convertible debt instruments, with interest components rolled into principal, for each of the next five years are as follows as of September 30:

2025	\$	—
2026		163.7
2027		314.5
2028		—
2029		130.9
Total	\$	609.1

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(a) KSP Convertible Notes

As at	September 30, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 119.3	\$ 110.2
Issuance of convertible notes	7.2	9.1
Principal of convertible notes at end of the period	\$ 126.5	\$ 119.3
Conversion feature at beginning of period	\$ —	\$ 6.0
Fair value (gain) loss on embedded derivative	—	(6.0)
Conversion feature at end of period	\$ —	—
Debt component at beginning of the period	\$ 99.1	\$ 85.4
Debt component issued	7.2	9.1
Accrued interest paid in kind	(7.2)	(9.1)
Accrued interest expense	15.0	13.7
Debt component at end of period	\$ 114.1	\$ 99.1
Total KSP convertible debt at end of period	\$ 114.1	\$ 99.1

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “**KSP Note Purchase Agreement**”) with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the “**KSP Convertible Note**”) for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026, unless earlier repurchased, redeemed or converted. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind (“**PIK**”), at its election. Initially, interest payments made in cash were based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments were based on an interest rate of LIBOR plus 6% per year, with a LIBOR floor of 1% and a cap of 2%. Since July 1, 2023, as the LIBOR interest rate is no longer published, under the terms of the KSP Note Purchase Agreement, the interest rate is instead based on the sum of the SOFR and the average spread between the SOFR and LIBOR during the three-month period ending on the date on which LIBOR ceases to be published, subject to a floor of 1% and cap of 2%. On March 25, 2024, the Company amended the KSP Note Purchase Agreement to modify the interest rate terms of the KSP Convertible Note, by removing the SOFR floor of 1% and cap of 2% and including penalty interest upon an event of default consistent with the penalty interest provision of the Glencore Senior Secured Convertible Note. The amendment was accounted for as a debt modification and no gain or loss was recognized. After the amendment, the effective interest rate of the KSP Convertible Note is 18.7%. Interest payments are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 0.58%.

The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has elected to pay interest by PIK since the first interest payment date of December 31, 2021. The KSP Convertible Notes as at September 30, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
PIK Note	June 30, 2024	7.2
Total		\$ 126.5

At the option of the holder, the KSP Convertible Notes may be converted into common shares of the Company at a conversion price of \$106.73 (\$13.34 prior to the Share Consolidation), subject to customary anti-dilutive adjustments. The conversion price was adjusted from \$107.44 to \$106.73 in accordance with the repricing mechanism under the KSP Convertible Notes terms. This adjustment was triggered by shares issued under the ATM Program during the quarter, resulting in an aggregate issuance of 701,323 of the Company’s common shares. If the Company’s share price is equal to or greater than \$139.68 (\$17.46 before the

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Share Consolidation), for a period of twenty consecutive days, the Company can force conversion of the KSP Convertible Notes at an amount equal to the sum of principal, accrued but unpaid interest, plus any make-whole amount which equal to the undiscounted interest that would have been payable from the date of conversion to the maturity date. At the Company's option at any time, the Company can also redeem all of the KSP Convertible Notes at any time for a cash purchase price equal to 130% of the principal plus unpaid interest until maturity. The conversion feature under the KSP Convertible Notes has been recorded as a bifurcated embedded derivative liability since the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option. The KSP Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon the occurrence of an event at the holder's discretion. Under a change of control event, mandatory redemption happens upon the occurrence of an event. Both the change of control and event of default options under the KSP Convertible Notes have been recorded as bifurcated embedded derivative liabilities as the redemption price triggered by these features represents a substantial premium over the principal amount. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at September 30, 2024, no conversions or redemptions had taken place.

The fair value of the compound embedded derivative upon issuance of the KSP Convertible Notes was determined to be a liability of \$27.7 million whereas the remaining \$72.3 million, net of transaction costs of \$1.6 million, was allocated to the principal portion of the debt. During the three and nine months ended September 30, 2024, the Company recognized a fair value gain of less than \$0.1 million and less than \$0.1 million on the embedded derivatives (for the nine months ended September 30, 2023: gain of \$4.1 million). The embedded derivatives were valued using the Binomial Option Pricing Model. The assumptions used in the model were as follows:

	(Issuance date) September 29, 2021	December 31, 2023	September 30, 2024
Risk free interest rate	1.1%	4.2%	3.7%
Expected life of options	5.0 years	3.8 years	2.0 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	66%	63%	75%
Share Price	\$12.56	\$4.76	\$2.19

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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(b) Glencore Convertible Notes

As at	September 30, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 225.3	\$ 208.1
Issuance of convertible notes	75.0	17.2
Principal of convertible note at end of period	\$ 300.3	\$ 225.3
Conversion feature at beginning of period	\$ 0.4	\$ 16.5
<i>Change in the period:</i>		
Fair value gain for the year ended December 31, 2023	—	(16.1)
Fair value loss on the conversion features embedded in the A&R Glencore Convertible Notes from January 1, 2024 to March 25, 2024	1.8	—
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	(2.2)	—
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	—
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	—
Fair value gain on the conversion features from March 26, 2024 to September 30, 2024	(111.9)	—
Conversion feature at end of period	\$ 46.3	\$ 0.4
Debt component at beginning of period	\$ 188.6	\$ 164.9
<i>Change in the period:</i>		
Issuance of debt component	—	17.2
Accrued interest paid in kind	—	(17.2)
Accrued interest expense for the year ended December 31, 2023	—	23.7
Accrued interest and accretion expense from January 1, 2024 to March 25, 2024	5.9	—
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	—
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	—
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	—
Transaction costs	(8.6)	—
Accrued interest expense from March 26, 2024 to September 30, 2024	18.4	—
Debt component at end of period	\$ 182.2	\$ 188.6
Total Glencore convertible debt at end of period	\$ 228.5	\$ 189.0
Reconciliation of net change in Convertible debt to Debt extinguishment loss in the nine months ended September 30, 2024		
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	\$ (2.2)	
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	
Total change in the conversion features	156.0	
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	
Total change in the debt components	(22.1)	
Total net change in convertible debt in the nine months ended September 30, 2024	133.9	
Proceeds from convertible debt	(75.0)	
Debt extinguishment loss	\$ 58.9	

On March 25, 2024, the Company amended, restated and consolidated, the Glencore Unsecured Convertible Note and the PIK notes issued thereunder, such that they were split into two tranches, and certain terms of the Glencore Unsecured Convertible Note and the PIK notes issued thereunder were amended, effective from the occurrence of: (a) for the first tranche (the “**First A&R Glencore Note**”), the earliest of the date that is one month after the effectiveness and closing of a project loan financing for the Rochester Hub, and December 31, 2024, and (b) for the second tranche (the “**Second A&R Glencore Note**” and together

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with the First A&R Glencore Note, the “**A&R Glencore Convertible Notes**”), the earliest of (i) the first commercial production from the Rochester Hub, (ii) construction costs exceeding the construction budget set forth in the project loan financing, and (iii) June 1, 2026 (each such date in the case of the foregoing clauses (a) and (b), an applicable “**Modification Date**”). Upon the occurrence of the applicable Modification Date, the terms of the applicable A&R Convertible Note shall automatically be modified to be consistent with the corresponding provisions of the Glencore Senior Secured Convertible Note (as defined and described below): the maturity will be amended to be five (5) years from the applicable Modification Date, the interest rate will be amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption will be required (including, from the applicable Modification Date, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount across the A&R Glencore Convertible Notes (to the extent the applicable Modification Date with respect thereto has occurred) and the Glencore Senior Secured Convertible Note), and the Company will provide guarantees and pari passu security for the A&R Glencore Convertible Notes on substantially the same terms with the Glencore Senior Secured Convertible Note. In addition, at each Modification Date, the conversion price for the applicable A&R Glencore Convertible Notes will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to the applicable Modification Date plus a 25% premium per share, and (y) \$79.09 (\$9.89 before the Share Consolidation) per share. The amendment was accounted for as a debt extinguishment and the Company recorded \$58.9 million as a debt extinguishment loss presented in the unaudited condensed consolidated statement of operations and comprehensive loss for the three and nine months ended March 31, 2024 and September 30, 2024. After the amendment, the effective interest rate of the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note is 20.6%.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note for an aggregate principal amount of \$75 million to Glencore Canada Corporation, a subsidiary of Glencore plc (LON: GLEN). The Glencore Senior Secured Convertible Note will mature on March 25, 2029, unless there is an earlier repurchase, redemption or conversion. Interest on the Glencore Senior Secured Convertible Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Senior Secured Convertible Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 5% per annum if interest is paid in cash or plus 6% per annum if interest is paid in PIK. If an event of default has occurred and is continuing, the interest rate will be the rate stated above, plus one percent (1%) per annum (an additional 1% will be payable in cash). The PIK election results in the capitalization of the interest by adding such interest amounts to the aggregate outstanding principal balance of the Glencore Senior Secured Convertible Note then outstanding on the applicable Interest Date.

All obligations of the Company with respect to the Glencore Senior Secured Convertible Note are guaranteed by Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc (the “**Issuance Date Note Guarantors**”), each a subsidiary of the Company. Li-Cycle Europe AG and Li-Cycle Germany GmbH (the “**Post-Closing Guarantors**” and together with the Issuance Date Guarantors, collectively the “**Note Guarantors**”), both subsidiaries of the Company, are required to guaranty all obligations of the Company with respect to the Glencore Senior Secured Convertible Note as Note Guarantors within a certain time period following the issuance of the Glencore Senior Secured Convertible Note. Effective May 31, 2024, Li-Cycle Europe AG and Li-Cycle Germany GmbH guaranteed all obligations of the Company as noted above. The Company and the Issuance Date Note Guarantors have also granted perfected, first priority security interests (subject to customary exceptions and permitted liens) in all of their respective assets, including intellectual property and a pledge of the equity interests of each other Note Guarantor to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note. Within a certain time period following the issuance of the Glencore Senior Secured Convertible Note, the Post-Closing Guarantors are required to grant a perfected, first priority security interest (subject to customary exceptions and permitted liens) in all intra-group receivables owing to them and over all bank accounts held by such entities in their respective jurisdictions of organization and Li-Cycle Europe AG is required to further pledge its equity interests in Li-Cycle Germany GmbH to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note. The Post-Closing Guarantors successfully granted a perfected, first priority security interest effective May 31, 2024.

The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022. The First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured Convertible Note are referred to collectively as the “**Glencore Convertible Notes**”, and as at September 30, 2024, comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Glencore Senior Secured Convertible Note	March 25, 2024	75.0
Total		306.2

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At the option of the holder, the A&R Glencore Convertible Notes may be converted into common shares of the Company at a conversion price which shall be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to applicable Modification Date plus a 25% premium, and (y) \$79.09 (\$9.89 prior to the Share Consolidation) per share (the current conversion price of the A&R Glencore Convertible Notes), subject to customary anti-dilutive adjustments. The conversion price was adjusted from \$79.60 to \$79.09 in accordance with the repricing mechanism under the Glencore Convertible Notes terms. This adjustment was triggered by shares issued under the ATM Program during the quarter. At the option of the holder, the Glencore Senior Secured Convertible Note may be converted into common shares of the Company at a conversion price of \$4.23 (\$0.53 before the Share Consolidation) per share. The conversion feature under the Glencore Convertible Notes has been recorded as an embedded derivative liability as the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option. The A&R Glencore Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon the occurrence of an event at the holder's discretion. Under a change of control event, mandatory redemption happens upon the occurrence of an event. The Glencore Senior Secured Convertible Note is subject to redemption at any time by payment of the required redemption payment. Commencing with the delivery of the financial statements for the fiscal year ending December 31, 2026, the Company will be required to redeem a portion of the outstanding principal amount of the Glencore Senior Secured Convertible Note in an amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company). The Company is also required to redeem the Glencore Senior Secured Convertible Note in the event of certain continuing events of default upon request by the holder, certain bankruptcy-related events of default and upon a change of control transaction, unless in each case, the Glencore Senior Secured Convertible Note is first converted by the holder. The change of control, an event of default, and mandatory redemption provisions under the Glencore Convertible Notes have been recorded as bifurcated embedded derivative liabilities. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at September 30, 2024, no conversion or redemption had taken place.

In connection with any optional redemption, and with respect to the Glencore Senior Secured Convertible Note and A&R Glencore Convertible Notes, any mandatory redemption and provided that the applicable holder has not elected to convert the Glencore Convertible Notes into common shares, the Company must issue Glencore Warrants to the applicable holder on the optional redemption date or receipt of notice of redemption, as applicable, that entitle the holder to acquire, until the end of the applicable exercise period, a number of common shares equal to the principal amount of the Glencore Convertible Notes being redeemed divided by the then applicable conversion price. The initial exercise price of the Glencore Warrants will be equal to the conversion price as of the applicable redemption date.

The fair value of the embedded derivative liability upon issuance of the Glencore Convertible Notes was determined to be \$46.2 million with the remaining \$153.8 million, net of transaction costs of \$1.3 million, allocated to the initial amortized cost of the host debt instrument. During the three and nine months ended September 30, 2024, the Company recognized a fair value gain of \$99.2 million and \$110.1 million on the embedded derivatives (three and nine months ended September 30, 2023: gain of \$19.3 million and \$13.4 million). The embedded derivatives were valued using the Finite Difference Method. The assumptions used in the model were as follows:

	(Issuance date) May 31, 2022	December 31, 2023	September 30, 2024
Risk free interest rate	2.9%	4.2%	4.1% to 3.5%
Expected life of options	5.0 years	4.4 years	4.5 to 6.7 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	68%	63%	75%
Share Price	\$8.15	\$4.76	\$2.19

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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12. Common stock and additional paid-in capital

The following details the changes in issued and outstanding common shares for the three and nine months ended September 30, 2024.

(in millions)	Number of shares outstanding	Amount
Common shares and additional paid-in capital outstanding as at June 30, 2024	22.5	\$ 652.5
Settlement of RSUs	—	—
Issuance of common stock in connection with the ATM Program	0.7	1.2
Stock-based compensation – RSUs	—	3.0
Stock-based compensation – options	—	(1.1)
Common shares and additional paid-in capital outstanding as at September 30, 2024	23.2	\$ 655.6
Common shares and additional paid-in capital outstanding as at December 31, 2023	22.2	\$ 648.3
Settlement of RSUs	0.3	—
Issuance of common stock in connection with the ATM Program	0.7	1.2
Stock-based compensation – RSUs	—	6.1
Stock-based compensation – options	—	—
Common shares and additional paid-in capital outstanding as at September 30, 2024	23.2	\$ 655.6

At the annual general and special meeting of the Company's shareholders on May 23, 2024, the shareholders approved an amendment to the Company's articles to consolidate all of the Company's issued and outstanding common shares on the basis of a consolidation ratio within a range between two pre-consolidation common shares for one post-consolidation common share and eight pre-consolidation common shares for one post-consolidation common share, and granted to the Board the authority to fix the consolidation ratio. The Board subsequently approved a share consolidation and fixed the consolidation ratio at one post-consolidation common share for every eight pre-consolidation common shares. On June 3, 2024, the Company obtained from the Ontario Ministry of Public and Business Service Delivery a certificate of amendment in respect of the articles of amendment filed to effect a share consolidation of all the common shares at a ratio of one post-consolidation common share for every eight pre-consolidation common shares effective on June 3, 2024 (the "**Share Consolidation**"). Subsequently, the Company restated the provisions of its existing articles, without any changes to such provisions, by filing restated articles of incorporation on July 18, 2024.

As a result of the Share Consolidation, every eight common shares have been automatically consolidated into one common share. Any fractional shares resulting from the Share Consolidation have been deemed to have been tendered by the holder thereof immediately following the Share Consolidation to the Company for cancellation for no consideration. The Share Consolidation did not affect the total number of authorized common shares or modify any voting rights or other terms of the common shares. The common shares began trading on the NYSE on a post-consolidation basis on June 4, 2024. As a result of the Share Consolidation, the exercise or conversion price and the number of common shares issuable under any of the Company's outstanding securities that are exercisable or convertible into common shares, including under equity awards, warrants, rights, convertible notes and other similar securities, were proportionally adjusted in accordance with the terms of such securities.

All per share amounts, common shares outstanding, and stock-based compensation amounts with respect thereto in the unaudited condensed consolidated interim financial statements have been retroactively adjusted to reflect the Share Consolidation, as if the consolidation occurred at the beginning of the earliest period presented in this Quarterly Report on Form 10-Q.

On June 28, 2024, the Company entered into an At The Market Issuance Sales Agreement (the "**ATM Agreement**") to offer and sell up to \$75.0 million aggregate amount of our common shares. As of September 30, 2024, the Company raised \$1.1 million of net proceeds under the ATM Program by issuing an aggregate of 701,323 of the Company's common shares at a weighted average price of \$1.67 per share, generating gross proceeds of \$1.2 million inclusive of issuance costs of \$0.1 million. The remaining capacity under the ATM Program as of September 30, 2024 was \$73.8 million.

13. Financial assets and liabilities

Fair value measurements

The Company's financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

Li-Cycle Holdings Corp. **Notes to the unaudited condensed consolidated interim financial statements**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

As at September 30, 2024		Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$	0.1	\$ —	—
Conversion feature of convertible debt (refer to Note 11 (Convertible debt))		46.3	—	46.3
As at December 31, 2023		Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$	0.6	\$ —	0.6
Conversion feature of convertible debt (refer to Note 11 (Convertible debt))		0.4	—	0.4

Refer to Note 3 (Revenue – product sales and recycling services) above for additional details related to the measurement of accounts receivable and the concentration of credit risk of accounts receivable. Certain non-financial assets such as property, plant and equipment, operating right-of-use assets, goodwill and intangible assets are also subject to non-recurring fair value measurements if deemed impaired. The impairment models used for non-financial assets depend on the type of asset. There were no material impairments of non-financial assets for the three and nine months ended September 30, 2024 and 2023, respectively.

Financial assets and liabilities not measured at fair value

Current Receivables and Payables

Current receivables, prepaids and deposits are financial assets with carrying values that approximate fair value. Accounts payable (including the non-current portion) and other accrued expenses are financial liabilities with carrying values that approximate fair value. These financial instruments would be classified as Level 2 in the fair value hierarchy if measured at fair value in the financial statements.

14. Commitments and contingencies

Legal Proceedings

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

Shareholder Litigation relating to the October 23, 2023 Announcement of Rochester Hub Construction Pause

Three shareholder lawsuits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, described below.

On November 8, 2023, a putative federal securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company, and certain of its officers and directors, on behalf of a proposed class of purchasers of the Company's common shares during the period from June 14, 2022 through October 23, 2023. On March 15, 2024, the lead plaintiff filed an amended complaint on behalf of a proposed class of purchasers of the Company's common shares during the period from January 27, 2022 through November 13, 2023. See *Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.) (the "**Hubiack Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. On June 10, 2024, the court granted the motion to dismiss in full and with prejudice. On July 9, 2024, the lead plaintiff filed a notice of appeal. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On November 27, 2023, a putative Ontario securities class action claim was filed in the Ontario Superior Court of Justice against the Company and its CEO. The claim was amended on February 8, 2024, again on May 6, 2024, and once more on August 26, 2024 as a result of the defendants' settled motion (described below). The claim is on behalf of a proposed class of purchasers of the Company's common shares who acquired their shares during the period from February 27, 2023 through November 10, 2023. The claim, which is captioned as *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP, alleges common law secondary market misrepresentations. It also seeks an oppression remedy under s. 248 of the Ontario Business Corporations Act, based primarily on allegations of misconduct of senior management. The Wyshynski claim alleges that the Company's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The Wyshynski claim alleges that the purported

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misrepresentations were publicly corrected on (i) October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of the Company's Q3 2023 earnings report. The putative class includes all Canadian resident beneficial owners who acquired Li-Cycle common shares during the class period and who held some or all of those common shares until after the release of at least one of the alleged corrective disclosures. The claim seeks compensatory damages and an award of costs, along with the appointment of a third party monitor. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. The defendants agreed to settle the motion on August 1, 2024, in exchange for certain concessions from the plaintiff which resulted in narrowing of the claims and the proposed class. The plaintiff agreed to abandon their claims under the Ontario Securities Act and constrain the class to only the Canadian resident beneficial owners of the Company's shares. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of the Company (as nominal defendant) against certain of the Company's current and/or former officers and directors. The action, which is captioned as *Nieves v. Johnston, et. al.*, Index No. E2023014542 (N.Y. Sup. Ct.), principally concerns the same alleged misstatements or omissions at issue in the Hubiack Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of the Company, an award of costs and expenses and other relief. On February 29, 2024, the parties agreed to stay the action pending resolution of the Hubiack Securities Action. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

Subrogation Liability Claim

On or around January 2, 2024, the Company received a notice of a subrogation liability claim by an insurance company on behalf of one of the other tenants of the New York Spoke's warehouse. The claim relates to a small fire which occurred at the building on December 23, 2023, involving lithium-ion batteries being stored at the warehouse. The claimant has not provided details of potential damages and the Company's general liability insurer is providing coverage for this claim, including defense of the claim.

Commercial Claim – Pike Conductor DEV 1, LLC

On January 17, 2024, Pike Conductor DEV 1, LLC ("**Pike**") sent the Company a purported notice of default claiming that the Company failed to pay certain amounts in connection with leasing a warehouse and administrative building related to the Rochester Hub, and failed to clear certain liens levied on the property.

On January 26, 2024, the Company filed a lawsuit in New York State Court in Monroe County, seeking an order requiring Pike to amend and restate the agreement as a ground lease and to pay damages of at least \$39.0 million - \$53.0 million. The Company also sought an order barring Pike from seeking to, among other things, terminate the agreement or evict the Company from the property while the lawsuit is pending. Under the agreement between the parties, Pike agreed to construct the property and lease it to the Company. The Company agreed to finance up to \$58.6 million of Pike's construction costs, including \$14.5 million in tenant's improvements. Based on the agreement between the parties, if, by November 1, 2023, Pike had not repaid the pre-financing costs, less the tenant improvements, then the parties would restate the agreement as a ground lease and the Company would own the Warehouse. To date, the Company has funded approximately \$ 53.5 million of the construction costs.

Following certain court-ordered settlement conferences, the parties reached a settlement. The parties entered into an Amended and Restated Ground Sublease Agreement dated May 31, 2024 that provides for, among other things, the resolution of the lawsuit. Following the delivery of certain releases and satisfactions of mechanic's liens, the parties filed a Stipulation of Discontinuance on June 24, 2024.

Dispute with MasTec, its Subcontractors and other Contractors Regarding Rochester Hub Construction Contract

On April 9, 2024, Mastec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a foreclosure action in the Supreme Court, County of Monroe, New York. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec. Amounts owed, if any, are expected to be determined in the arbitration, and Li-Cycle intends to file a motion for a stay of the foreclosure action pending determination of the arbitration. Additionally, on July 22, 2024, MasTec North America Inc. (an affiliate of MasTec) commenced a separate foreclosure action on behalf of several subcontractors from whom it has taken assignments. Li-Cycle will seek to consolidate this foreclosure action into the already pending MasTec foreclosure action. For reporting purposes, the amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable.

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Contractual Obligations and Commitments

The following table summarizes Li-Cycle's contractual obligations and other commitments for cash expenditures as of September 30, 2024, and the years in which these obligations are due:

Contractual Obligations	Total	Payment due by period			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 132.6	\$ 129.3	\$ 3.3	\$ —	\$ —
Lease liabilities	221.8	13.6	13.4	36.6	158.2
Restoration provisions	1.6	0.2	—	0.3	1.1
Convertible debt principal	375.0	—	100.0	275.0	—
Convertible debt interest	234.1	—	63.7	170.4	—
Total as of September 30, 2024	\$ 965.1	\$ 143.1	\$ 180.4	\$ 482.3	\$ 159.3

As of September 30, 2024, \$5.9 million in committed purchase orders or agreements for equipment and services existed, compared to \$8.3 million as of December 31, 2023.

15. Loss per share

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Total net income (loss)	\$ 56.5	\$ (30.7)	\$ (88.4)	\$ (99.0)
Weighted average number of common shares (in millions)	23.2	22.3	23.2	22.2
Effect of dilutive securities:				
Stock options	—	—	—	—
Restricted share units	3.0	—	—	—
Dilutive number of shares	\$ 26.2	\$ 22.3	\$ 23.2	\$ 22.2
Profit (loss) per common share - diluted	\$ 2.15	\$ (1.38)	\$ (3.81)	\$ (4.47)
Profit (loss) per common share - basic	\$ 2.43	\$ (1.38)	\$ (3.81)	\$ (4.47)

Adjustments for diluted loss per share were not made for the nine months ending September 30, 2024 and and three and nine months ending September 2023, as they would be anti-dilutive. The following table presents shares (denominated in millions) from instruments that could dilute basic loss per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive for the periods presented:

As at	September 30, 2024	September 30, 2023
Stock options	0.2	0.5
Convertible debt		
KSP Convertible Notes	1.2	1.1
Glencore Convertible Notes	21.8	2.7
Restricted share units	3.0	0.4
Total	26.3	4.7

16. Segment reporting

The consolidated financial information presented in these financial statements is reviewed regularly by the Company's chief operating decision maker ("CODM") to make strategic decisions, allocate resources and assess performance. The information reviewed by CODM for decision making purposes aligns with the information provided above in the statements of operations and comprehensive (loss), financial position, and cash flows. The Company's CODM is its Chief Executive Officer.

Li-Cycle Holdings Corp. **Notes to the unaudited condensed consolidated interim financial statements**

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The Company's revenue primarily comes from eight key customers, as shown in the table below. The Company's remaining customers do not make up significant percentages of these balances. For additional details on product sales and fair value adjustments recognized in the period, refer to *Note 3 (Revenue – product sales and recycling services)*.

Revenue	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Customer D	29.0 %	1.0 %	28.0 %	1.0 %
Customer I	21.0 %	0.0 %	9.0 %	0.0 %
Customer F	15.0 %	12.0 %	5.0 %	15.0 %
Customer A	3.0 %	33.0 %	3.0 %	30.0 %
Customer H	0.0 %	0.0 %	12.0 %	0.0 %
Customer G	0.0 %	0.0 %	12.0 %	0.0 %
Customer B	0.0 %	21.0 %	0.0 %	9.0 %
Customer C	0.0 %	0.0 %	0.0 %	16.0 %

During the three months ended September 30, 2024, the Company operated in the United States and Germany, and during the three months ended September 30, 2023, the Company operated in the United States, Canada and Germany. Management has concluded that the customers, and the nature and method of distribution of goods and services delivered, if any, to these geographic regions are similar in nature. The risks and returns across the geographic regions are not dissimilar; therefore, the Company operates as a single operating segment.

The following is a summary of the Company's geographical information:

		Canada	United States	Germany	Other	Total
Revenue						
Three months ended September 30, 2024	\$	—	\$ 5.9	\$ 2.5	\$ —	\$ 8.4
Three months ended September 30, 2023		0.1	4.3	—	0.3	4.7
Nine months ended September 30, 2024		0.3	\$ 16.6	\$ 4.1	\$ —	\$ 21.0
Nine months ended September 30, 2023		1.0	10.6	—	0.3	11.9
Non-current assets						
As at September 30, 2024	\$	\$ 69.4	\$ 670.1	\$ 27.8	\$ 21.2	\$ 788.5
As at December 31, 2023		57.0	618.9	34.9	26.2	737.0

Revenue is attributed to each geographical location based on the location of the sale.

17. Subsequent events

Appointment of New Independent Registered Public Accounting Firm

As previously disclosed, on March 28, 2024, KPMG LLP ("**KPMG**"), the Company's independent registered public accounting firm, notified the Company that it had decided to decline to stand for re-appointment as the Company's independent registered public accounting firm to serve as independent auditor.

On October 15, 2024, Marcum Canada LLP ("**Marcum**") was appointed to replace KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024.

Li-Cycle and Glencore Establish Commercial Framework for Rochester Hub Products

On October 31, 2024, the Company entered into an agreement with Glencore Ltd. ("**Glencore**") covering the off-take of 100% of the MHP to be produced at its Rochester Hub. By amending and restating certain of its existing commercial agreements with Glencore Ltd. and Traxys North America LLC ("**Traxys**"), the Company has established the commercial framework for the proposed MHP scope for the Rochester Hub project. These amendments do not affect Glencore Ltd. and Traxys' existing off-take rights covering lithium carbonate production from the Rochester Hub.

Under the amended and restated commercial agreements, Glencore Ltd. has agreed to purchase all of the Company's MHP production at the Rochester Hub on agreed commercial terms based on market prices for the nickel and cobalt contained within the MHP. The parties have also agreed to extend the scope of the existing off-take agreements to cover material produced for Li-

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Cycle under tolling agreements with third parties. Traxys will also receive certain payments related to the MHP production for the duration of their off-take agreement, which has been adjusted to consider the proposed MHP scope for the Rochester Hub. The payment terms and working capital facilities under the Traxys and Glencore Ltd. commercial agreements have also been adjusted to align with the requirements of the DOE's proposed loan ("DOE Loan") under the DOE's Advanced Technology Vehicles Manufacturing program.

Finalized DOE Loan Facility

On November 7, 2024, the Company entered into an agreement for a loan facility ("**DOE Loan Facility**") of up to \$475 million (including up to \$445 million of principal and up to \$30 million in deferred and accrued interest) through the U.S. Department of Energy ("**DOE**") Loan Programs Office's ("**LPO**") Advanced Technology Vehicles Manufacturing ("**ATVM**") program, to support the development of the Company's Rochester Hub project. The entry by Company into definitive documentation with the DOE follows the DOE's detailed technical, market, financial and legal due diligence. The DOE Loan Facility is expected to support the development of the Company's flagship Rochester Hub project.

Under the terms of the DOE Loan Facility the Company may access funds through periodic draws through March 31, 2027 as eligible costs are incurred. There are no scheduled principal repayments under the facility prior to June 15, 2027, and interest during the availability period may be capitalized, instead of being paid in cash, in an amount of up to approximately \$30 million. The interest rate for each advance will be set by the Federal Financing Bank based on the cost of funds to the United States Department of the Treasury for obligations of comparable maturity at the date of the advance, with 0% spread. The final maturity date is March 15, 2040.

The Company's ability to borrow under the DOE Loan Facility is subject to the satisfaction or waiver of certain conditions precedent, including:

- completing the first draw on the DOE Loan Facility (the "**First Advance**") prior to the date that is twelve months after the Effective Date (i.e., November 7, 2025);
- fully satisfying the obligation to make certain base equity contributions to the Rochester Hub Project (the "**Base Equity Contribution**"), on or prior to the date of First Advance; and
- settling certain existing commitments relating to the Rochester Hub Project for costs incurred but not yet paid, on or prior to the date of First Advance (approximately \$92 million as of September 30, 2024).

The amount of the Base Equity Contribution includes an estimated approximately \$173 million to fund reserve accounts required under the DOE Loan Facility ("**Reserve Accounts**"), of which up to approximately \$97 million can be satisfied through delivery of letters of credit. The estimated amount of the Reserve Accounts required under the DOE Loan Facility is based on the Company's current forecasts and may change prior to First Advance. The Reserve Accounts include project construction, ramp-up, and Spoke capital expenditure reserves. The majority of the Reserve Account funds are expected to be released to the Borrower on or before the completion of the Rochester Hub Project.

The Company is also required to maintain a minimum unrestricted cash balance after First Advance of \$20 million prior to completion of the Rochester Hub Project, and of \$10 million following completion of the Rochester Hub Project (the "**Minimum Cash Balance**")

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read together with the unaudited condensed consolidated interim financial statements included in "Part I. Financial Information—Item 1. Unaudited Condensed Consolidated Interim Financial Information" in this Quarterly Report on Form 10-Q (the "**Consolidated Financial Statements**"). All per share amounts, common shares outstanding and stock-based compensation amounts for all periods reflect the effect of our Share Consolidation.

Within the tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages presented are calculated from the underlying whole-dollar amounts. Certain prior-period amounts have been reclassified to conform to the current period presentation. This is annotated where applicable.

In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations about the Company's financial condition, results of operations and industry that involve risks, uncertainties and assumptions. Actual results and timing of selected events may differ materially from those anticipated by these forward-looking statements as a result of various factors, including those set forth under the section in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K.

Company Overview

Li-Cycle (NYSE: LICY) is a leading global LIB resource recovery company. Established in 2016, and with major customers and partners around the world, Li-Cycle's mission is to recover battery- industry material critical to create a domestic closed-loop battery supply chain for a clean energy future. The Company's proprietary "Spoke & Hub" recycling and resource recovery process is designed (a) at its Spokes, or pre-processing facilities, to process battery manufacturing scrap and end-of-life batteries to produce "black mass", a powder-like substance which contains a number of valuable metals, and other intermediate products, and (b) at its future Hubs, or post-processing facilities, to process black mass to produce critical materials for the lithium-ion battery supply chain, including lithium carbonate. At its Spokes, the Company produces certain other products analogous to black mass that have a similar metal content, and, as a result, the Company tracks its production using a unit of measure called Black Mass & Equivalents or BM&E.

As at September 30, 2024, Li-Cycle had four operational Spokes in North America and Europe, which were located in Rochester, New York (the "**New York Spoke**"), Gilbert, Arizona (the "**Arizona Spoke**"), Tuscaloosa, Alabama (the "**Alabama Spoke**") and Magdeburg, Germany (the "**Germany Spoke**"), and was evaluating the continued development of its first commercial-scale Hub in Rochester, New York (the "**Rochester Hub**"). On November 7, 2024, the Company decided to curtail operations at its New York Spoke as part of its Spoke optimization plans and focus on Generation 3 Spokes.

We continue to focus on reviewing critical projects, executing against our cash preservation plan and advancing funding opportunities.

In the first nine months of 2024, we recycled 7,136 tonnes of battery material consisting of full packs, manufacturing scrap and other battery varieties, produced 4,172 tonnes of BM&E and sold 4,190 tonnes of BM&E. Through our recycling services, we helped 13 prominent EV manufacturers and 14 key battery cell and material producers fulfill their commitments to responsibly dispose of their battery waste.

During the three and nine months ended September 30, 2024, we recognized total revenues of \$8.4 million and \$21.0 million, respectively, representing an increase of \$3.7 million and an increase of \$9.1 million, respectively, compared to the same periods in the prior year. During the three and nine months ended September 30, 2024, our net profit attributable to common shareholders was \$56.5 million and net loss \$88.4 million, representing an increase of \$87.2 million and \$10.6 million, respectively, compared to the same periods in the prior year.

We have completed our technical review of the MHP scope for the Rochester Hub project and expect annual production of up to approximately 8,250 tonnes of lithium carbonate and up to approximately 72,000 tonnes of MHP. We continue to implement our Spoke optimization initiatives, which we believe will improve cash flows at our Generation 3 Spokes in Arizona, Alabama and Germany, to establish a self-sufficient and financially accretive Spoke business.

We completed the third quarter of 2024 with \$42.1 million in cash and cash equivalents, representing a decrease of \$38.2 million from the end of 2023 and a decrease of \$95.3 million compared to September 30, 2023. Our cash outflows

from operating activities were \$92.5 million during the nine months ended September 30, 2024, compared to \$89.3 million during the same period ended September 30, 2023, representing an increase of \$3.2 million. Capital expenditures amounted to \$20.6 million during the nine months ended September 30, 2024, compared to \$290.8 million during the same period ended September 30, 2023, representing a decrease of \$270.2 million. Capital expenditures have declined since we paused construction of the Rochester Hub and other development projects. We expect to continue to incur reduced capital expenditures until the restart of Rochester Hub construction. We expect to recommence construction on the Rochester Hub after securing additional financing toward the cost to complete the project, which is currently estimated at \$486.7 million.

Management Priorities, Challenges and Business Outlook

Market Update - EV and Battery Material Demand and Feedstock Availability

Generally, the trends in the geographical markets in which we operate (North America, Europe) present the Company with opportunities and challenges. Our estimates, informed by available market data and our views, of the long-term demand for EVs and hybrids remains robust in North America and Europe, with an expected approximately 21% compound annual growth rate in the number of vehicles forecasted to be sold between 2024 and 2030, based on an estimated 5.5 million vehicles in 2024 versus 17.0 million vehicles in 2030. However, current macroeconomic and industry trends (e.g., inflationary pressures) have reduced project commitments to build EV-related supply chains in North America and Europe. Notwithstanding the current challenging global economic environment, the long-term demand for EVs and hybrids remains strong.

Our operational activities and product revenue are influenced by the commodity prices for nickel and cobalt. Both nickel and cobalt have experienced recent pricing softness, broadly driven by macroeconomic uncertainties, seasonal patterns and reduced supply-side pressures. Based on observable trends and industry data, we estimate nickel and cobalt to have continued supply availability surpluses through 2024 and a potential tightening of supply relative to demand in 2025. In addition to pricing for nickel and cobalt lithium pricing is pertinent to the Rochester Hub's potential revenue. During the first nine months of 2024, lithium had a surplus of available production relative to perceived market demand. We believe there has been a reduction in project commitments relating to lithium production outside of China, which is likely to contribute to a forecasted tightening of the balance of the available output relative to demand in 2025.

Considering the dynamics of planned LIB production in North America and Europe, we expect to continue to see significant growth in the amount of LIB materials available for recycling. We estimate that between 2024 and 2027, the potential amount of battery materials available for recycling in North America and Europe may more than double. This potential growth in the available feedstock is expected to primarily be driven by manufacturing scrap, alongside further growth in after-sales EV batteries, stationary energy storage systems and consumer electronic batteries available for recycling. By comparison, we believe the level of post-processing capacity (for the processing of black mass) in North America and Europe in 2024 may be substantially lower than the amount of battery materials available for recycling. These forecasts illustrate that a significant deficit of post-processing capacity for black mass is currently expected in the medium term in North America and Europe. Additionally, we see potential for continued strong support for the localization of the battery supply chain, including post-processing of black mass (as is planned at Li-Cycle's Rochester Hub) due to customer and regulatory drivers. These market and demand considerations continue to underpin the long-term proposition for the Rochester Hub.

Rochester Hub Project Review

We have completed our technical review of the MHP scope for the Rochester Hub and confirmed the technical viability of the MHP scope through an internal study that allows the project to proceed on a schedule aligned with our current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits, regulatory approvals, if needed, and additional financing. As previously communicated, we have also advanced the go-forward execution plan for the Rochester Hub and refined cost estimates with the local market as part of the evaluation of the project's total cost estimate. We are continuing to develop a more detailed analysis of the MHP scope, and our financing strategy in line with the MHP scope. We will require significant additional funding before restarting the Rochester Hub project, on the basis of the MHP scope or otherwise.

Our estimated project cost for the Rochester Hub project, being \$960.2 million for the MHP scope, remains the same from our most recent Annual Report on Form 10-K, and excludes costs for project commissioning, ramp-up, working capital or financing. Our current estimate of cost to complete ("CTC") is approximately \$486.7 million, including \$91.9 million of costs incurred but not yet paid related to the Rochester Hub project as of September 30, 2024. If in the future we

decide to shift to a project scope that includes the production of nickel sulphate and cobalt sulphate, or any other changes to the MHP scope, then the estimated project costs would be higher.

The CTC estimates for the MHP scope are based solely upon our internal technical review, are subject to a number of assumptions, including refining detailed engineering, procurement, construction activities engineering, procurement and construction activities, including the cost of labor and may materially change when re-engaging and re-bidding construction subcontracts. In addition to the CTC, we will continue to incur costs during the construction pause until the potential project re-start date, which we expect to fund with current cash and required additional interim funding, including any borrowings that become available under the DOE Loan Facility. We will also incur other costs such as working capital, commissioning and ramp-up costs and financing costs which will be included in the full funding package.

In addition, certain contractors, subcontractors, consultants and suppliers (together, the “**lienors**”) have filed purported mechanic’s liens against our interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. MasTec is also seeking to enforce its lien through a foreclosure action and an affiliate of MasTec has filed a separate foreclosure action. See *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements.

Cash Preservation Plan

In the nine months ended September 30, 2024, we continued to implement our Cash Preservation Plan, announced in November 2023. Among other things, we commenced closure activities at the Ontario Spoke which has been paused since 2023, and slowed operations at our North American and European Spokes, as we continued to review the timing and BM&E needs of the Rochester Hub. The Ontario Spoke is expected to complete its closure plans in early 2025 and on November 7, 2024, the Company decided to curtail operations at its New York Spoke.

On March 25, 2024, we made the strategic decision to transition from a regional management structure to a centralized model, which resulted in certain leadership changes, which are anticipated to generate approximately \$10 million of annualized savings in payroll and benefits. Effective as of March 26, 2024, Debbie Simpson ceased serving as the Chief Financial Officer of the Company, Richard Storrie ceased serving as the Company’s Regional President, EMEA, and Tim Johnston ceased serving as the Company’s Executive Chair and transitioned to the role of interim non-executive Chair of the Company’s Board, which he held until May 31, 2024, after which he ceased serving on the Board and as an employee. Conor Spollen was appointed as the Chief Operating Officer of the Company, Dawei Li was appointed as the Chief Commercial Officer of the Company, and Craig Cunningham was appointed as the interim Chief Financial Officer and was later appointed to the role of Chief Financial Officer of the Company, effective July 20, 2024. In conjunction with the Cash Preservation Plan, in October 2024, the Regional Vice President Operations role was eliminated.

We, consistent with previous disclosures, continue to re-evaluate our strategy for bringing on additional Spoke and Hub capacity in the near-term, as well as our strategy for our Spoke and Hub network, specifically:

- **Germany Spoke (Expansion Deferred):** Line 1 capacity of 10,000 tonnes per year was operationalized in August 2023. The Company had previously announced that Line 2 capacity of 10,000 tonnes per year and ancillary capacity of up to 10,000 tonnes per year were expected to be built by the end of 2023, but these plans have been deferred (including the application to expand permitted capacity from 25,000 tonnes to 35,000 tonnes per year) and the timing of the Germany Spoke expansion is being re-evaluated as part of the go-forward strategy.
 - **France Spoke (Expansion Project Paused):** The Company had expected to start constructing the France Spoke in 2023 and to commence operations in 2024. This Generation 3 Spoke was expected to have a main line recycling capacity of 10,000 tonnes per year, with optionality to expand to up to 25,000 tonnes per year. These plans have been paused and the timing of the France Spoke is being re-evaluated as part of the go-forward strategy.
 - **Norway Spoke (Expansion Project Paused):** The Company had expected to use its leased facility in Norway initially as a warehouse to support the Germany Spoke operations and then start Spoke operations there in 2024. These plans have been paused and the timing of the Norway Spoke is being re-evaluated as part of the go-forward strategy.
 - **New Ontario Spoke (Expansion Project Paused Indefinitely):** The Company had planned on replacing the existing Ontario Spoke in 2023 with an expanded Generation 3 Spoke and warehouse facility. The Ontario Spoke has paused
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operations and commenced closure activities and the replacement plans for new/replacement Spoke have been postponed indefinitely as part of the go-forward strategy.

- **New York Spoke:** Operations have been curtailed in alignment with the Company's Spoke optimization plan and focus on Generation 3 Spokes.
- **Other Spoke Development Projects (Paused Indefinitely):** The Company had previously disclosed that it was undertaking a site selection process for a potential new Spoke in Hungary. These plans have been postponed indefinitely as part of the go-forward strategy.
- **Planned Portovesme Hub Project (Project Paused):** Work on the DFS for the Planned Portovesme Hub project announced in May 2023 has been paused. The project is currently under review with Glencore and the Company as part of the go-forward strategy.

Liquidity and Financing Initiatives

We have incurred net negative operating cash flow since inception and we expect to continue to generate net negative operating cash flow prior to completing and operating the currently paused Rochester Hub asset. Our liquidity sources include our existing cash and cash equivalents, debt, grants, other receivables, and the ATM Program.

Notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business. Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12-month period following September 30, 2024, casting substantial doubt about the Company's ability to continue as a going concern.

We are actively exploring financing options that will address the Company's immediate liquidity needs. For further discussion, refer to the sections "*Liquidity and Capital Resources*" below.

On November 7, 2024, we entered an agreement for a loan facility ("**DOE Loan Facility**") of up to \$475 million (including up to \$445 million of principal and up to \$30 million in deferred and accrued interest). The interest rate for each advance will be set by the Federal Financing Bank based on the cost of funds to the United States Department of the Treasury for obligations of comparable maturity at the date of the advance, with 0% spread.

Our ability to borrow under the DOE Loan Facility is subject to the satisfaction or waiver of certain conditions precedent, including:

- completing the first draw on the DOE Loan Facility (the "**First Advance**") prior to the date that is twelve months after the Effective Date (i.e., November 7, 2025);
- fully satisfying the obligation to make certain base equity contributions to the Rochester Hub Project (the "**Base Equity Contribution**"), on or prior to the date of First Advance; and
- settling certain existing commitments relating to the Rochester Hub Project for costs incurred but not yet paid, on or prior to the date of First Advance (approximately \$92 million as of September 30, 2024).

The amount of the Base Equity Contribution includes an estimated approximately \$173 million to fund reserve accounts required under the DOE Loan Facility ("**Reserve Accounts**"), of which up to approximately \$97 million can be satisfied through delivery of letters of credit. The estimated amount of the Reserve Accounts required is based on the Company's current forecasts and may change prior to First Advance. The Reserve Accounts include project construction, ramp-up, and Spoke capital expenditure reserves. The majority of the Reserve Account funds are expected to be released to us on or before the completion of the Rochester Hub Project.

We are actively exploring additional financing and strategic alternatives for a complete funding package needed to restart construction at the Rochester Hub (of which the DOE Loan Facility is a key component) and for general corporate purposes. The funding package would assist in satisfying the conditions required to draw against the DOE Loan Facility, including funding the remaining Base Equity Contribution (which includes reserve account requirements) and a minimum cash balance. There can be no assurances that the closing of the DOE Loan Facility or any other financing transaction would be sufficient to restart construction or complete the development of the Rochester Hub. The DOE Loan Facility contains customary operational and financial covenants with which we must comply, and may impose restrictions on additional financing, and other aspects of our business.

On June 28, 2024, the Company entered into an ATM Agreement to offer and sell up to an aggregate of \$75.0 million of our common shares. As of September 30, 2024, the Company generated net proceeds of \$1.1 million (gross proceeds of \$1.2 million inclusive of \$0.1 million in fees paid) by issuing an aggregate of 701,323 of the Company's common shares under the ATM Program. As of September 30, 2024, the remaining capacity under the ATM Program was \$73.8 million.

On April 30, 2024, we received €5.3 million (\$5.8 million) of the €6.4 million (\$6.9 million) approved grant from the State of Saxony-Anhalt, Germany as a part of the "Improving the Regional Economic Structure" program. Under the financing plan, we are required to fund a proportion of the eligible investment expenditures, to engage at least 38 full-time employees and to provide a security interest in relation to certain equipment. At September 30, 2024, we satisfied and, although there can be no guarantee, we expect to continue to satisfy the conditions of the grant through the required period. In the future, should we not meet the conditions of the grant, all or part of the grant could be cancelled and we could be required to return funds provided by the grant.

In connection with the issuance of the Glencore Senior Secured Convertible Note, Glencore and the Company amended and restated the terms of the Glencore Unsecured Convertible Note, in two tranches.

Under the terms of the First A&R Glencore Note, by December 9, 2024, being approximately one month following effectiveness of the closing of the DOE Loan Facility, the terms of the First A&R Glencore Note shall automatically be modified to be consistent with the corresponding provisions of the Glencore Senior Secured Convertible Note: the maturity will be amended to be five (5) years from December 9, 2024, the interest rate will be amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption will be required (including, from December 9, 2024, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount across the First A&R Glencore Notes and the Glencore Senior Secured Convertible Note, and the Company will provide guarantees and pari passu security for the First A&R Glencore Note on substantially the same terms with the Glencore Senior Secured Convertible Note. In addition, as of December 9, 2024, the conversion price for the applicable First A&R Glencore Note will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to December 9, 2024 plus a 25% premium per share, and (y) \$79.09 (\$9.89 prior to the Share Consolidation) per share.

The Glencore Senior Secured Convertible Note also contains a minimum liquidity covenant that will require us to maintain a minimum amount of liquidity to be set at \$10.0 million, to be tested monthly. In addition, the Glencore Senior Secured Convertible Note also contains a capital expenditure covenant that restricts our ability to make capital expenditures in excess of \$2.0 million in any transaction or series of related transactions, subject to certain exceptions.

Operational Initiatives

We expect to continue to pause or slow down operations at our operational Spokes in North America over the course of 2024. The Ontario Spoke has paused operations and commenced closure activities and on November 7, 2024, the Company decided to curtail operations at its New York Spoke. In the nine months ended September 30, 2024, Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of EV battery packs and modules, including damaged and defective materials, we are increasing our opportunity to earn recycling service revenues and leveraging the main line processing capabilities of its Generation 3 Spokes in Arizona, Alabama and Germany. We are also seeking to maximize the commercial value of our purchased battery cell manufacturing scrap by re-selling these materials, whether directly or after processing through our ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region.

During the nine months ended September 30, 2024, in North America, Li-Cycle entered into a new recycling agreement with a prominent EV OEM for full battery pack batteries and extended an existing agreement with a leading battery cell manufacturer. During the nine months ended September 30, 2024, in Europe, we also signed new recycling agreements, and expanded and amended existing agreements, for modules and full battery pack batteries with the largest automotive EV original equipment manufacturers (OEMs) in Europe as well as signed a new agreement with a major EV battery supplier and a global battery cell manufacturer in Europe. Li-Cycle now has recycling contracts with four of the largest automotive EV OEMs in Europe.

Material Accounting Policies and Critical Estimates

For a description of material accounting policies and critical estimates, refer to *Part II, Item 7, Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our critical accounting policies and, unless otherwise noted below, our estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Updates to significant accounting estimates include:

- i. the determination of net realizable value of inventory;
- ii. the determination of the useful life of property, plant and equipment;
- iii. the valuation and measurement of the convertible debt and the related conversion and redemption features;
- iv. the determination of the incremental borrowing rate and lease term for operating lease and finance lease right-of-use assets ("**ROU assets**") and operating lease and finance lease liabilities;
- v. the valuation of performance share units ("**PSU**"); and
- vi. the determination of the transaction price used for revenue recognition.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead, management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable.

The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results. The Company's determination of its asset groups, its primary asset and its remaining useful life, estimated cash flows, cost to complete the assets under construction and timing of the completion are significant factors in assessing the recoverability of the Company's assets for the purposes of long-lived asset impairment testing.

As of September 30, 2024, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

When indicators of impairment exist, long-lived asset impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the asset group's estimated undiscounted future cash flows to the carrying value of its net assets. If the asset group's net undiscounted cash flows exceed its net assets' carrying value, long-lived assets are not considered impaired. If the carrying value exceeds the net undiscounted cash flows, there is an indication of potential impairment and the second step of the long-lived asset impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group. Fair values are determined using valuation techniques that are in accordance with U.S. GAAP, including the income approach. If the carrying value of the asset group's net assets exceeds its fair value, then the excess represents the maximum amount of potential impairment that will be allocated to long-lived assets in the asset group, with the limitation that the carrying value of each separable asset cannot be reduced to a value lower than its individual fair value.

Impairment was most recently tested as of March 31, 2024 in connection with the ongoing pause on the construction work and review of the Rochester Hub project. Refer to *Note 2 Summary of Significant Accounting Policies* in the Company's unaudited condensed interim financial statements included in the Company's Form 10-Q for the three months ending March 31, 2024. For the quarter ended September 30, 2024, the Company has not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceed their carrying values.

The determination of the future net undiscounted cash flows used in the last completed recoverability test required significant judgment and estimate, specifically related to the North America asset group and included:

- The determination of the primary asset of the North American asset group being the combination of the ROU asset arising from the ground lease related to the Rochester Hub and the Rochester Hub buildings, due to the fact that they have the longest remaining useful life, the location of the land together with the buildings that are fundamental to the overall future operations of the Rochester Hub site and that the remainder of the equipment for this asset group would have not otherwise been acquired if not for this location and buildings.
 - The life of the net undiscounted cash flow model was determined to be approximately 40 years, to address estimation uncertainty relative to the remaining useful life of 49 years for the primary asset and aligning with the renewal options for the ground lease related to the Rochester Hub. The Company considered that it is reasonably certain that it will exercise each renewal option beyond the initial term, up to the maximum of 49 years inclusive of the initial non-cancellable period. To maintain the assets in good working order to generate cash flows over the projected term, sustaining capital expenditures were included based on widely accepted industry guidance from engineering, procurement, construction management firms and institutions such as the Chemical Engineering Plant Cost Index. The total cash flows were reviewed over the 40 years relative to the asset carrying value and it was noted that the cash flows could support the carrying value of the asset group.
 - Significant cash inflows:
 - Financing to complete the construction of the Rochester Hub is assumed to be available to Li-Cycle. The Company is pursuing funding alternatives in the form of bridge financing, project financing, and additional long-term funding alternatives. Two separate models were considered to reflect the impact of potential financing in a binary situation. The model that assumed no funding included significantly lower undiscounted net cash flows, which do not exceed the carrying amount of the North America asset group. If over time Li-Cycle does not obtain financing, there could be an impairment. The model which assumed no funding received a remote weighting when determining the amount of undiscounted net cash flows, but nevertheless, was considered for completeness. When sensitized to consider an equal weighting to the receipt of funding and lack thereof, the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
 - Revenues are driven by the sale of end products from the Rochester Hub in an MHP scope scenario and do not include the construction costs of the process areas required to produce nickel sulphate and cobalt sulphate. The key end product outputs are lithium carbonate and MHP. End product revenues can be further broken into price and volume.
 - The Company was required to estimate the commodity prices of the constituent metals under the MHP scope over the 40-year period included in the recoverability test. The Company benchmarked the commodity prices based on external industry publications. Lithium is the most significant metal contributing to the value of net undiscounted cash flows. Additionally, the Company was required to estimate the percentage of metal payables that the Company would receive on MHP products being sold ("**MHP payables**"), which was benchmarked to historical actuals and the commercial basis per the agreement with Glencore for MHP off-take. The Company further sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices for the model's life. Separately, the Company sensitized MHP payables to increase or to decrease by 10% for the model's life. Under either sensitized assumption the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
 - End product volumes are based on the Spoke network's and Rochester Hub's capacities and are further impacted by the Company's metal recoveries through the Spoke & Hub processes. When sensitized for the Hub recoveries increasing or decreasing by 5% the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
 - Significant cash outflows:
 - Rochester Hub forecasted commissioning and operating costs which are primarily driven by the cost of reagents, labor, and utilities were developed through an internal engineering and technical report based on the Association for the Advancement of Cost Engineering to a Class 2 standard. When sensitized such that
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operating costs were to increase or decrease by 10% the undiscounted net cash flows were still higher than the carrying value of the North American asset group.

- The prices that Li-Cycle pays for battery feedstock (as applicable) for the Spoke network are generally tied to commodity prices for the metals contained in those battery feedstocks or products, notably nickel and cobalt. The Company estimated forecasted commodity prices as discussed above. When sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices, the undiscounted net cash flows were still higher than the carrying value of the North American asset group.
- Construction costs to complete the Rochester Hub were developed based on the technical report for an MHP process. While these construction costs are not significant to the overall model, as proven through the sensitivity exercise whereby an increase or decrease of 5% in either direction does not impact the overall conclusion that the undiscounted net cash flows are higher than the carrying value of the North America asset group, they are significant in determining the funding gap which is assumed to be secured as discussed above.

The Company performed a sensitivity analysis to identify the impact of changes in its significant assumptions on the results of the recoverability test. As part of the sensitivity analysis, management stress tested the point in which a change in each significant assumption will cause the net undiscounted cash flows to no longer exceed the carrying amount of the asset group. Then, it assessed whether such a change was reasonable, considering the nature of the assumption. Further details on the sensitivity of the most critical inputs are noted above. It was determined that the recoverability test, including the considered impact of the sensitivities analysis, showed that the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Convertible debt instruments

Convertible instruments are assessed to determine classification of the whole instrument and to determine how to account for any conversion features or non-equity derivative instruments. The host instrument (i.e., convertible note element of the outstanding instruments) is classified as a financial liability and recorded at the present value of the Company's obligation to make future interest payments in cash and settle the redemption value of the instrument in cash. The carrying value of the host instrument is accounted for at amortized cost and is therefore accreted to the original face value of the instrument, over the life, using the effective interest method. The conversion option components of convertible debt instruments issued by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. If any conversion options require bifurcation as embedded derivatives, such embedded derivative liabilities are initially recognized at fair value and classified as derivatives in the balance sheet. Changes in the fair value of the embedded derivative liabilities are subsequently accounted for directly through the unaudited condensed consolidated statements of operations and comprehensive income (loss) and are included in operating activities in the unaudited condensed consolidated statements of cash flows as non-cash adjustment.

The conversion options are valued using certain directly and indirectly observable inputs and are classified as Level 2 in the fair value hierarchy. In determining the estimated fair value of the conversion options, the Company utilizes the most recent data available including risk-free interest rate, expected life of options, expected dividend yield, expected stock price volatility, and the Company's share price. The embedded derivatives are valued using the Binomial Option Pricing Model for the KSP Convertible Notes and Finite Difference Method for the Glencore Convertible Notes.

Government Grants

We receive grants from federal, state and local governments in different regions of the world that primarily encourage us to establish, maintain, or increase investment or employment in the region. Government grants are recorded in our Consolidated Financial Statements in accordance with their purpose of reducing expenses or offsetting the related capital asset. The benefit is generally recorded when all conditions attached to the incentive have been met or are expected to be met and there is reasonable assurance of their receipt. Refer to *Note 6 (Property, plant and equipment, net)* to the Unaudited Consolidated Financial Statements for grants received during the nine months ended September 30, 2024.

Stock-based compensation

The Company accounts for stock options using the fair value-based method of accounting for stock-based compensation. Fair values are determined using the Black-Scholes-Merton option pricing model. Management exercises judgment in determining the underlying share price volatility, expected life of the option, expected forfeitures and other

parameters of the calculations. The simplified method is used for estimating the expected term of the options since the Company does not have historical exercise experience to develop this assumption. Compensation costs are recognized over the vesting period on a straight-line basis for each tranche as if each award was in substance multiple awards, as an increase to stock-based compensation expense and additional paid-in capital. If, and when, stock options are ultimately exercised, the applicable amounts of additional paid-in capital are transferred to common stock. The Company accounts for award forfeitures by estimating expected forfeitures as compensation cost is recognized and recovering expenses related to unvested awards that are forfeited.

The fair value of restricted stock units (“**RSUs**”) and performance share units (“**PSUs**”) is the closing market price per share of the Company’s stock on the grant date less the present value of the expected dividends not received during the vesting period. The number of PSUs granted in the quarter to certain executives may be reduced based on the timing of the certified achievement of the predefined performance criteria related to certain milestones for the Rochester Hub project.

The expense for RSUs is recognized straight-line over the vesting period for each tranche. In the reporting period, if it becomes probable that a performance condition specified in the PSUs award will be achieved; the Company recognizes compensation expense for the proportionate share of the total fair value of the PSUs related to the vesting period that has already lapsed for the PSUs expected to vest. The remaining fair value of the PSUs expected to vest is expensed straight-line over the remainder of the vesting period. If the Company determines it is no longer probable that a performance threshold specified in the award will be achieved, all of the previously recognized compensation expense attributable to that condition is reversed in the same reporting period the determination is made.

Upon vesting of any RSUs and PSUs, the grant date fair value of RSUs and the fair value of PSUs vested is transferred to common stock.

The Company has made a policy election to estimate the number of stock-based compensation awards among similar units and recipients that will ultimately vest to determine the compensation expense recognized each reporting period. Forfeiture estimates are trueed up at the end of each quarter to ensure that compensation expense is recognized only for those awards that ultimately vest.

Results of Operations

\$ millions, except per share data	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Financial highlights						
Revenue	\$ 8.4	\$ 4.7	\$ 3.7	\$ 21.0	\$ 11.9	\$ 9.1
Cost of sales	(20.0)	(20.1)	0.1	(57.3)	(59.4)	2.1
Selling, general and administrative expense	(12.9)	(25.9)	13.0	(58.8)	(73.5)	14.7
Research and development	(0.7)	(2.7)	2.0	(1.2)	(4.9)	3.7
Other income	81.7	13.3	68.4	7.9	26.9	(19.0)
Income tax	—	—	—	—	(0.1)	0.1
Net profit (loss)	56.5	(30.7)	87.2	(88.4)	(99.1)	10.7
Adjusted EBITDA ¹ loss	(21.7)	(41.4)	19.7	(72.5)	(120.4)	47.9
Profit (loss) per common share - basic and diluted	2.15	(1.38)	3.54	(3.81)	(4.47)	0.65
Net cash used in operating activities	\$ (20.6)	\$ (38.7)	\$ 18.1	\$ (92.5)	\$ (89.3)	\$ (3.2)

As at	September 30, 2024	December 31, 2023	Change
Cash, cash equivalents and restricted cash	\$ 42.1	\$ 80.3	(38.2)

¹ Adjusted EBITDA is a non-GAAP financial measure and does not have a standardized meaning under U.S. GAAP. Refer to the section titled “Non-GAAP Reconciliations and Supplementary Information” below, including a reconciliation to comparable U.S. GAAP financial measures.

Revenue

Li-Cycle recognizes revenue from: (i) sales of products, including Black Mass & Equivalents, and shredded metal; and (ii) providing services relating to recycling of LIB, which includes coordination of inbound logistics and recycling and destruction of batteries. Sales of products are presented net of fair value gains or losses recognized in the period.

The Company’s revenue primarily comes from eight key customers. Refer to *Note 16 (Segment reporting)* in the Consolidated Financial Statements. These key customers are comprised of leading companies in the global battery supply chain, including battery manufacturers, EV OEMs, miners and raw material buyers. For the nine months ended September 30,

2024, “Customer D,” a U.S.-based global leader in EV and battery manufacturing, was the largest source of revenue for the Company.

\$ millions, except sales volume	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Product revenue recognized in the period	\$ 4.3	\$ 3.5	\$ 10.7	\$ 15.7
Fair value pricing adjustments	0.1	—	0.8	(6.0)
Product revenue	4.4	3.5	11.5	9.7
Recycling service revenue recognized in the period	4.0	1.2	9.5	2.2
Revenue	\$ 8.4	\$ 4.7	\$ 21.0	\$ 11.9
Tonnes of BM&E sold	1,989	892	4,190	3,866

For the three months ended September 30, 2024, revenue increased to \$8.4 million, compared to \$4.7 million in the three months ended September 30, 2023. This increase was primarily due to an increase in recycling service revenue, increase in product revenue due to favorable payable and pricing terms as a result of customer mix, as well as favorable changes in fair value pricing adjustments of \$0.1 million, primarily related to changes in constituent metals prices and the timing of settlements received from customers.

For the nine months ended September 30, 2024, revenue increased to \$21.0 million, compared to \$11.9 million in the nine months ended September 30, 2023, primarily due to an increase in recycling service revenue as well as favorable changes in fair value pricing adjustments of \$0.8 million, primarily related to the timing of settlements received from customers. This was partially offset by a decrease in product revenue as a result of product mix as well as commodity prices despite an increase in volume as compared to September 30, 2023.

Recycling service revenue increased by \$2.8 million and \$7.3 million or 233% and 332% for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 respectively. This increase was primarily due to new service contracts entered into in 2024 in addition to the Germany Spoke operations that commenced in August 2023.

As of September 30, 2024, 247.9 tonnes of Black Mass & Equivalents were subject to fair value pricing adjustments. Depending on the contractual terms, the BM&E could take up to 12 months to settle after shipment. The table below shows the expected settlement dates for the tonnes of BM&E subject to fair value price adjustments by quarter for the last sixteen months:

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
271+ days	—	—	—	248	1,662
181-270 days	—	—	248	151	557
91-180 days	—	248	151	1,372	743
1-90 days	248	93	725	542	1,312
Total tonnes	248	341	1,125	2,313	4,274

The following tables set out the period end and period average commodity prices for cobalt and nickel:

	Market price per tonne As at September 30,		Average market price per tonne For nine months ended September 30	
	2024	2023	2024	2023
Cobalt	\$ 22,267	\$ 31,416	\$ 25,807	\$ 33,363
Nickel	17,000	20,075	17,079	23,574

Cost of sales

\$ millions, except sales volume	Three months ended September 30,		Nine months ended Septmeber 30,	
	2024	2023	2024	2023
Cost of Sales - Product Revenue	\$ 19.4	\$ 20.1	\$ 54.3	\$ 59.4
Cost of Sales - Recycling Service Revenue	0.6	—	3.0	—
Total Cost of Sales	\$ 20.0	\$ 20.1	\$ 57.3	\$ 59.4

Cost of sales attributable to product revenue includes battery materials, direct and indirect consumables, labor costs, manufacturing overheads, including depreciation, logistics, maintenance, and facility related expenses. Cost of sales attributable to product revenue also includes charges to write down the carrying value of inventory when it exceeds its estimated net realizable value.

Cost of sales attributable to service revenue includes the cost of the battery materials acquired with the service contract with the remaining product conversion cost being included in cost of sales attributable to product sales.

The Company's operating Spokes continued to advance through the early operational phase during the quarter ended September 30, 2024. Cost of sales related to product revenue remained consistent for the three month period ended September 30, 2024, versus September 30, 2023, as increases in cost of sales related to the increase in units sold period over period were offset by reductions in operating costs and lower unfavorable inventory adjustments. Cost of sales attributable to product revenue decreased \$5.1 million or 9% for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 due to lower unfavorable inventory adjustments, and lower material costs, offset by increased operating costs including \$2.5 million of carrying costs related to the paused Rochester Hub and an increase in depreciation of processing equipment due to full year of German Spoke operations.

Cost of sales attributable to service revenue increased by \$0.6 million and \$3.0 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 due to new service contracts entered into after the third quarter of 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased \$13.0 million or 50% for the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 primarily as a result of decreased personnel costs driven by restructuring initiatives occurring in the fourth quarter of 2023 and throughout the first nine months of 2024 of \$5.7 million, decrease in stock based compensation of \$2.2 million, decrease in professional and legal fees of \$3.6 million, and decrease in other administrative costs of \$1.4 million.

Selling, general and administrative expenses decreased \$14.7 million or 20% for the nine months ended September 30, 2024 as compared to nine months ended September 30, 2023 primarily as a result of decreased personnel costs driven by restructuring activities occurring in the fourth quarter of 2023 and throughout the first nine months of 2024 of \$8.3 million, a net decrease in share based compensation of \$4.7 million, recovery of bad debt expense of \$1.0 million, and decreases in other administrative costs of \$5.5 million, offset by increased professional and legal fees of \$4.4 million, related to the Rochester Hub construction pause and the shareholder lawsuits and mechanic's liens (See *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements).

Research and development

For the three and nine months ended September 30, 2024, research and development was an expense of \$0.7 million and \$1.2 million, compared to an expense of \$2.7 million and \$4.9 million for the corresponding periods in 2023. The \$0.7 million and \$1.2 million expense in research and development for the three and nine months ended September 30, 2024 was due to decrease in consulting and professional fees as a result of the pause in the Company's development projects, decrease in employee salaries and benefits and refunds from Glencore in accordance with our cost sharing agreement.

Other income (expense)

Other income (expense) consists of interest income, foreign exchange gain or loss, interest expense, and fair value gain on financial instruments. Interest expense represents interest paid in kind ("**PIK interest**"), actual cash interest costs incurred and any accrued interest payable at a future date, net of interest costs capitalized for qualifying assets where they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Other income (expense) changed favorably in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 due to favorable fair value adjustments of the Company's financial instruments of \$88.3 million offset by an increase in interest expense of \$17.1 million.

Other income (expense) changed unfavorably in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 primarily driven by the non-cash debt extinguishment loss of \$58.9 million, increase in interest expense of \$43.0 million and decrease in interest income of \$9.7 million offset by favorable fair value adjustments of the Company's financial instruments of \$92.6 million. The favorable fair value adjustments of the Company's financial instruments were primarily due to the decrease in the Company's share price over the period and the resulting reduction in the fair value of the convertible debt.

Net profit (loss)

Net profit was \$56.5 million and net loss was \$88.4 million in the three and nine months ended September 30, 2024, compared to net losses of \$30.7 million and \$99.1 million in the comparative periods in 2023. Net profit (loss) for the three and nine months ended September 30, 2024 was driven by the factors discussed above, and reduced primarily by the decrease in selling, general, and administrative expenses, and the decrease in other expenses.

Adjusted EBITDA profit (loss)

Adjusted EBITDA loss was \$21.7 million and \$72.5 million in the three and nine months ended September 30, 2024, compared to a loss of \$41.4 million and \$120.4 million in the corresponding periods of 2023. The primary difference between Adjusted EBITDA loss and net loss in the nine months ended September 30, 2024 is the exclusion of the debt extinguishment loss of \$58.9 million related to the Glencore Unsecured Convertible Notes (see Note 11 (Convertible debt) to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q) and unrealized fair value gains on financial instruments of \$110.1 million.

A reconciliation of Adjusted EBITDA loss to net loss is provided in the section titled "Non-GAAP Reconciliations and Supplementary Information" below.

Non-GAAP Reconciliations and Supplementary Information

The Company uses the non-GAAP measure of Adjusted EBITDA. Management believes that this non-GAAP measure provides useful information to investors in measuring the financial performance of the Company and is provided as additional information to complement U.S. GAAP measures by providing a further understanding of the Company's results of operations from management's perspective. Adjusted EBITDA does not have a standardized meaning prescribed by U.S. GAAP and the term therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company's financial information reported under U.S. GAAP.

Adjusted EBITDA is defined 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 following table provides a reconciliation of net loss to Adjusted EBITDA (loss).

unaudited \$ millions	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net profit (loss)	\$ 56.5	\$ (30.7)	\$ (88.4)	\$ (99.1)
Income tax	—	—	—	0.1
Depreciation and amortization	4.4	2.5	11.2	6.4
Interest expense	17.3	0.2	44.4	1.4
Interest income	(0.5)	(2.5)	(2.0)	(11.7)
EBITDA profit (loss)	\$ 77.7	\$ (30.5)	\$ (34.8)	\$ (102.9)
Debt extinguishment loss	—	—	58.9	—
Restructuring fees adjustment ¹	(0.2)	—	13.5	—
Fair value gain on financial instruments ²	(99.2)	(10.9)	(110.1)	(17.5)
Adjusted EBITDA (loss)	\$ (21.7)	\$ (41.4)	\$ (72.5)	\$ (120.4)

- ¹ Restructuring fees adjustment include: expense related to the workforce reduction approved by the Board on March 25, 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 gain on financial instruments relates to convertible debt.

Capital Expenditure

Capital expenditures for the nine months ended September 30, 2024 were \$20.6 million, compared to \$290.8 million in the nine months ended September 30, 2023. The \$20.6 million capital expenditures in the nine months ended September 30, 2024 primarily consisted of payments for and receipts of equipment and construction materials purchased during previous periods for the Rochester Hub and the Germany Spoke. The decrease in capital expenditures for the nine months ended September 30, 2024, was due to the pause of construction at the Rochester Hub which was the primary driver for capital expenditures for the nine months ended September 30, 2023.

Development of Spoke & Hub Network

Operational Updates

unaudited \$ millions, except production data in tonnes	Nine months ended September 30,		
	2024	2023	Change
Operational Highlights			
Capital Expenditure	\$ 20.6	\$ 290.8	(93)%
Production - Black Mass & Equivalents	4,172	4,891	(15)%

Production - Black Mass & Equivalents

The Company produced 4,172 tonnes of Black Mass & Equivalents in the nine months ended September 30, 2024, compared to 4,891 tonnes in the corresponding period of 2023. The decrease in production of BM&E was primarily attributable to the slowdown of operations at our North America Spokes offset by an increase attributable to our European Spoke operation during the nine months ended September 30, 2024 as operations began in August 2023.

Li-Cycle has three operational Spokes in North America (the New York Spoke, the Arizona Spoke and the Alabama Spoke) and one operational Spoke in Europe (the Germany Spoke, which commenced operations in August 2023). Since November 1, 2023, production at the Ontario Spoke has been paused and the Company is continuing closure activities at this operation.

The table below outlines current installed Spoke capacity as at September 30, 2024, by Spoke location:

Annual material processing capacity (in tonnes)	Main Line ¹	Ancillary Processing			Total Processing Capacity
		Dry Shredding ²	Powder Processing ³	Baling ⁴	
New York Spoke	5,000	—	3,000	—	8,000
Arizona Spoke	10,000	5,000	3,000	5,000	23,000
Alabama Spoke	10,000	5,000	—	—	15,000
Germany Spoke	10,000	—	—	—	10,000
Available Spoke Capacity	35,000	10,000	6,000	5,000	56,000

Notes

- ¹ Processes materials using Li-Cycle's patented submerged shredding process or "wet shredding" specifically for battery materials that contain electrolyte and have risk of thermal runaway.
- ² Processes materials that do not contain electrolyte, and therefore have less risk of thermal runaway.
- ³ Processes cathode powders to minimize dusting in downstream processes.
- ⁴ Processes cathode foils into formed cubes for optimizing logistics and downstream processing.

The Company processes end-of-life batteries and certain manufacturing scrap at its Spoke main lines to produce black mass and shredded metal. Other manufacturing scrap acquired by the Company may be processed at the Company's ancillary lines to produce intermediate products or sold directly to third parties.

Li-Cycle's first commercial Hub was under construction in Rochester, New York until October 23, 2023, when the Company announced a construction pause on its Rochester Hub project, pending completion of a comprehensive

review of the go-forward strategy for the project. The Rochester Hub is expected to have a nameplate input capacity to process 35,000 tonnes of BM&E annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB equivalent feed annually). The facility is expected to have an output capacity of battery-industry critical materials including approximately 7,500 to 8,500 tonnes per annum of lithium carbonate.

Liquidity and Capital Resources

Overview

To date, Li-Cycle has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; (iii) other private placements of Li-Cycle securities (including convertible notes and common shares); (iv) the ATM Program, and (v) government grants. We have incurred net negative operating cash flow since our inception and expect to continue to generate negative operating cash flow. Cash generated at our operating Spokes is consumed by those operations and any shortfalls as well as funds required for general and all other needs are provided through our existing cash, debt, grants and other receivables. Inherently, there can be no guarantee that we can execute our growth strategy, secure appropriate feedstock supply, or develop the operating capabilities necessary to grow into a cash flow positive business.

Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12 months following September 30, 2024, casting substantial doubt about our ability to continue as a going concern.

There can be no assurance that we will be able to secure sufficient, additional funding, under reasonable commercial terms or at all, to provide liquidity for ongoing operations, to fund future growth or capital projects, including completion of the Rochester Hub or otherwise satisfy any of our funding needs and obligations. The Glencore Convertible Notes, and borrowings that become available under the DOE Loan Facility have, or are expected to have restrictive covenants that would significantly limit our operating and financial flexibility or our ability to obtain future financing.

See the following sections for more details regarding our material cash requirements and sources and conditions of liquidity.

Material Cash Requirements

As discussed in and subject to the factors in *Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Rochester Hub Project Review* in this Quarterly Report on Form 10-Q, our primary need for liquidity is to fund on-going working capital requirements of our business during the pause of the Rochester Hub project and existing capital commitments. We will require additional funding to restart the construction of the Rochester Hub which has an estimated cost to complete of \$486.7 million inclusive of \$91.9 million to settle various existing Hub commitments included in accounts payable.

We have no material debt maturities or requirements to pay cash interest associated with our convertible debt under the Company's option to elect PIK interest. See *Note 11 (Convertible debt)* to the Consolidated Financial Statements for further details on our convertible debt.

Excluding Rochester Hub related commitments referred to above, we had \$39.6 million of accounts payable as of September 30, 2024. In the twelve months following September 30, 2024, we anticipate cash lease payments of \$10.7 million primarily associated with our facilities and \$3.7 million of cash severance costs related to the March 2024 restructuring.

We continue to experience net negative cash flows from operations, and notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business.

Sources and Conditions of Liquidity

Our sources of liquidity to fund our on-going operations, corporate and other costs are predominantly from our existing available cash, unreceived grants, sales of BM&E and recycling services, other receivables and proceeds from future financing, if and when available. On June 28, 2024, we entered into an ATM Agreement with B. Riley, covering the sale of up to \$75.0 million aggregate amount of our common shares. For the three and nine months ending September 30,

2024, we raised \$1.1 million in net proceeds by issuing an aggregate of 701,323 of our common shares under the ATM Program. As of September 30, 2024, approximately up to \$73.8 million of our common shares remain available under the ATM Program. We intend to utilize any proceeds from the ATM Program towards our short-term liquidity needs.

As further noted in Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Liquidity and Financing Initiatives, on November 7, 2024, we entered into the DOE Loan Facility in the amount of up to \$475.0 million. We are actively exploring other financing options and strategic alternatives for a complete funding package needed to restart the construction at the Rochester Hub (of which the DOE Loan Facility is a key component). We will require significant additional funding before restarting the Rochester Hub project and we cannot know or guarantee when, if ever, or how much, if any, funds will be available or received from the DOE Loan Facility.

See *Note 6 (Property, plant and equipment, net)* to the Consolidated Financial Statements for details of the \$5.8 million (€5.3 million) conditional grant received from the State of Saxony-Anhalt, Germany. By financing a portion of eligible capital expenditures before May 31, 2025, we may become eligible to receive the remaining €1.1 million of the approved grant. At September 30, 2024, we satisfy and, although there can be no guarantee, we expect to continue to satisfy the conditions of the grant through the required period. In the future, should we not meet the conditions of the grant, all or part of the grant could be cancelled and we could be required to return funds provided by the grant.

During the nine months ended September 30, 2024, we reached new agreements and renegotiated certain previous agreements with certain suppliers to extend payment terms for \$3.3 million of trade accounts payable beyond one year. We expect to pay, in aggregate, \$1.1 million in interest over the collective terms of the deferrals. We recorded these amounts as non-current accounts payable in the unaudited condensed consolidated interim balance sheet as of September 30, 2024.

Cash, cash equivalents and restricted cash were \$42.1 million as at September 30, 2024, compared to \$80.3 million as at December 31, 2023. Cash, cash equivalents and restricted cash as at September 30, 2024 included proceeds received from the issuance of the Glencore Senior Secured Convertible Note and restricted cash of \$9.6 million.

At September 30, 2024, we had convertible debt of \$342.6 million. For details regarding our indebtedness, see *Note 11 (Convertible debt)* to the Consolidated Financial Statements.

Cash Flows Summary

Presented below is a summary of Li-Cycle's operating, investing, and financing cash flows for the nine months ended September 30, 2024 and 2023:

\$ millions	Nine months ended September 30,	
	2024	2023
Net cash used in operating activities	\$ (92.5)	\$ (89.3)
Net cash used in investing activities	(20.6)	(290.8)
Net cash provided (used in) by financing activities	74.9	(0.4)
Net change in cash, cash equivalents and restricted cash	\$ (38.2)	(380.5)

Net Cash Used in Operating Activities

For the nine months ended September 30, 2024, net cash used in operating activities were approximately \$92.5 million, compared to \$89.3 million in the corresponding period of 2023 and were driven by an increase in selling, general and administrative disbursements included in expenses in prior periods and expenses related to legal fees incurred as a result of the three shareholder suits and mechanic's liens filed following the construction pause at the Rochester Hub and other non-recurring restructuring costs.

The cash expenditures related to the shareholder lawsuits and lien related activities during the nine months ended September 30, 2024 were \$6.0 million. The other non-recurring cash restructuring costs of \$7.1 million during the nine months ended September 30, 2024 include severance costs for certain executives and non-executives pursuant to contractual termination benefits related to the March 2024 workforce reduction, as well as consulting, legal and Special Committee fees.

Net Cash Used in Investing Activities

For the nine months ended September 30, 2024, net cash used in investing activities were \$20.6 million, and primarily consisted of payments for equipment and construction materials purchased during previous periods for the Rochester Hub and Germany Spoke, compared to net cash used in the investing activities of \$290.8 million in the corresponding period of 2023. Net cash used in investing activities in the nine months ended September 30, 2023 were driven by the development of the Rochester Hub through the acquisition of equipment and construction materials.

Net Cash Provided by (Used In) Financing Activities

For the nine months ended September 30, 2024, net cash provided by financing activities were \$74.9 million, compared to \$0.4 million used in the corresponding period of 2023, and were primarily driven by \$75.0 million of gross proceeds received from the issuance of the Glencore Senior Secured Convertible Note on March 25, 2024 net of \$1.3 million of transaction costs and \$1.2 million proceeds raised from issuance of common shares under our ATM Program.

Recent Accounting Pronouncements

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the FASB. Unless otherwise discussed, and as further highlighted in *Note 2 (Accounting Changes)* to the Consolidated interim Financial Statements, Li-Cycle is in the process of assessing the impact of recently issued standards or amendments to existing standards that are not yet effective.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Li-Cycle is exposed to various risks in relation to financial instruments. The main types of risks are currency risk and interest rate risk. While Li-Cycle may enter into hedging contracts from time to time, any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Foreign Currency Risk

The Company is exposed to currency risk as its cash is mainly denominated in U.S. dollars, while its operations also require Canadian dollars and other currencies in addition to U.S. dollars. As at September 30, 2024, the impact of a 5% change in these respective currencies versus the U.S. dollar, would result in an immaterial impact. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk, as it has variable interest rate debt that includes an interest rate floor and cap. The Company does not expect changes in interest rates to have a material impact on its business and does not engage in interest rate hedging activities.

Credit and Liquidity Risks

Credit risk associated with cash is minimal as the Company deposits the majority of its cash with large Canadian and U.S. financial institutions above a minimum credit rating and with a cap on maximum deposits with any one institution. The Company's credit risk associated with receivables is managed through the use of credit assessments, credit limits, and payment terms with customers, as well as requiring payment in advance where the assessed credit risk warrants it, and exposure to potential loss is also assessed as minimal.

The Company's revenue and accounts receivable primarily come from large multinational OEMs and dominant market participants.

Management is assessing its liquidity risk management framework for the management of the Company's short-term, medium and long-term funding and liquidity requirements.

Market Risks

The Company is exposed to commodity price movements for the inventory it holds and the products it produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals contained its products, notably cobalt and nickel. The Company does not engage in commodity price hedging activities.

The following table sets out the Company's exposure, as of September 30, 2024 and December 31, 2023, in relation to the impact of movements in the cobalt and nickel price for the provisionally invoiced sales volume of BM&E by metric tonne:

As at September 30, 2024		Cobalt	Nickel
Tonnes subject to fair value pricing adjustments		247.9	247.9
10% increase in prices	\$	— \$	—
10% decrease in prices	\$	— \$	—
As at December 31, 2023		Cobalt	Nickel
Tonnes subject to fair value pricing adjustments		2,313.0	2,313.0
10% increase in prices	\$	0.2 \$	0.3
10% decrease in prices	\$	(0.2) \$	(0.3)

The following table sets out the period end commodity prices for cobalt and nickel as at September 30, 2024 and December 31, 2023:

As at September 30, 2024		Market price per tonne
Cobalt	\$	22,267
Nickel	\$	17,000

As at December 31, 2023		Market price per tonne
Cobalt	\$	28,660
Nickel	\$	16,250

Capital Risk Management

The Company's objective when managing its capital is to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net cash (cash and cash equivalents after deducting convertible debt) and equity of the Company (comprising issued share capital and other reserves). The Company is not subject to any externally imposed capital requirements as of September 30, 2024.

ITEM 4 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Li-Cycle's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, its Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2024, its disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

Changes in Internal Control Over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of internal control over financial reporting ("ICFR") as defined in Rules 13a-15(e) and 15d-15(f) under the Exchange Act. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Li-Cycle has identified material weaknesses in its ICFR. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's financial statements will not be prevented or detected on a timely basis.

As reported in Li-Cycle's Annual Report on Form 10-K, management has concluded ICFR was not effective due to the following material weaknesses:

- The Company did not maintain an effective control environment due to insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner.
- The Company did not maintain an effective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its ICFR, resulting from the insufficient number of experienced personnel described above.
- The Company did not maintain effective information and communication processes, related to insufficient communication of internal control information and the operating ineffectiveness of its IT general controls to ensure the quality and timeliness of information used in control activities, including related to service organizations.
- As a consequence of the above, the Company had ineffective process-level and financial statement close controls, primarily due to a lack of sufficient documentation to provide evidence of the operating effectiveness of controls.

Plan for Remediation of Material Weaknesses

During the three months ended September 30, 2024, Li-Cycle continued to implement its remediation plan to address the material weaknesses and their underlying causes, and strengthen all elements of the Company's ICFR program, including:

- Building its internal competency in technical accounting, financial reporting and internal controls to enhance its ability to execute detailed review of transactions to identify errors in a timely manner.
- Enhancing the risk assessment process to allow for the timely identification of risks of material misstatement and the impact of changes in the business that impact financial reporting risks.
- Strengthening processes to communicate internal control information and addressing operating deficiencies in IT general controls.
- Improving the quality of internal control evidence documentation to demonstrate operating effectiveness in process-level and financial statement close controls.

Although Li-Cycle continues to advance its remediation plan, the Company will not be able to conclude that it has remediated the material weaknesses until all relevant controls are fully implemented and have operated effectively for a sufficient period of time. The Company will continue to provide updates as it progresses through its remediation plan.

Except for the steps taken to address the material weaknesses in the Company's ICFR as described above, no changes in the Company's ICFR occurred during the three and nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of the material pending legal proceedings, see *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q and the section titled "*Item 3. Legal Proceedings*" in our Annual Report on Form 10-K.

ITEM 1A RISK FACTORS

We describe our existing risk factors in "*Item 1A. Risk Factors*" of our Annual Report on Form 10-K. Other than as described below, there have been no material changes in our risk factors disclosed in "*Item 1A. Risk Factors*" in our Annual Report on Form 10-K.

The Glencore Senior Secured Convertible Note and the DOE Loan Facility are secured, and the First A&R Glencore Note will be secured, by a substantial portion of the assets of the Company and its subsidiaries, resulting in the lack of substantial remaining assets available for incurring additional secured indebtedness.

The Glencore Senior Secured Convertible Note is guaranteed by certain subsidiaries of the Company and it is secured by perfected first priority security interests (subject to customary exceptions and permitted liens) over the assets of the Company and of its U.S. and Canadian subsidiaries, including intellectual property, and a pledge of the equity interests of each U.S. and Canadian subsidiary. In addition, the Glencore Senior Secured Convertible Note is secured by grants of perfected first-priority security interests (subject to customary exceptions and permitted liens) in all the material intra-group receivables and the material bank accounts of Li-Cycle Germany GmbH and Li-Cycle Europe AG held by such entities in their respective jurisdictions of organization, and by the equity interests in Li-Cycle Germany GmbH and Li-Cycle Europe AG held by Li-Cycle Europe AG and the Company, respectively.

The obligations under the DOE Loan Facility are secured on a first priority basis (subject to customary exceptions and permitted liens) by, and among other things, the assets of Li-Cycle U.S. Inc. (the borrower under the DOE Loan Facility), Li-Cycle North America Hub, Inc., and Li-Cycle Inc., the shares of the Borrower Entities, and certain rights, title and interests in the Rochester Hub.

Under the terms of the First A&R Glencore Note, by December 9, 2024, being approximately one month following the effectiveness of the closing of the DOE Loan Facility, the Company is required to cause its subsidiaries that

guarantee the Glencore Senior Secured Convertible Note (together with the Company) to provide guarantees and (together with the Company) to grant first perfected, priority security interests (subject to customary exceptions and permitted liens) in the assets that secure the Glencore Senior Secured Convertible Note for the benefit of the First A&R Glencore Note on substantially the same terms as the guarantees and security interests provided for the Glencore Senior Secured Convertible Note.

Because a substantial portion of the Company's assets secure the Glencore Senior Secured Convertible Note and the DOE Loan Facility, and will secure the First A&R Glencore Note, we do not have substantial remaining assets available to secure other indebtedness. Accordingly, we may not be able to incur additional secured indebtedness in the future. In addition, the terms of each of the Glencore Senior Secured Convertible Note, the First A&R Glencore Note, the Second A&R Glencore Note and the DOE Loan Facility significantly limit our ability to incur additional debt, including secured debt. If we are unable in the future to incur additional indebtedness, including secured indebtedness, to finance our operations and projects, such limitation could have an adverse effect on our business plans or our ability to obtain future financing, financial condition and results of operations.

Completion of our Rochester Hub is substantially contingent on our ability to fully draw down on our DOE Loan Facility, which contains a number of restrictive covenants and conditions precedent to the first and each draw. Failure to satisfy the conditions required to fully draw down on our DOE Loan Facility would have a material adverse effect on our business, financial condition and results of operations.

As part of our Cash Preservation Plan, we paused construction work on our Rochester Hub in October 2023, pending completion of a comprehensive review of the project's future strategy. The cost to recommence and complete construction of the Rochester Hub under the proposed MHP scope is currently estimated at \$486.7 million. Our DOE Loan Facility, which closed on November 7, 2024, provides for up to \$475.0 million of loans under the DOE's ATVM Program to recommence construction on the Rochester Hub Project. We cannot, however, access these funds immediately or at once, but only through periodic draws through December 31, 2026 assuming eligible costs are incurred, and the first draw must occur prior to November 7, 2025. Our ability to draw on the DOE Loan Facility is subject to satisfaction of additional conditions and requirements, including (i) obtaining financing of approximately \$173 million to fund a base equity contribution (of which up to approximately \$97 million can be satisfied via letters of credit), and (ii) satisfying a minimum unrestricted cash condition, both prior to and following completion of the Rochester Hub.

If we are unable to satisfy the conditions required to borrow under the DOE Loan Facility, we may not have access to sufficient funding to complete the Rochester Hub, which would have a material adverse effect on our business, financial condition, and results of operations. If we are unable to draw down the anticipated funds under the DOE Loan Facility, or we are delayed in making such draw downs, we will need to obtain additional or alternative financing to complete our Rochester Hub. Such additional or alternative financing may not be available on attractive terms, if at all, and could be more costly for us to obtain.

The DOE Loan Facility documents contain covenants that include, among others, a requirement that the Rochester Hub project be conducted in accordance with the business plan for the project, compliance with all requirements of the DOE's ATVM Program, and limitations on our and our subsidiaries' ability to incur indebtedness, incur liens, make investments or loans, enter into mergers or acquisitions, dispose of assets, pay dividends or make distributions on capital stock, prepay indebtedness, pay management, advisory or similar fees to affiliates, enter into certain material agreements and affiliate transactions, enter into new lines of business and enter into certain restrictive agreements. These restrictions may limit our ability to operate our business and may cause us to take actions or prevent us from taking actions we believe are necessary from a competitive standpoint or that we otherwise believe are necessary to grow our business. In addition, if we are unable to comply with the restrictive covenants under the DOE Loan Facility, we may default under the terms of the facility. In the event of a default, we would not be eligible to draw funds under the DOE Loan Facility and such default, if not cured, could result in the acceleration of outstanding loans under the DOE Loan Facility.

We can provide no assurance as to whether we will be able to continue to raise funds under the ATM Program in the future, or how much we would be able to raise. Any further share issuance under the ATM Program may result in substantial dilution.

The ATM Program is one of the Company's sources of liquidity. Between August 12, 2024 and September 13, 2024, we raised net proceeds of \$1.1 million after fees under the ATM Program and as of November 7, 2024, up to approximately \$73.8 million of our common shares remain available for sale under the ATM Program. We can provide no assurance as to whether we will be able to continue to raise funds in the future through the sale of our common shares that remain available for sale under the ATM Program, or that any proceeds raised would be sufficient to satisfy our funding

requirements. Sales of common shares under the ATM Program may result in substantial dilution to our common shareholders, affecting the trading price of our common shares and our shareholders' interests. For further discussion about dilution, see the section titled "Item 1A. Risk Factors – Risks Relating to Ownership of Our Securities" and the section titled "Item 1A. Risk Factors – Risks Relating to the Ownership of Our Common Shares – We may issue additional common shares or other equity securities without shareholder approval, which would dilute the ownership interests of existing shareholders in the Company and may depress the market price of our common shares" in our Annual Report on Form 10-K.

We may issue additional common shares or other equity securities without shareholder approval, which would dilute the ownership interests of existing shareholders in the Company and may depress the market price of our common shares.

We may issue additional common shares or other equity securities in the future in connection with, among other things, capital raises (including through our ATM Program), future acquisitions, repayment of outstanding indebtedness or grants under the Company's 2021 Incentive Award Plan (the "**Long-Term Incentive Plan**"), without shareholder approval in a number of circumstances, including in reliance on a "financial hardship exemption" from the shareholder approval requirements of the NYSE rules. We are currently actively exploring financing options and strategic alternatives. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant further dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common shares. Pursuant to the terms of the KSP Convertible Notes, the A&R Glencore Convertible Notes, and the Glencore Senior Secured Convertible Note, we may issue common shares upon conversion or redemption of the KSP Convertible Notes, the A&R Glencore Convertible Notes, or the Glencore Senior Secured Convertible Note, as applicable, upon exercise of the warrants issued to Glencore in connection with a redemption of the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as applicable, or pursuant to any other term of the KSP Convertible Notes, the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as applicable, including as a result of any of the PIK provisions of the KSP Convertible Notes, the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as applicable.

The issuance of additional shares or other equity securities could have one or more of the following effects:

- our existing shareholders' proportionate ownership will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common shares may decline.

The issuance of our common shares in connection with the conversion of any of the KSP Convertible Notes or the Glencore Convertible Notes would cause substantial dilution, and could materially affect the trading price of our common shares and your interests and any future financings may cause further dilution.

As of September 30, 2024, there was an aggregate principal amount of \$126.5 million outstanding under the KSP Convertible Notes, \$225.3 million outstanding under the A&R Glencore Convertible Notes and \$75.0 million outstanding under the Glencore Senior Secured Convertible Note. To the extent we or the holders of the KSP Convertible Notes or the Glencore Convertible Notes, as applicable, convert any of their convertible notes into our common shares, substantial amounts of our common shares will be issued. In addition, under the terms of the First A&R Glencore Note, by December 9, 2024, being approximately one month following the effectiveness of the closing of the DOE Loan Facility, the conversion price for the First A&R Glencore Note will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to December 9, 2024, plus a 25% premium per share, and (y) \$79.09 (\$9.89 prior to the Share Consolidation) per share. We anticipate that this adjustment to the conversion price will substantially increase the total number of shares into which the First A&R Glencore Note is convertible. Any issuances of our common shares upon conversion of any of the KSP Convertible Notes or the Glencore Convertible Notes could result in substantial decreases to our stock price and dilution to our existing shareholders.

In addition, conversion of the Glencore Convertible Notes may result in a change of control of the Company, depending on certain future events, including in the event the Company elects to pay interest in-kind and/or as a result of future conversion price adjustments to either or both of the A&R Glencore Convertible Notes or the Glencore Senior

Secured Convertible Note. As of November 1, 2024, assuming the conversion of the A&R Glencore Convertible Notes and the Glencore Senior Secured Convertible Note on such date, Glencore and its affiliates would have beneficially owned approximately 48.5% of the common shares on an as-converted basis. As a result, Glencore may be able to exert significant voting influence on votes requiring shareholder approval and may take actions with which you disagree or which are in conflict with your interests. Any concentration of share ownership may also have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combinations, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other shareholders. This concentration of share ownership may not be in the best interests of all of our shareholders. In addition, on March 25, 2024, in connection with the closing of the Glencore Senior Secured Convertible Note, the Company entered into a side letter agreement (the “**Side Letter Agreement**”) with Glencore Ltd., Glencore Canada Corporation and Glencore, in which it granted to Glencore the right to nominate two additional directors (the “**Glencore Nominees**”) to the Board, for a total of three nominees.

It is expected that the Company will seek additional financing or strategic alternatives in the future, including to satisfy the funding condition under the DOE Loan Facility, which financing alternatives in particular could result in the issuance of additional equity or equity-linked securities, in turn resulting in further dilution to existing shareholders. Furthermore, if Glencore is an investor in any future financing, it may result in Glencore acquiring beneficial ownership in excess of 50.1% of the issued and outstanding common shares on an actual or as-converted basis and otherwise acquiring actual control of the Company through the right to appoint and remove a majority of the directors serving on the Board. We cannot assure you that any of the governance protections Glencore committed to in the Side Letter, including not causing the Company to rely on the "controlled company" exemption of the NYSE and the standstill provisions, among others, would remain in place following any such future financing, which loss of governance protections may further affect your interests and shareholder rights.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Trading Arrangements and Policies

During the three months ended September 30, 2024, neither the Company nor any of its directors or officers adopted or terminated any 10b5-1 trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q or are incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description
1.1	At Market Issuance Sales Agreement, dated as of June 28, 2024, by and between Li-Cycle Holdings Corp. and B. Riley Securities, Inc. (incorporated by reference to Exhibit 1.1 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 28, 2024).**
2.1††	Business Combination Agreement, dated as of February 15, 2021, by and among Peridot Acquisition Corp., Li-Cycle Corp. and the Company (incorporated by reference to Exhibit 2.1 from the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
3.1	Certificate of Restated Articles of Incorporation of the Company dated July 18, 2024 (Certificate of Restated Articles of Incorporation of the Company dated July 18, 2024 (incorporated by reference to Exhibit 3.1 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
3.2	Restated Articles of Incorporation of the Company dated July 18, 2024 (incorporated by reference to Exhibit 3.2 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).**
3.3	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.3 from the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
4.1	Specimen Common Share Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
4.2	Rights Agreement dated as of October 31, 2023, by and between the Company and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.2 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on November 1, 2023).**
4.3	Amendment No. 1 to the Rights Agreement, dated as of March 11, 2024, by and between Li-Cycle Holdings Corp. and Continental Stock Transfer & Trust Company as rights agent (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).**
4.4	Convertible Note, dated September 29, 2021, issued by Li-Cycle Holdings Corp. to Spring Creek Capital, LLC (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
4.5	Consent to New Debt and Amendment to Convertible Note, dated May 5, 2022, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.5 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.6	Amendment No. 2 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.6 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.7	Amendment No. 3 to Convertible Note dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.8	Convertible Note, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.8 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
4.9	Amendment No. 1 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.9 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.10	Senior Secured Convertible Note dated March 25, 2024 (incorporated by reference to Exhibit 4.10 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.11	Note Guaranty dated March 25, 2024 by and among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 4.11 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**

4.12	<u>Amended and Restated Convertible Note No. 1 dated March 25, 2024 (incorporated by reference to Exhibit 4.12 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
4.13	<u>Amended and Restated Convertible Note No. 2 dated March 25, 2024 (incorporated by reference to Exhibit 4.13 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.1††	<u>Note Purchase Agreement, dated March 11, 2024, by and between Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).</u>**
10.2††	<u>Amended and Restated Note Purchase Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.3††	<u>U.S. Pledge and Security Agreement dated March 25, 2024 by and among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.4††	<u>U.S. Stock Pledge Agreement dated March 25, 2024 by and between Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.5††	<u>Canadian General Security Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.6††	<u>Canadian Pledge Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.7	<u>Amended and Restated Registration Rights Agreement dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.8	<u>Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore plc (incorporated by reference to Exhibit 10.8 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.9†††	<u>North America Black Mass and Refined Products Allocation Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp. and certain of its affiliates, Traxys North America LLC and Glencore Ltd. (incorporated by reference to Exhibit 10.9 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.10	<u>Indemnification Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.10 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.11	<u>Subsidiary Joinder Agreement, dated May 29, 2024, by between Li-Cycle Europe AG and Li-Cycle Germany GmbH (incorporated by reference to Exhibit 10.11 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.12††, †††	<u>Security Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.12 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.13††, †††	<u>Bank Account Pledge Agreement, dated May 31, 2024, by and between, Li-Cycle Europe AG and Glencore Canada Corporation (incorporated by reference to Exhibit 10.13 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.14††, †††	<u>Share Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Holdings Corp. and Glencore Canada Corporation, acknowledged and agreed by Li-Cycle Europe AG (incorporated by reference to Exhibit 10.14 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.15††, †††	<u>Global Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation (incorporated by reference to Exhibit 10.15 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**

10.16††, †††	<u>Account Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada (incorporated by reference to Exhibit 10.16 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.17†††	<u>Share Pledge Agreement, dated May 29, 2024, by and between Li-Cycle Europe AG, Glencore Canada Corporation and Li-Cycle Germany GmbH (incorporated by reference to Exhibit 10.17 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.18††, †††	<u>Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024, between Pike Conductor Dev 1, LLC (as Lessor) and Li-Cycle North America Hub, Inc. (as Lessee) (incorporated by reference to Exhibit 10.18 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.19	<u>Guarantee by Li-Cycle Holdings Corp. to Pike Conductor Dev 1, LLC (as Lessor) under Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024 (incorporated by reference to Exhibit 10.19 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.20††, †††	<u>Limited Assignment of Design Build Contract, dated May 31, 2024, by and between Pike Conductor Dev 1, LLC, Li-Cycle North America Hub, Inc., and Pike Conductor JV 1, LLC (incorporated by reference to Exhibit 10.20 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.21†, †††	<u>Executive Employment Agreement, dated March 26, 2024, by and between Li-Cycle Corp. and Conor Spollen (incorporated by reference to Exhibit 10.21 from the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).</u>**
10.22†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 24, 2024, by and between Li-Cycle Corp. and Debbie Simpson (incorporated by reference to Exhibit 10.22 from the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).</u>**
10.23†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 29, 2024, by and between Li-Cycle Corp. and Tim Johnston (incorporated by reference to Exhibit 10.23 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024), as amended by the Company's Form 8-K/A (File No. 001-40733) filed with the SEC on June 5, 2024).</u>**
10.24†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 26, 2024, by and between Li-Cycle Europe AG and Richard Storrie (incorporated by reference from Exhibit 10.24 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024).</u>**
10.25†	<u>Executive Employment Agreement, dated July 17, 2024, by and between Li-Cycle Corp. and Craig Cunningham (incorporated by reference to Exhibit 10.25 from the Company's quarterly report on Form 10-Q (File No. 001-40733) filed with the SEC on August 8, 2024).</u>**
10.26†	<u>First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Ajay Kochhar.</u>
10.27†	<u>First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Carl DeLuca.</u>
10.28†	<u>First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Chris Biederman.</u>
10.29†	<u>First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle Corp. and Christine Barwell.</u>
10.30†	<u>First Amendment to Executive Employment Agreement, dated August 27, 2024, by and between Li-Cycle APAC Pte. Ltd. and Dawei Li.</u>
10.31††, †††	<u>Amended and Restated Master Commercial Agreement, dated October 30, 2024, among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle U.S. Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte. Ltd. (incorporated by reference to Exhibit 10.31 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).</u>**
10.32††, †††	<u>Amended and Restated By-Products Off-Take Agreement, dated October 30, 2024, among Glencore Ltd., Li-Cycle Holdings Corp., Li-Cycle U.S. Inc., Li-Cycle Europe AG and Li-Cycle APAC Pte. Ltd. (incorporated by reference to Exhibit 10.32 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).</u>**
10.33††, †††	<u>BLACK MASS – Second Amended and Restated Marketing, Logistics and Working Capital Agreement among Traxys North America LLC (as Buyer), Li-Cycle U.S. Inc. (as Seller) and Li-Cycle Inc., dated October 30, 2024 (incorporated by reference to Exhibit 10.33 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).</u>**

10.34††, †††	<u>REFINED PRODUCTS – Second Amended and Restated Marketing, Logistics and Working Capital Agreement, among Traxys North America LLC (as Buyer), Li-Cycle U.S. Inc. (as Seller) and Li-Cycle North America Hub Inc., dated October 30, 2024 (incorporated by reference to Exhibit 10.34 from the Company’s Form 8-K (File No. 001-40733) filed with the SEC on October 31, 2024).</u> **
31.1	<u>Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
31.2	<u>Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
32.1#	<u>Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350.</u>
32.2#	<u>Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350.</u>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

** Previously filed.

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

††† Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because Li-Cycle Corp. customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause it competitive harm if publicly disclosed. Li-Cycle Holdings Corp. will supplementally provide an unredacted copy of this exhibit to the SEC or its staff upon request.

This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar
Name: Ajay Kochhar
Title: President & CEO and Executive Director

By: /s/ Craig Cunningham
Name: Craig Cunningham
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Date: November 7, 2024

Tab L

This is Exhibit "L" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-40733

Li-Cycle Holdings Corp.
(Exact Name of Registrant as Specified in Its Charter)

Province of Ontario, Canada
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer Identification No.)

207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada

(Address of principal executive offices, including zip code)

(877) 542-9253

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(S)	Name of each exchange on which registered
Common shares, without par value	LICY	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 2, 2024, the registrant had 22,500,212 common shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws.

Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this Quarterly Report on Form 10-Q include but are not limited to statements about: the expectation that Li-Cycle will recover critical battery materials to create a domestic closed-loop battery supply chain for a clean energy future; the expectation that the steps taken under the Cash Preservation Plan will result in cash savings; Li-Cycle’s expectations regarding cash outflows; Li-Cycle’s expectations regarding the DOE Loan; Li-Cycle’s expectations that it will require significant funding before restarting the Rochester Hub project or that it will be able to restart the Rochester Hub project and the cost to complete; Li-Cycle’s expectations that it will be stopping or slowing operations at its remaining operating Spokes and re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term; Li-Cycle’s expectation to recognize revenue from the sale of critical battery materials; Li-Cycle’s expectation regarding other capital expenditures; Li-Cycle’s expectation that it will need to secure an alternative short or long-term financing in the near term or else it will not have sufficient cash and cash equivalents on hand or other resources to support current operations for the twelve months following the filing of this Quarterly Report; expectations related to potential financing and other strategic alternatives; expectations related to the outcome of future litigation, including the disclosure of certain mechanic’s liens against the Company and the amount owed; expectations regarding the ability to attract new suppliers; expectations regarding annual growth rate of the number of EVs and hybrids; expectations regarding the price and supply of nickel and cobalt; and expectations regarding expected growth in the amount of LIB materials available for recycling. These statements are based on various assumptions, whether or not identified in this Quarterly Report on Form 10-Q, made by Li-Cycle’s management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects, including paused projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s expectations regarding workforce reductions; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms or execute any strategic transactions; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; the success of the Cash Preservation Plan, the outcome of the review of the go-forward strategy of the Rochester Hub, Li-Cycle’s ability to attract new suppliers or expand its supply pipeline from existing suppliers; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. The risk factors and cautionary language discussed in the Annual Report on Form 10-K provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- our estimated total addressable market;
 - risk and uncertainties related to Li-Cycle’s ability to continue as a going concern;
 - Li-Cycle’s reliance on the experience and expertise of senior management and key personnel;
 - the potential for Li-Cycle’s directors and officers who hold Company common shares to have interests that may differ from, or be in conflict with, the interests of other shareholders;
 - Li-Cycle’s insurance may not cover all liabilities and damages;
 - Li-Cycle’s reliance on a limited number of commercial partners to generate revenue;
 - customer demand for recycled materials;
-

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- the NYSE may delist our common shares, which could limit investors' ability to engage in transactions in our common shares and subject us to additional trading restrictions
- Li-Cycle's failure to effectively remediate the material weaknesses in its internal control over financial reporting that it has identified or its failure to develop and maintain a proper and effective internal control over financial reporting; and
- risk of litigation or regulatory proceedings that could materially adversely impact Li-Cycle's financial results.

The risk and uncertainties discussed in our Annual Report on Form 10-K, as well as other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections titled "Part II—Item 1A. Risk Factors", "Part I—Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statements. Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle's assessments as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

Unless otherwise indicated, the estimates included in this Quarterly Report on Form 10-Q, including with respect to the size of the EV and hybrid market in North America, price and supply of nickel and cobalt and the supply of battery materials for recycling in North America are based on the good faith estimates of our management, which in turn are based upon our management's review of internal surveys, independent industry surveys and publications, including reports by third party research analysts and publicly available information. These data involve a number of assumptions and limitations and you are cautioned not to give undue weight to such estimates. We have not independently verified the accuracy or completeness of the data contained in such sources.

FREQUENTLY USED TERMS

As used in this Quarterly Report on Form 10-1Q, unless the context otherwise requires or indicates otherwise, references to “we,” “us,” “our,” “Li-Cycle” or the “Company” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries.

In this document:

“**A&R Glencore Convertible Notes**” means the Glencore Unsecured Convertible Notes, as amended and restated on March 25, 2024 in connection with the closing of the issuance of the Glencore Senior Secured Convertible Note.

“**Alabama Spoke**” means Li-Cycle’s Spoke near Tuscaloosa, Alabama, which commenced operations on October 13, 2022.

“**Allocation Agreement**” the North American Black Mass and Refined Products Allocation Agreement by and between Li-Cycle and certain of its affiliates, Traxys and Glencore.

“**Amalgamation**” means the amalgamation of Peridot Ontario and NewCo in accordance with the terms of the Arrangement.

“**Annual Report on Form 10-K**” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 15, 2024, as amended by the Form 10-K/A filed with the SEC on April 29, 2024.

“**Arrangement**” means the plan of arrangement (including the Business Combination) in substantially the form attached as Annex C to the proxy statement/prospectus forming a part of the registration statement on Form F-4, filed by the Company with the SEC on July 6, 2021.

“**Arizona Spoke**” means Li-Cycle’s Spoke in Gilbert, Arizona, which commenced operations on May 17, 2022.

“**black mass**” means a powder-like substance which contains a number of valuable metals, including nickel, cobalt and lithium.

“**Black Mass & Equivalents**” or “**BM&E**” means black mass and products analogous to black mass that have a similar metal content.

“**Business Combination**” means the transactions contemplated by the Business Combination Agreement.

“**Business Combination Agreement**” means the Business Combination Agreement, dated as of February 15, 2021, as amended, by and among Peridot, Li-Cycle Corp. and NewCo.

“**B.Riley**” means B. Riley Securities, Inc.

“**Cash Preservation Plan**” means the cash preservation plan initiated on November 1, 2023, which included reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of Black Mass & Equivalents production and otherwise slow down operations at its remaining operating Spoke locations in order to reduce expenses and slow cash outflows as well as reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company’s available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.

“**common shares**” means the common shares of the Company, without par value.

“**Company**” means Li-Cycle Holdings Corp.

“**Consolidated Financial Statements**” means the unaudited condensed consolidated interim financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

“**Continuance**” means the continuance of Peridot from the Cayman Islands under the Companies Act to the Province of Ontario, Canada as a corporation existing under the OBCA.

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“**DFS**” means definitive feasibility study.

“**EV**” means electric vehicles.

“**Germany Spoke**” means Li-Cycle’s Spoke in Magdeburg, Germany, which commenced operations on August 1, 2023.

“**Glencore**” means Glencore plc and its subsidiaries.

“**Glencore Convertible Notes**” means the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“**Glencore Note Purchase Agreement**” means the note purchase agreement, dated as of May 5, 2022, between the Company and Glencore Ltd.

“**Glencore Senior Secured Convertible Note**” means the senior secured convertible note in an aggregate principal amount of \$75.0 million issued to an affiliate of Glencore plc on March 25, 2024 pursuant to the Glencore Senior Secured Convertible Note Purchase Agreement, as such note may be amended from time to time.

“**Glencore Senior Secured Convertible Note Purchase Agreement**” means the agreement dated March 11, 2024 and amended and restated on March 25, 2024, by and between the Company, an affiliate of Glencore plc and the other parties named therein for the issuance of the Glencore Senior Secured Convertible Note.

“**Glencore Unsecured Convertible Note**” means the unsecured convertible note in the principal amount of \$200.0 million due May 31, 2027 issued to Glencore Ltd. pursuant to the Glencore Note Purchase Agreement on May 31, 2022, as such note may be amended from time to time.

“**Glencore Unsecured Convertible Notes**” means the Glencore Unsecured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“**Glencore Warrants**” means warrants to be issued by Li-Cycle to the holder of a Glencore Convertible Note in connection with an optional redemption of such Glencore Convertible Note that entitle the holder to acquire, until the maturity date of such Glencore Convertible Note, a number of common shares equal to the principal amount of the Glencore Convertible Note being redeemed divided by the then applicable conversion price.

“**Hub**” means a centralized facility for large-scale production of specialty materials that achieves economies of scale in recycling.

“**KSP Convertible Note**” means the unsecured convertible note in the principal amount of \$100.0 million due September 29, 2026 originally issued to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) pursuant to the KSP Note Purchase Agreement on September 29, 2021 and subsequently assigned on May 1, 2022, to one of its affiliates, Wood River Capital, LLC, and amended on May 5, 2022, February 13, 2023 and March 25, 2024, as such note may be further amended from time to time.

“**KSP Convertible Notes**” means the KSP Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“**KSP Note Purchase Agreement**” means the Note Purchase Agreement, dated as of September 29, 2021, between the Company and Spring Creek Capital, LLC, and assigned on May 1, 2022, to Wood River Capital, LLC.

“**LIB**” means lithium-ion batteries, including lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

“**LIBOR**” means the London Inter-Bank Offered Rate.

“**main line processing capacity**” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB using Li-Cycle’s patented submerged shredding process or “wet shredding” designed specifically for battery materials that contain electrolyte and have risk of thermal runaway.

“**MHP**” means mixed hydroxide precipitate, containing nickel, cobalt and manganese.

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“MHP scope” means a scope for the Rochester Hub project that focuses only on those process areas needed to produce lithium carbonate and MHP.

“Moelis” means Moelis & Company LLC.

“NewCo” means Li-Cycle Holdings Corp. prior to the Amalgamation.

“New York Spoke” means Li-Cycle’s operational Spoke in Rochester, New York, which commenced operations in late 2020.

“Norway Spoke” means Li-Cycle’s planned Spoke in Moss, Norway, the development of which is currently paused.

“NYSE” means the New York Stock Exchange.

“OBCA” means the Ontario Business Corporations Act.

“OEM” means an original equipment manufacturer.

“Ontario Spoke” means Li-Cycle’s Spoke in Kingston, Ontario, the operations of which were paused on November 1, 2023 and which has since been closed.

“Peridot” means, before the Continuance, Peridot Acquisition Corp., a Cayman Islands exempt company and, after the Continuance, Peridot Ontario.

“Peridot Ontario” means Peridot as continued under the OBCA following the Continuance.

“PIK Notes” means the additional unsecured convertible notes that may be issued by Li-Cycle from time to time in satisfaction of the interest due and payable on the KSP Convertible Notes, the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as the case may be, as such notes may be amended from time to time.

“Planned Portovesme Hub” means the planned joint development project with Glencore to produce critical battery materials at a Hub facility in Portovesme, Italy, the definitive feasibility study for which is currently paused.

“Rochester Hub” means Li-Cycle’s planned, first commercial-scale Hub, under development in Rochester, New York, the construction of which is currently paused.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Share Consolidation” means the share consolidation of all the common shares at a ratio of one post-consolidation common share for every eight pre-consolidation common shares, effective June 3, 2024.

“SOFR” means the Secured Overnight Financing Rate.

“Special Committee” means the Special Committee comprised of independent directors that was established in connection with the comprehensive review of the go-forward strategy of the Rochester Hub project. See “Part I—Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Liquidity Developments.”

“Spoke” means a decentralized facility that mechanically processes batteries close to sources of supply and handles the preliminary processing of end-of-life batteries and battery manufacturing scrap.

“Traxys” means Traxys North America LLC.

References to **“dollar,” “USD,” “US\$”** and **“\$”** are to U.S. dollars, references to **“CA\$”** and **“Cdn. \$”** are to Canadian dollars and references to **“EUR,” “€”** are to the common currency of the European Monetary Union.

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This Quarterly Report on Form 10-Q includes certain trademarks, service marks and trade names that we own or otherwise have the right to use, such as “Li-Cycle” and “Spoke & Hub Technologies” which are protected under applicable intellectual property laws and are our property. We have, or are in the process of obtaining, the exclusive right to use such trademarks, service marks and trade names in the countries in which we operate or may operate in the future. This Quarterly Report on Form 10-Q also contains additional trademarks, tradenames, and service marks belonging to other parties, which are the property of their respective owners. Solely for convenience, our trademarks, service marks and trade names referred to in this Quarterly Report on Form 10-Q may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other parties’ trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

~~Index to Unaudited Condensed Consolidated Interim Financial Statements~~

Unaudited condensed consolidated interim statements of operations and comprehensive loss

Unaudited condensed consolidated interim balance sheets

Unaudited condensed consolidated interim statements of equity

Unaudited condensed consolidated interim statements of cash flows

Notes to the unaudited condensed consolidated interim financial statements

Li-Cycle Holdings Corp.**Unaudited condensed consolidated interim statements of operations and comprehensive loss**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenue				
Product revenue	\$ 5.2	\$ 3.1	\$ 7.1	6.2
Recycling service revenue	3.2	0.5	5.5	1.0
Total revenue	8.4	3.6	12.6	7.2
Cost of sales				
Cost of sales - Product revenue	(17.9)	(20.2)	(34.9)	(39.3)
Cost of sales - Recycling service revenue	(1.5)	—	(2.4)	—
Total cost of sales	(19.4)	(20.2)	(37.3)	(39.3)
Selling, general and administrative expense	(15.3)	(24.9)	(45.9)	(47.6)
Research and development	(0.6)	(1.3)	(0.5)	(2.2)
Loss from operations	\$ (26.9)	\$ (42.8)	\$ (71.1)	(81.9)
Other income (expense)				
Interest income	0.9	4.2	1.5	9.2
Interest expense	(15.6)	(0.1)	(27.1)	(1.2)
Foreign exchange gain (loss)	(1.3)	(0.5)	(0.2)	(1.0)
Fair value gain on financial instruments	34.7	7.3	10.9	6.6
Debt extinguishment loss (Note 11)	—	—	(58.9)	—
	\$ 18.7	\$ 10.9	\$ (73.8)	13.6
Net loss before taxes	\$ (8.2)	\$ (31.9)	\$ (144.9)	(68.3)
Income tax	—	—	—	(0.1)
Net loss and comprehensive loss	\$ (8.2)	\$ (31.9)	\$ (144.9)	(68.4)
Net loss and comprehensive loss attributable to				
Shareholders of Li-Cycle Holdings Corp.	(8.2)	(32.0)	(144.9)	(68.3)
Non-controlling interest	—	(0.1)	—	(0.1)
Loss per common share - basic and diluted	\$ (0.36)	\$ (1.45)	\$ (6.44)	(3.08)

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Unaudited condensed consolidated interim balance sheets

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 57.0	\$ 70.6
Restricted cash	9.6	9.7
Accounts receivable, net	5.7	1.0
Other receivables	1.5	1.9
Prepayments, deposits and other current assets	21.4	56.2
Inventories, net	9.1	9.6
Total current assets	104.3	149.0
Non-current assets		
Property, plant and equipment, net	697.8	668.8
Operating lease right-of-use assets	89.9	56.4
Finance lease right-of-use assets	—	2.2
Other assets	7.9	9.6
	795.6	737.0
Total assets	\$ 899.9	\$ 886.0
Liabilities		
Current liabilities		
Accounts payable	\$ 103.6	\$ 134.5
Accrued liabilities	26.1	17.6
Deferred revenue	0.6	0.2
Operating lease liabilities	9.3	4.4
Total current liabilities	139.6	156.7
Non-current liabilities		
Accounts payable	6.3	—
Deferred revenue	5.3	5.3
Operating lease liabilities	85.6	56.2
Finance lease liabilities	—	2.3
Convertible debt	426.4	288.1
Asset retirement obligations	1.0	1.0
	524.6	352.9
Total liabilities	\$ 664.2	\$ 509.6
Commitments and contingencies (Note 14)		
Going concern (Note 1)		
Equity		
Common stock and additional paid-in capital		
Authorized unlimited shares, Issued and outstanding - 22.5 million shares at June 30, 2024 (22.2 million shares at December 31, 2023)	652.5	648.3
Additional paid-in capital		
Accumulated deficit	(416.5)	(271.6)
Accumulated other comprehensive loss	(0.3)	(0.3)
Total equity	235.7	376.4
Total liabilities and equity	\$ 899.9	\$ 886.0

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Li-Cycle Holdings Corp.

Unaudited condensed consolidated interim statements of equity

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	Number of common shares	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to the shareholders of Li- Cycle Holdings Corp.	Non- controlling interest	Total
For the three months ended							
Balance, March 31, 2024	22.4 \$	651.6 \$	(408.3) \$	(0.3) \$	243.0 \$	— \$	243.0
Settlement of RSUs	0.1	—	—	—	—	—	—
Stock-based compensation - RSUs	—	0.5	—	—	0.5	—	0.5
Stock-based compensation - options	—	0.4	—	—	0.4	—	0.4
Net loss and comprehensive loss	—	—	(8.2)	—	(8.2)	—	(8.2)
Balance, June 30, 2024	22.5	652.5	(416.5)	(0.3)	235.7	—	235.7
Balance, March 31, 2023	22.1	638.7	(170.1)	(0.3)	468.3	0.2	468.5
Exercise of stock options	0.1	—	—	—	—	—	—
Stock-based compensation - RSUs	—	2.8	—	—	2.8	—	2.8
Stock-based compensation - options	—	1.1	—	—	1.1	—	1.1
Payment to the holders of non-controlling interest in subsidiary	—	(0.4)	—	—	(0.4)	(0.2)	(0.6)
Net loss and comprehensive loss	—	—	(31.9)	—	(31.9)	—	(31.9)
Balance, June 30, 2023	22.2 \$	642.2 \$	(202.0) \$	(0.3) \$	439.9 \$	— \$	439.9
For the six months ended							
Balance, December 31, 2023	22.2 \$	648.3 \$	(271.6) \$	(0.3) \$	376.4 \$	— \$	376.4
Settlement of RSUs	0.3	—	—	—	—	—	—
Stock-based compensation - RSUs	—	3.2	—	—	3.2	—	3.2
Stock-based compensation - options	—	1.0	—	—	1.0	—	1.0
Net loss and comprehensive loss	—	—	(144.9)	—	(144.9)	—	(144.9)
Balance, June 30, 2024	22.5	652.5	(416.5)	(0.3)	235.7	—	235.7
Balance, December 31, 2022	22.0	635.3	(133.6)	(0.3)	501.4	0.2	501.6
Settlement of RSUs	0.1	—	—	—	—	—	—
Exercise of stock options	0.1	—	—	—	—	—	—
Stock-based compensation - RSUs	—	5.5	—	—	5.5	—	5.5
Stock-based compensation - options	—	1.8	—	—	1.8	—	1.8
Payment to the holders of non-controlling interest in subsidiary	—	(0.4)	—	—	(0.4)	(0.2)	(0.6)
Net loss and comprehensive loss	—	—	(68.4)	—	(68.4)	—	(68.4)
Balance, June 30, 2023	22.2 \$	642.2 \$	(202.0) \$	(0.3) \$	439.9 \$	— \$	439.9

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

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Li-Cycle Holdings Corp.

Unaudited condensed consolidated interim statements of cash flows

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the six months ended June 30,	
	2024	2023
Operating activities		
Net loss for the period	\$ (144.9)	\$ (68.4)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	4.2	6.9
Depreciation and amortization	6.8	3.9
Foreign exchange loss on translation	—	0.4
Fair value (gain) on financial instruments	(10.9)	(6.6)
Bad debt expense	—	1.1
Inventory write downs to net realizable value	(0.2)	(0.2)
Loss on write off of fixed assets	0.1	—
Interest and accretion on convertible debt	27.1	1.2
Interest paid	(0.3)	—
Debt extinguishment loss (Note 11)	58.9	—
Non-cash lease expense	(0.5)	(0.1)
	(59.7)	(61.8)
Changes in working capital items:		
Accounts receivable	(4.7)	2.3
Other receivables	0.4	5.0
Prepayments and deposits	(2.3)	(12.1)
Inventories	0.8	5.3
Deferred revenue	0.4	5.4
Accounts payable and accrued liabilities	(6.9)	(7.9)
Net cash used in operating activities	\$ (72.0)	\$ (63.8)
Investing activities		
Purchases of property, plant, equipment, and other assets	(15.4)	(164.9)
Net cash used in investing activities	\$ (15.4)	\$ (164.9)
Financing activities		
Proceeds from convertible debt	75.0	—
Payments of transaction costs	(1.3)	—
Purchase of non-controlling interest	—	(0.4)
Net cash provided (used in) by financing activities	\$ 73.7	\$ (0.4)
Net change in cash, cash equivalents and restricted cash	(13.7)	(229.1)
Cash, cash equivalents and restricted cash, beginning of period	80.3	517.9
Cash, cash equivalents and restricted cash, end of period	\$ 66.6	\$ 288.8
Supplemental non-cash investing activities:		
Purchases of property and equipment included in liabilities	\$ 12.6	\$ 9.8
Supplemental information:		
Bad debt recovery	\$ 1.0	\$ —

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated interim financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("**U.S. GAAP**") for interim financial reporting and applicable quarterly reporting regulations of the SEC and are presented in U.S. Dollars.

These condensed consolidated interim financial statements of the Company, including the condensed consolidated interim balance sheet as of June 30, 2024, the condensed consolidated interim statements of operations and comprehensive loss, condensed consolidated interim statement of equity and condensed consolidated interim statement of cash flows for the six months ended June 30, 2024 and 2023, as well as other information disclosed in the accompanying notes, are unaudited. The condensed consolidated balance sheet at December 31, 2023, has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of its financial position as of June 30, 2024, and the results of operations for the three and six months ended June 30, 2024, and 2023, and cash flows for the six months ended June 30, 2024, and 2023, have been included. Interim results are not necessarily indicative of financial results for a full year or any future years or interim periods.

The Company reclassified certain amounts in the condensed consolidated interim financial statements to conform to the current period's presentation.

Going concern

The going concern basis of accounting assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the unaudited condensed consolidated interim financial statements are issued. Based on its recurring losses from operations since inception, which included losses from operations of \$26.9 million and \$71.1 million for the three and six months ended June 30, 2024 (\$42.8 million and \$81.9 million for the three and six months ended June 30, 2023), net cash used in operating activities of \$72.0 million during the six months ended June 30, 2024 (\$63.8 million for the six months ended June 30, 2023), and the pause on construction of the Rochester Hub project (as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these unaudited condensed consolidated interim financial statements were issued.

As of June 30, 2024, the Company had \$9.6 million in restricted cash of which \$2.9 million is held as security for waste disposal obligations related to the Germany Spoke operations, and \$5.5 million is a bank guarantee against a reservation fee for future battery waste recycling services. Additionally, the Company has funds held as cash collateral with its bank as security for credit cards and a performance bond. As the use of these funds is contractually restricted, and the Company does not have the ability to use these funds for general operating purposes, they are classified as restricted cash in the consolidated balance sheets.

To date, the Company has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; and (iii) private placements of other Company securities (including convertible notes and common shares). On March 11, 2024, the Company entered a private placement agreement (the "**Glencore Senior Secured Convertible Note Purchase Agreement**") to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the "**Glencore Senior Secured Convertible Note**") which closed on March 25, 2024. The Company is actively exploring external financing options, including working closely with the United States Department of Energy ("**DOE**") to reach a definitive financing agreement. However, there can be no assurance that the Company will be able to secure additional funding at attractive commercial terms or at all. Furthermore, any additional financing, including the recent Glencore Senior Secured Convertible Note investment, may be insufficient to provide adequate liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs and obligations. Additional financing will have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future funding.

In addition, there are inherent risks associated with the Company's ability to execute its growth strategy. There can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

supply to meet quality, engineering, design or production standards, or meet the required production volumes to grow into a viable, cash-flow-positive business successfully.

These factors, in addition to potential rising inflation, commodity and labor prices and other challenging macroeconomic conditions, have led the Company to undertake mitigation initiatives to strengthen its financial position, enhance liquidity and preserve cash flow, including:

- On October 23, 2023, Li-Cycle announced that it had paused construction work on its Rochester Hub, pending completion of a comprehensive review of the project's future strategy.
- In connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board of Directors (the **"Board"**) established the Special Committee to, among other things, (1) oversee and supervise a strategic review of all or any of the Company's operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives.
- The Special Committee selected Moelis and other advisors to assist with exploring financing options to increase the liquidity of Li-Cycle and strategic alternatives managing short-term liquidity and implementing liquidity generating initiatives.
- On November 1, 2023, the Company initiated the implementation of the Cash Preservation Plan including reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of BM&E production and otherwise slow down operations at its remaining operating Spoke locations. As part of the Company's ongoing efforts under the Cash Preservation Plan, during the quarter ended June 30, 2024, the Company completed the workforce reduction announced on March 26, 2024, affecting approximately 17% of the Company's workforce, primarily at the corporate level. Similarly, the Company anticipates the closure of the Ontario Spoke and warehouse facility in Kingston in the coming months. The Cash Preservation Plan continues to involve reviewing existing plans for additional Spoke capacity and taking other steps to preserve the Company's available cash while pursuing funding alternatives and reviewing the go-forward strategy for the Rochester Hub project.

These factors represent material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. These unaudited consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these unaudited condensed consolidated interim financial statements, adjustments to the carrying value of assets and liabilities or reported expenses may be necessary, and these adjustments could be material.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead, management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable.

For further information and details of the Company's significant accounting policies, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K, and "Part I. Financial Information—Item 2. Management's discussion and analysis of financial condition and results of operations - Material Accounting Policies and Critical Estimates" in this Quarterly Report on Form 10-Q.

2. Accounting Changes

Recently issued accounting standards

Segment Reporting Disclosures

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

Standard/Description – Issuance date: November 2023. This guidance requires the disclosure of significant segment expenses that are regularly provided to a company's chief operating decision maker and included within each reported measure of segment profit or loss. The Company must also disclose “other segment items,” which is the difference between segment revenue less significant expenses for each reported measure of segment profit or loss, and a description of its composition. This guidance also requires all segment annual disclosures to be provided on an interim basis.

Effective Date and Adoption Considerations – The guidance is effective for annual periods beginning in 2024, and for interim periods beginning January 1, 2025, and is required to be applied on a retrospective basis to all prior periods presented. Early adoption is permitted. The Company will adopt the guidance as of the effective date.

Effect on Financial Statements or Other Significant Matters – The Company is currently evaluating the impact of adoption on its financial statements; however, as the guidance is a change to disclosures only, no impacts to the consolidated financial results are expected.

Income Tax Disclosures

Standard/Description – Issuance date: December 2023. This guidance requires disaggregated disclosure of the tax rate reconciliation into eight categories, with further disaggregation required for items greater than a specific threshold. Additionally, the guidance requires the disclosure of income taxes paid disaggregated by federal, state and foreign jurisdictions.

Effective Date and Adoption Considerations – The guidance is effective January 1, 2025 and early adoption is permitted. The Company expects to adopt the guidance as of the effective date.

Effect on Financial Statements or Other Significant Matters – The Company is currently evaluating the impact of adoption on its financial statements; however, as the guidance is a change to disclosures only, no impacts to the consolidated financial results are expected.

3. Revenue – product sales and recycling services

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Product revenue recognized in the period	\$ 5.0	\$ 4.8	\$ 6.4	\$ 12.0
Fair value pricing adjustments	0.2	(1.7)	0.7	(5.8)
Product revenue	\$ 5.2	\$ 3.1	\$ 7.1	\$ 6.2
Recycling service revenue recognized in the period	3.2	0.5	5.5	1.0
Revenue	\$ 8.4	\$ 3.6	\$ 12.6	\$ 7.2

During the currently paused construction of the Rochester Hub project, the Company's principal lines of business are the sale of products (including Black Mass & Equivalents and shredded metal) and lithium-ion battery recycling services which together account for 100% of sales. The principal markets for the Company's products and recycling services are the United States, Canada, Germany, and Asia.

Product revenue, and the related trade accounts receivables are measured at initial recognition using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals. Changes in fair value are recognized as an adjustment to product revenue, and the related accounts receivable, and can result in gains and losses when the applicable metal prices increase or decrease from the date of initial recognition.

Accounts receivable, net

The Company recognizes current estimated credit losses (“CECL”) for trade receivables not subject to provisional pricing. The CECL for accounts receivable are estimated based on days past due consisting of customers with similar risk characteristics that operate under similar economic environments. The Company determines the CECL based on an evaluation of certain criteria and evidence of collection uncertainty including client industry profile. When specific customers are identified as no longer sharing the same risk profile as their current pool, they are removed from the pool and evaluated separately.

The allowance for credit losses as at June 30, 2024 was \$nil (December 31, 2023 : \$nil) and no expected credit loss provisions were recognized for the six months ended June 30, 2024.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

Bad debt expense recovery for the three and six months ended June 30, 2024 was \$1.0 million and \$1.0 million (Bad debt expense for the three and six months ended June 30, 2023: \$0.1 million and \$1.1 million).

Accounts receivable are stated at the amount the Company expects to collect. The Company generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial condition.

Deferred revenue

In the normal course of business, the Company receives advances from customers for the sale of products and the provision of lithium-ion battery recycling services. The table below depicts the activity in the deferred revenue account during the six months ended June 30, 2024 and 2023.

Product Revenue

As at	June 30, 2024	December 31, 2023
Balance, beginning of the period	\$ —	\$ —
Additions	3.4	—
Revenue recognized	(2.8)	—
Foreign exchange loss	—	—
Balance, end of the period	\$ 0.6	\$ —
Current deferred revenue	0.6	—
Non-current deferred revenue	\$ —	\$ —

Service Revenue

As at	June 30, 2024	December 31, 2023
Balance, beginning of the period	\$ 5.5	\$ —
Additions	—	5.4
Amounts recognized in product revenue	—	—
Foreign exchange revaluation	(0.2)	0.1
Balance, end of the period	\$ 5.3	\$ 5.5
Current deferred revenue	—	0.2
Non-current deferred revenue	\$ 5.3	\$ 5.3

The remaining performance obligation (RPO) relates to the delivery of products or services for which cash has been received in advance. At June 30, 2024, \$5.3 million relates to services and is expected to be recognized in 3-5 years, and \$0.6 million relates to products and is expected to be recognized in 2024.

4. Prepayments, deposits and other current assets

As at	June 30, 2024	December 31, 2023
Prepaid equipment deposits	\$ 0.9	\$ 40.1
Prepaid transaction costs	10.0	7.8
Prepaid lease deposits	6.1	5.6
Prepaid insurance	5.6	4.6
Prepaid construction charges	0.9	2.6
Other prepaids	4.2	3.3
Total prepayments, deposits and other current assets	\$ 27.7	\$ 64.0
Non-current security deposits	(6.1)	(5.0)
Non-current insurance	(0.2)	(2.8)
Current prepayments and deposits	\$ 21.4	\$ 56.2

Other prepaids consist principally of other deposits, prepaid subscriptions and environmental deposits. Non-current security deposits and non-current insurance are recorded in other assets on the condensed consolidated interim statements of financial

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

position. Prepaid transaction costs primarily consist of prepayments made in connection with the conditional commitment with the U.S. Department of Energy Loan Programs Office for a loan.

5. Inventories, net

As at	June 30, 2024	December 31, 2023
Raw materials	\$ —	\$ 0.8
Finished goods	3.0	3.7
Parts and tools	6.1	5.1
Total inventories, net	\$ 9.1	\$ 9.6

The inventory balances for raw materials and finished goods are presented at the lower of cost or net realizable value. For the three and six months ended June 30, 2024, the write down of inventory was \$2.0 million and \$0.2 million (three and six months ended June 30, 2023: reversal of write down of \$2.3 million and \$0.2 million). The adjustments are recorded in cost of sales in the unaudited condensed consolidated interim statements of operations and comprehensive income (loss).

6. Property, plant and equipment, net

As at	June 30, 2024	December 31, 2023
Plant equipment	\$ 53.3	\$ 55.3
Computer equipment	4.6	4.5
Vehicles	0.2	0.2
Leasehold improvement	13.0	13.5
Construction in progress - Rochester Hub	579.5	547.2
Construction in progress - Spoke Network	38.5	34.7
Construction in progress - Buildings	29.6	29.5
	\$ 718.7	\$ 684.9
Less - accumulated depreciation	(20.9)	(16.1)
Total property, plant and equipment, net	\$ 697.8	\$ 668.8

For the three and six months ended June 30, 2024, \$nil and \$nil in borrowing costs (for the three and six months ended June 30, 2023: \$9.1 million and \$16.8 million) were capitalized to assets under construction due to the pause of construction at the Rochester Hub. Depreciation expense for the three and six months ended June 30, 2024 was \$2.6 million and \$4.8 million compared to \$2.0 million and \$3.9 million in the corresponding periods of 2023. In the three months ended June 30, 2024, the Company recognized as a reduction in the Construction in progress - Spoke Network amount on the receipt of \$5.8 million (€5.3 million) of the \$6.9 million (€6.4 million) approved grant for the Germany Spoke from the State of Saxony-Anhalt, Germany.

Refer to Note 14 (*Commitments and contingencies*) for details of contractual commitments to purchase fixed assets.

7. Leases

The Company's lease portfolio is predominantly operating leases for plant operations, storage facilities, and office space. The Company presents operating lease and finance lease balances separately on the consolidated balance sheets. The Company's finance leases relate to plant operations. The Company does not include options to extend leases in the lease term until they are reasonably certain to be exercised. The following table presents the Company's lease balances and their classification on the unaudited condensed consolidated interim statements of operations and comprehensive loss:

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Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	June 30, 2024	June 30, 2023
Finance lease		
Amortization of ROU assets	\$ —	\$ —
Interest on lease liabilities	0.1	—
Total finance lease cost	\$ 0.1	\$ —
Operating lease cost	\$ 6.4	\$ 2.3
Short-term lease cost	—	—
Variable lease cost	0.8	0.4
Total lease cost	\$ 7.3	\$ 2.7

The weighted average remaining lease term of the Company's premises and equipment operating leases is 20.50 years as at June 30, 2024 and 14.48 years as at December 31, 2023. The weighted average remaining lease term of the Company's premises and equipment finance leases is 2.50 years as at June 30, 2024 and 46.78 years as at December 31, 2023.

The weighted average lease discount rate of the Company's premises and equipment operating leases is 8.00% as at June 30, 2024 and 7.69% as at December 31, 2023. The weighted average lease discount rate of the Company's premises and equipment finance leases is 11.56% as at June 30, 2024 and 9.49% as at December 31, 2023.

Supplemental Cash Flow Related Disclosures	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Cash paid for amounts related to lease liabilities:		
Operating cash flows from operating leases	\$ 6.1	\$ 4.8
Operating cash flows from finance leases	0.1	—
Financing cash flows from finance leases	—	—
Recognition of ROU assets and lease liabilities for new operating leases	\$ 36.8	\$ 7.3
Derecognition of ROU assets and lease liabilities for new finance leases	(2.2)	—

Maturities of lease liabilities as of June 30 were as follows:

	Operating Leases	Finance Leases
2025	\$ 13.7	—
2026	13.6	—
2027	12.8	—
2028	12.1	—
2029	11.9	—
Thereafter	161.1	—
Total future minimum lease payments	\$ 225.2	\$ —
Imputed interest	(130.3)	—
Total lease liabilities	\$ 94.9	\$ —

At June 30, 2024, none of the Company's executed leases that had not yet commenced will create significant rights or obligations in the future and sublease transactions are not material. There were no restrictions or covenants imposed by the Company's leases.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

8. Other assets

As at	June 30, 2024	December 31, 2023
Non-current security deposits	\$ 6.1	\$ 5.0
Non-current insurance	0.2	2.8
Intangible assets, net	1.6	1.8
Total other assets	\$ 7.9	\$ 9.6

As of June 30, 2024 and December 31, 2023, the Company's intangible assets consisted of the following:

As at	June 30, 2024	December 31, 2023
Internal-use software	\$ 0.6	\$ 0.7
Cloud computing arrangements	1.3	1.3
	\$ 1.9	\$ 2.0
Less - accumulated amortization	(0.3)	(0.2)
Intangible assets, net	\$ 1.6	\$ 1.8

Amortization expense relating to cloud computing arrangements is recorded in selling, general and administrative expenses in the unaudited condensed consolidated interim statements of operations and comprehensive loss for the three and six months ended June 30, 2024 is below \$0.1 million and \$0.1 million (for the three and six months ended June 30, 2023: \$nil and nil).

9. Related party transactions

For information about Li-Cycle's related party transactions, refer to *Note 9 (Related party transactions)* to the Consolidated Financial Statements and the section of the Annual Report on Form 10-K titled "Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions."

The Company has convertible debt instruments with affiliates of Glencore plc. ("**Glencore**"). Refer to *Note 11 (Convertible debt)* for more information.

The Company has agreements with Glencore to sell certain products from its Spokes. During the three and six months ended June 30, 2024, the Company recorded a net loss of below \$0.1 million and \$0.3 million, respectively, from sales to Glencore, which was driven by losses from the finalization of provisional sales from prior periods, which exceeded sales in the period (revenue from sales to Glencore were \$0.3 million and \$1.2 million for the three and six months ended June 30, 2023).

On May 31, 2022, the Company entered into agreements with Glencore, pursuant to which the Company pays (i) sourcing fees on feed purchased for the Company's Spokes; and (ii) marketing fees on the sale of Black Mass to third parties. Sourcing fees and marketing fees for the three months ended June 30, 2024 were below \$0.1 million, compared to below \$0.1 million in the three months ended June 30, 2023. The sourcing fees and marketing fees for the six months ended June 30, 2024, were below \$0.1 million (for the six months ended June 30, 2023: below \$0.1 million). The net account payable to Glencore as of June 30, 2024 was \$0.3 million (net account receivable as of December 31, 2023: \$0.2 million).

The Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the former interim non-executive Chair of the Company's Board, to provide it with corporate video production services since 2017. Total expenses were below \$0.1 million for the six months ended June 30, 2024 (below \$0.1 million for the six months ended June 30, 2023).

In September 1, 2020, the Company engaged Consulero Inc., which is controlled by certain members of the immediate family of the Company's President and Chief Executive Officer, to provide it with technology services in relation to the Company's inventory management system. Total expense and accrual was \$nil and below \$0.1 million for the three and six months ended June 30, 2024 (below \$0.1 million and below \$0.1 million for the three and six months ended June 30, 2023, respectively).

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

10. Accounts payable and accrued liabilities

As at	June 30, 2024	December 31, 2023
Accounts payable	\$ 109.9	\$ 134.5
Accrued expenses	18.7	14.5
Accrued compensation	7.4	3.1
Total accounts payable and accrued liabilities	\$ 136.0	\$ 152.1
Non-current accounts payable	(6.3)	—
Current accounts payable and accrued liabilities	\$ 129.7	\$ 152.1

During the six months ended June 30, 2024, the Company reached new agreements and renegotiated certain previous agreements with certain suppliers to extend the payment terms for the amounts invoiced beyond one year. The Company recorded these amounts as non-current accounts payable in the unaudited condensed consolidated interim balance sheet as of June 30, 2024.

On March 25, 2024, the Board approved plans to reduce approximately 17% of its workforce, primarily at the corporate level, as part of the Company's ongoing efforts to right size and right shape its organization as part of the Cash Preservation Plan. The workforce reduction provides certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. The Company recorded an expense of \$0.6 million in cost of sales and \$5.4 million in selling, general and administrative expense in the unaudited condensed consolidated interim statements of operations and comprehensive loss for the six months ended June 30, 2024 for contractual termination benefits that are considered severance benefits plans as they are both probable and reasonably estimable as of June 30, 2024.

11. Convertible debt

As at	June 30, 2024	December 31, 2023
KSP Convertible Notes (a)	\$ 107.9	\$ 99.1
Glencore Convertible Notes (b)	318.5	189.0
Total convertible debt at end of the period	\$ 426.4	\$ 288.1

The KSP Convertible Notes and the A&R Glencore Convertible Notes are all unsecured debt instruments and the Glencore Senior Secured Convertible Note is a secured debt instrument. The amount of maturities and sinking fund requirements for convertible debt instruments, with interest components rolled into principal, for each of the next five years are as follows as of June 30:

2025	\$	—
2026		—
2027		164.9
2028		320.1
2029		130.9
Total	\$	615.9

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

(a) KSP Convertible Notes

As at	June 30, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 119.3	\$ 110.2
Issuance of convertible notes	7.2	9.1
Principal of convertible notes at end of the period	\$ 126.5	\$ 119.3
Conversion feature at beginning of period	\$ —	\$ 6.0
Fair value (gain) loss on embedded derivative	—	(6.0)
Conversion feature at end of period	\$ —	\$ —
Debt component at beginning of the period	\$ 99.1	\$ 85.4
Debt component issued	7.2	9.1
Accrued interest paid in kind	(7.2)	(9.1)
Accrued interest expense	8.8	13.7
Debt component at end of period	\$ 107.9	\$ 99.1
Total KSP convertible debt at end of period	\$ 107.9	\$ 99.1

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “**KSP Note Purchase Agreement**”) with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the “**KSP Convertible Note**”) for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026, unless earlier repurchased, redeemed or converted. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind (“**PIK**”), at its election. Initially, interest payments made in cash were based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments were based on an interest rate of LIBOR plus 6% per year, with a LIBOR floor of 1% and a cap of 2%. Since July 1, 2023, as the LIBOR interest rate is no longer published, under the terms of the KSP Note Purchase Agreement, the interest rate is instead based on the sum of the SOFR and the average spread between the SOFR and LIBOR during the three-month period ending on the date on which LIBOR ceases to be published, subject to a floor of 1% and cap of 2%. On March 25, 2024, the Company amended the KSP Note Purchase Agreement to modify the interest rate terms of the KSP Convertible Note, by removing the SOFR floor of 1% and cap of 2% and including penalty interest upon an event of default consistent with the penalty interest provision of the Glencore Senior Secured Convertible Note. The amendment was accounted for as a debt modification and no gain or loss was recognized. After the amendment, the effective interest rate of the KSP Convertible Note is 18.7%. Interest payments are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 0.58%.

The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has elected to pay interest by PIK since the first interest payment date of December 31, 2021. The KSP Convertible Notes as at June 30, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
PIK Note	June 30, 2024	7.2
Total		\$ 126.5

At the option of the holder, the KSP Convertible Notes may be converted into common shares of the Company at a conversion price of \$107.44 (\$13.43 prior to the Share Consolidation), subject to customary anti-dilutive adjustments. If the Company’s share price is equal to or greater than \$139.68 (\$17.46 prior to the Share Consolidation), for a period of twenty consecutive days, the Company can force conversion of the KSP Convertible Notes at an amount equal to the sum of principal, accrued but unpaid interest, plus any make-whole amount which equal to the undiscounted interest that would have been payable from the date of

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conversion to the maturity date. At the Company's option at any time, the Company can also redeem all of the KSP Convertible Notes at any time for a cash purchase price equal to 130% of the principal plus unpaid interest until maturity. The conversion feature under the KSP Convertible Notes has been recorded as a bifurcated embedded derivative liability since the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option. The KSP Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon occurrence of an event at the holder's discretion. Under a change of control event, mandatory redemption happens upon occurrence of an event. Both the change of control and event of default options under the KSP Convertible Notes have been recorded as bifurcated embedded derivative liabilities as the redemption price triggered by these features represents a substantial premium over the principal amount. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at June 30, 2024, no conversions or redemptions had taken place.

The fair value of the compound embedded derivative upon issuance of the KSP Convertible Notes was determined to be a liability of \$27.7 million whereas the remaining \$72.3 million, net of transaction costs of \$1.6 million, was allocated to the principal portion of the debt. During the three and six months ended June 30, 2024, the Company recognized a fair value gain of \$0.1 million and less than \$0.1 million on the embedded derivatives (for the six months ended June 30, 2023: gain of \$0.7 million). The embedded derivatives were valued using the Binomial Option Pricing Model. The assumptions used in the model were as follows:

	(Issuance date) September 29, 2021	December 31, 2023	June 30, 2024
Risk free interest rate	1.1%	4.2%	4.8%
Expected life of options	5.0 years	3.8 years	2.3 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	66%	63%	71%
Share Price	\$12.56	\$4.76	\$6.53

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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(b) Glencore Convertible Notes

As at	June 30, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 225.3	\$ 208.1
Issuance of convertible notes	75.0	17.2
Principal of convertible note at end of period	\$ 300.3	\$ 225.3
Conversion feature at beginning of period	\$ 0.4	\$ 16.5
<i>Change in the period:</i>		
Fair value gain for the year ended December 31, 2023	—	(16.1)
Fair value loss on the conversion features embedded in the A&R Glencore Convertible Notes from January 1, 2024 to March 25, 2024	1.8	—
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	(2.2)	—
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	—
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	—
Fair value gain on the conversion features from March 26, 2024 to June 30, 2024	(12.7)	—
Conversion feature at end of period	\$ 145.5	\$ 0.4
Debt component at beginning of period	\$ 188.6	\$ 164.9
<i>Change in the period:</i>		
Issuance of debt component	—	17.2
Accrued interest paid in kind	—	(17.2)
Accrued interest expense for the year ended December 31, 2023	—	23.7
Accrued interest and accretion expense from January 1, 2024 to March 25, 2024	5.9	—
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	—
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	—
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	—
Transaction costs	(8.6)	—
Accrued interest expense from March 26, 2024 to June 30, 2024	9.2	—
Debt component at end of period	\$ 173.0	\$ 188.6
Total Glencore convertible debt at end of period	\$ 318.5	\$ 189.0
Reconciliation of net change in Convertible debt to Debt extinguishment loss in the six months ended June 30, 2024		
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	\$ (2.2)	
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	
Total change in the conversion features	156.0	
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	
Total change in the debt components	(22.1)	
Total net change in convertible debt in the six months ended June 30, 2024	133.9	
Proceeds from convertible debt	(75.0)	
Debt extinguishment loss	\$ 58.9	

On March 25, 2024, the Company amended, restated and consolidated, the Glencore Unsecured Convertible Note and the PIK notes issued thereunder, such that they were split into two tranches, and certain terms of the Glencore Unsecured Convertible Note and the PIK notes issued thereunder were amended, effective from the occurrence of: (a) for the first tranche (the “**First**

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A&R Glencore Note”), the earliest of the date that is one month after the effectiveness and initial funding, if any, of a project loan financing for the Rochester Hub, and December 31, 2024, and (b) for the second tranche (the **“Second A&R Glencore Note”** and together with the First A&R Glencore Note, the **“A&R Glencore Convertible Notes”**), the earliest of (i) the first commercial production from the Rochester Hub, (ii) construction costs exceeding the construction budget set forth in the project loan financing, and (iii) June 1, 2026 (each such date in the case of the foregoing clauses (a) and (b), an applicable **“Modification Date”**). Upon the occurrence of the applicable Modification Date, the terms of the applicable A&R Convertible Note shall automatically be modified to be consistent with the corresponding provisions of the Glencore Senior Secured Convertible Note (as defined and described below): the maturity will be amended to be five (5) years from the applicable Modification Date, the interest rate will be amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption will be required (including, from the applicable Modification Date, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount across the A&R Glencore Convertible Notes (to the extent the applicable Modification Date with respect thereto has occurred) and the Glencore Senior Secured Convertible Note), and the Company will provide guarantees and pari passu security for the A&R Glencore Convertible Notes on substantially the same terms with the Glencore Senior Secured Convertible Note. In addition, at each Modification Date, the conversion price for the applicable A&R Glencore Convertible Notes will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to the applicable Modification Date plus a 25% premium per share, and (y) \$79.60 (\$9.95 prior to the Share Consolidation) per share. The amendment was accounted for as a debt extinguishment and the Company recorded \$58.9 million as a debt extinguishment loss presented in the unaudited condensed consolidated statement of operations and comprehensive loss for the three months ended June 30, 2024. After the amendment, the effective interest rate of the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note is 20.6%.

On March 25, 2024, the Company issued the Glencore Senior Secured Convertible Note for an aggregate principal amount of \$75 million to Glencore Canada Corporation, a subsidiary of Glencore plc (LON: GLEN). The Glencore Senior Secured Convertible Note will mature on March 25, 2029, unless there is an earlier repurchase, redemption or conversion. Interest on the Glencore Senior Secured Convertible Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Senior Secured Convertible Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 5% per annum if interest is paid in cash or plus 6% per annum if interest is paid in PIK. In the case that an event of default has occurred and is continuing, the interest rate will be the rate stated above, plus one percent (1%) per annum (which additional 1% will be payable in cash). The PIK election results in the capitalization of the interest by adding such interest amounts to the aggregate outstanding principal balance of the Glencore Senior Secured Convertible Note then outstanding on the applicable Interest Date.

All obligations of the Company with respect to the Glencore Senior Secured Convertible Note are guaranteed by Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc (the **“Issuance Date Note Guarantors”**), each a subsidiary of the Company. Li-Cycle Europe AG and Li-Cycle Germany GmbH (the **“Post-Closing Guarantors”** and together with the Issuance Date Guarantors, collectively the **“Note Guarantors”**), both subsidiaries of the Company, are required to guaranty all obligations of the Company with respect to the Glencore Senior Secured Convertible Note as Note Guarantors within a certain time period following the issuance of the Glencore Senior Secured Convertible Note. Effective May 31, 2024, Li-Cycle Europe AG and Li-Cycle Germany GmbH guaranteed all obligations of the Company as noted above. The Company and the Issuance Date Note Guarantors have also granted perfected, first priority security interests (subject to customary exceptions and permitted liens) in all of their respective assets, including intellectual property and a pledge of the equity interests of each other Note Guarantor to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note. Within a certain time period following the issuance of the Glencore Senior Secured Convertible Note, the Post-Closing Guarantors are required to grant a perfected, first priority security interest (subject to customary exceptions and permitted liens) in all intra-group receivables owing to them and over all bank accounts held by such entities in their respective jurisdictions of organization and Li-Cycle Europe AG is required to further pledge its equity interests in Li-Cycle Germany GmbH to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note. The Post-Closing Guarantors successfully granted a perfected, first priority security interest effective May 31, 2024.

The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022. The First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured

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Convertible Note are referred to collectively as the “**Glencore Convertible Notes**”, and as at June 30, 2024, comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Glencore Senior Secured Convertible Note	March 25, 2024	75.0
Total		306.2

At the option of the holder, the A&R Glencore Convertible Notes may be converted into common shares of the Company at a conversion price which shall be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to applicable Modification Date plus a 25% premium, and (y) \$79.60 (\$9.95 prior to the Share Consolidation) per share (the current conversion price of the A&R Glencore Convertible Notes), subject to customary anti-dilutive adjustments. At the option of the holder, the Glencore Senior Secured Convertible Note may be converted into common shares of the Company at a conversion price of \$4.24 (\$0.53 prior to the Share Consolidation) per share. The conversion feature under the Glencore Convertible Notes has been recorded as an embedded derivative liability as the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company’s option. The A&R Glencore Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon occurrence of an event at the holder’s discretion. Under a change of control event, mandatory redemption happens upon occurrence of an event. The Glencore Senior Secured Convertible Note is subject to redemption at any time by payment of the required redemption payment. Commencing with the delivery of the financial statements for the fiscal year ending December 31, 2026, the Company will be required to redeem a portion of the outstanding principal amount of the Glencore Senior Secured Convertible Note in an amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company). The Company is also required to redeem the Glencore Senior Secured Convertible Note in the event of certain continuing events of default upon request by the holder, certain bankruptcy-related events of default and upon a change of control transaction, unless in each case, the Glencore Senior Secured Convertible Note is first converted by the holder. The change of control, event of default, and mandatory redemption provisions under the Glencore Convertible Notes have been recorded as bifurcated embedded derivative liabilities. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at June 30, 2024, no conversion or redemption had taken place.

In connection with any optional redemption, and with respect to the Glencore Senior Secured Convertible Note and A&R Glencore Convertible Notes, any mandatory redemption and provided that the applicable holder has not elected to convert the Glencore Convertible Notes into common shares, the Company must issue Glencore Warrants to the applicable holder on the optional redemption date or receipt of notice of redemption, as applicable, that entitle the holder to acquire, until the end of the applicable exercise period, a number of common shares equal to the principal amount of the Glencore Convertible Notes being redeemed divided by the then applicable conversion price. The initial exercise price of the Glencore Warrants will be equal to the conversion price as of the applicable redemption date.

The fair value of the embedded derivative liability upon issuance of the Glencore Convertible Notes was determined to be \$46.2 million with the remaining \$153.8 million, net of transaction costs of \$1.3 million, allocated to the initial amortized cost of the host debt instrument. During the three and six months ended June 30, 2024, the Company recognized a fair value gain of \$34.7 million and \$10.9 million on the embedded derivatives (three and six months ended June 30, 2023: gain of \$6.4 million and \$5.9 million). The embedded derivatives were valued using the Finite Difference Method. The assumptions used in the model were as follows:

	(Issuance date) May 31, 2022	December 31, 2023	June 30, 2024
Risk free interest rate	2.9%	4.2%	4.3% to 5.3%
Expected life of options	5.0 years	4.4 years	4.7 to 6.9 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	68%	63%	71%
Share Price	\$8.15	\$4.76	\$6.53

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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12. Common stock and additional paid-in capital

The following details the changes in issued and outstanding common shares for the three and six months ended June 30, 2024.

(in millions)	Number of shares outstanding	Amount
Common shares and additional paid-in capital outstanding as at March 31, 2024	22.4 \$	651.6
Settlement of RSUs	0.1	—
Stock-based compensation – RSUs	—	0.5
Stock-based compensation – options	—	0.4
Common shares and additional paid-in capital outstanding as at June 30, 2024	22.5 \$	652.5
Common shares and additional paid-in capital outstanding as at December 31, 2023	22.2 \$	648.3
Settlement of RSUs	0.3	—
Stock-based compensation – RSUs	—	3.2
Stock-based compensation – options	—	1.0
Common shares and additional paid-in capital outstanding as at June 30, 2024	22.5 \$	652.5

At the annual general and special meeting of the Company's shareholders on May 23, 2024, the shareholders approved an amendment to the Company's articles to consolidate all of the Company's issued and outstanding common shares on the basis of a consolidation ratio within a range between two pre-consolidation common shares for one post-consolidation common share and eight pre-consolidation common shares for one post-consolidation common share, and granted to the Board the authority to fix the consolidation ratio. The Board subsequently approved a share consolidation and fixed the consolidation ratio at one post-consolidation common share for every eight pre-consolidation common shares. On June 3, 2024, the Company obtained from the Ontario Ministry of Public and Business Service Delivery a certificate of amendment in respect of the articles of amendment filed to effect a share consolidation of all the common shares at a ratio of one post-consolidation common share for every eight pre-consolidation common shares effective on June 3, 2024 (the "**Share Consolidation**"). Subsequently, the Company restated the provisions of its existing articles, without any changes to such provisions, by filing restated articles of incorporation on July 18, 2024.

As a result of the Share Consolidation, every eight common shares have been automatically consolidated into one common share. Any fractional shares resulting from the Share Consolidation have been deemed to have been tendered by the holder thereof immediately following the Share Consolidation to the Company for cancellation for no consideration. The Share Consolidation did not affect the total number of authorized common shares or modify any voting rights or other terms of the common shares. The common shares began trading on the NYSE on a post-consolidation basis on June 4, 2024. As a result of the Share Consolidation, the exercise or conversion price and the number of common shares issuable under any of the Company's outstanding securities that are exercisable or convertible into common shares, including under equity awards, warrants, rights, convertible notes and other similar securities, were proportionally adjusted in accordance with the terms of such securities.

All per share amounts, common shares outstanding and stock-based compensation amounts with respect thereto in the unaudited condensed consolidated interim financial statements have been retroactively adjusted to reflect the Share Consolidation, as if the consolidation occurred at the beginning of the earliest period presented in this Quarterly Report on Form 10-Q.

13. Financial assets and liabilities

Fair value measurements

The Company's financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

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As at June 30, 2024		Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$	0.4	\$	0.4
Conversion feature of convertible debt (refer to Note 11 (Convertible debt))		145.5	—	145.5
As at December 31, 2023		Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$	0.6	\$	0.6
Conversion feature of convertible debt (refer to Note 11 (Convertible debt))		0.4	—	0.4

Refer to Note 3 (Revenue – product sales and recycling services) above for additional details related to measurement of accounts receivable and the concentration of credit risk of accounts receivable. Certain non-financial assets such as property, plant and equipment, operating right-of-use assets, goodwill and intangible assets are also subject to non-recurring fair value measurements if they are deemed to be impaired. The impairment models used for non-financial assets depend on the type of asset. There were no material impairments of non-financial assets for the three and six months ended June 30, 2024 and 2023, respectively.

Financial assets and liabilities not measured at fair value

Current Receivables and Payables

Current receivables, prepaids and deposits are financial assets with carrying values that approximate fair value. Accounts payable (including the non-current portion) and other accrued expenses are financial liabilities with carrying values that approximate fair value. If measured at fair value in the financial statements, these financial instruments would be classified as Level 2 in the fair value hierarchy.

14. Commitments and contingencies

Legal Proceedings

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

Shareholder Litigation relating to the October 23, 2023 Announcement of Rochester Hub Construction Pause

Three shareholder lawsuits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, described below.

On November 8, 2023, a putative federal securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company, and certain of its officers and directors, on behalf of a proposed class of purchasers of the Company's common shares during the period from June 14, 2022 through October 23, 2023. On March 15, 2024, the lead plaintiff filed an amended complaint on behalf of a proposed class of purchasers of the Company's common shares during the period from January 27, 2022 through November 13, 2023. See *Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.) (the "**Hubiack Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. On June 10, 2024, the court granted the motion to dismiss in full and with prejudice. On July 9, 2024, the lead plaintiff filed a notice of appeal. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On November 27, 2023, a putative Ontario securities class action claim was filed in the Ontario Superior Court of Justice against the Company and its CEO. The claim was amended on February 8, 2024, again on May 6, 2024, and will be amended once more as a result of the defendants' settled motion (described below). The claim is on behalf of a proposed class of purchasers of the Company's common shares who acquired their shares during the period from February 27, 2023 through November 10, 2023. The claim, which is captioned as *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP, alleges common law secondary market misrepresentations. It also seeks an oppression remedy under s. 248 of the Ontario Business Corporations Act, based primarily on allegations of misconduct of senior management. The Wyshynski claim alleges that the Company's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The Wyshynski claim alleges that the purported

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misrepresentations were publicly corrected on (i) October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of the Company's Q3 2023 earnings report. The putative class includes all Canadian resident beneficial owners who acquired Li-Cycle common shares during the class period and who held some or all of those common shares until after the release of at least one of the alleged corrective disclosures. The claim seeks compensatory damages and an award of costs, along with the appointment of a third party monitor. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. The defendants agreed to settle the motion on August 1, 2024, in exchange for certain concessions from the plaintiff which resulted in narrowing of the claims and the proposed class. The plaintiff agreed to abandon their claims under the Ontario Securities Act and constrain the class to only the Canadian resident beneficial owners of the Company's shares. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of the Company (as nominal defendant) against certain of the Company's current and/or former officers and directors. The action, which is captioned as *Nieves v. Johnston, et. al.*, Index No. E2023014542 (N.Y. Sup. Ct.), principally concerns the same alleged misstatements or omissions at issue in the Hubiack Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of the Company, an award of costs and expenses and other relief. On February 29, 2024, the parties agreed to stay the action pending resolution of the Hubiack Securities Action. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

Subrogation Liability Claim

On or around January 2, 2024, the Company received a notice of a subrogation liability claim by an insurance company on behalf of one of the other tenants of the New York Spoke's warehouse. The claim relates to a small fire which occurred at the building on December 23, 2023, involving lithium-ion batteries being stored at the warehouse. The claimant has not provided details of potential damages and the Company's general liability insurer is providing coverage for this claim, including defense of the claim.

Commercial Claim – Pike Conductor DEV 1, LLC

On January 17, 2024, Pike Conductor DEV 1, LLC ("**Pike**") sent the Company a purported notice of default claiming that the Company failed to pay certain amounts in connection with leasing a warehouse and administrative building related to the Rochester Hub, and failed to clear certain liens levied on the property.

On January 26, 2024, the Company filed a lawsuit in New York State Court in Monroe County, seeking an order requiring Pike to amend and restate the agreement as a ground lease and to pay damages of at least \$39.0 million - \$53.0 million. The Company also sought an order barring Pike from seeking to, among other things, terminate the agreement or evict the Company from the property while the lawsuit is pending. Under the agreement between the parties, Pike agreed to construct the property and lease it to the Company. The Company agreed to finance up to \$58.6 million of Pike's construction costs, including \$14.5 million in tenant's improvements. Based on the agreement between the parties, if, by November 1, 2023, Pike had not repaid the pre-financing costs, less the tenant improvements, then the parties would restate the agreement as a ground lease and the Company would own the Warehouse. To date, the Company has funded approximately \$ 53.5 million of the construction costs.

Following certain court-ordered settlement conferences, the parties reached a settlement. The parties entered into an Amended and Restated Ground Sublease Agreement dated May 31, 2024 that provides for, among other things, the resolution of the lawsuit. Following the delivery of certain releases and satisfactions of mechanic's liens, the parties filed a Stipulation of Discontinuance on June 24, 2024.

Dispute with MasTec, its Subcontractors and other Contractors Regarding Rochester Hub Construction Contract

On April 9, 2024, Mastec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a foreclosure action in the Supreme Court, County of Monroe, New York. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec. Amounts owed, if any, are expected to be determined in the arbitration, and Li-Cycle intends to file a motion for a stay of the foreclosure action pending determination of the arbitration. Additionally, on July 22, 2024, MasTec North America Inc. commenced a separate foreclosure action on behalf of several subcontractors from whom it has taken assignments. Li-Cycle will seek to consolidate this foreclosure action into the already pending MasTec foreclosure action. For reporting purposes, the amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

Contractual Obligations and Commitments

The following table summarizes Li-Cycle's contractual obligations and other commitments for cash expenditures as of June 30, 2024, and the years in which these obligations are due:

Contractual Obligations	Total	Payment due by period			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 136.0	\$ 129.7	\$ 6.3	\$ —	\$ —
Lease liabilities	238.0	13.7	26.4	36.9	161.1
Restoration provisions	1.6	0.2	0.1	—	1.3
Convertible debt principal	375.0	—	100.0	275.0	—
Convertible debt interest	240.9	—	64.9	176.0	—
Total as of June 30, 2024	\$ 991.5	\$ 143.6	\$ 197.7	\$ 487.9	\$ 162.4

As of June 30, 2024, there were \$7.4 million in committed purchase orders or agreements for equipment and services, compared to \$8.3 million as of December 31, 2023.

15. Loss per share

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Total net income (loss)	\$ (8.2)	\$ (32.0)	\$ (144.9)	\$ (68.3)
Weighted average number of common shares (in millions)	22.5	22.1	22.5	22.1
Effect of dilutive securities:				
Stock options	—	—	—	—
Restricted share units	—	—	—	—
Dilutive number of shares	\$ 22.5	\$ 22.1	\$ 22.5	\$ 22.1
Basic and diluted earnings (loss) per share	\$ (0.36)	\$ (1.45)	\$ (6.44)	\$ (3.08)

Adjustments for diluted loss per share were not made for the three and six months ended June 30, 2024 and 2023, as they would be anti-dilutive in nature. The following table presents shares (denominated in millions) from instruments that could dilute basic loss per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive for the periods presented:

As at	June 30, 2024	June 30, 2023
Stock options	0.4	0.5
Convertible debt		
KSP Convertible Notes	1.2	1.1
Glencore Convertible Notes	21.2	2.7
Restricted share units	2.2	0.4
Total	25.0	4.7

16. Segment reporting

The consolidated financial information presented in these financial statements is reviewed regularly by the Company's chief operating decision maker ("CODM") for making strategic decisions, allocations resources and assessing performance. The information review by CODM for decision making purposes aligns with the information provided above in the statements of operations and comprehensive (loss), financial position, and cash flows. The Company's CODM is its Chief Executive Officer.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

The Company's revenue primarily comes from eight key customers, as shown in the table below. The Company's remaining customers do not make up significant percentages of these balances. For additional details on product sales and fair value adjustments recognized in the period, refer to *Note 3 (Revenue – product sales and recycling services)*.

Revenue	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Customer H	21.4 %	0.0 %	20.0 %	0.0 %
Customer D	20.5 %	0.0 %	27.4 %	0.0 %
Customer E	16.0 %	1.0 %	10.7 %	7.3 %
Customer G	14.8 %	0.0 %	20.6 %	0.0 %
Customer B	3.9 %	73.1 %	0.7 %	14.2 %
Customer A	0.0 %	0.0 %	2.2 %	37.4 %
Customer C	0.0 %	0.0 %	0.0 %	16.9 %
Customer F	0.0 %	15.0 %	0.0 %	15.2 %

During the three months ended June 30, 2024, the Company operated in the United States and Germany, and during the three months ended June 30, 2023, the Company operated in the United States and Canada. Management has concluded that the customers, and the nature and method of distribution of goods and services delivered, if any, to these geographic regions are similar in nature. The risks and returns across the geographic regions are not dissimilar; therefore, the Company operates as a single operating segment.

The following is a summary of the Company's geographical information:

	Canada	United States	Germany	Other	Total
Revenues					
Three months ended June 30, 2024	\$ 0.1	\$ 7.2	\$ 1.1	\$ —	\$ 8.4
Three months ended June 30, 2023	1.4	2.2	—	—	3.6
Six months ended June 30, 2024	0.2	10.8	1.6	—	12.6
Six months ended June 30, 2023	0.9	6.3	—	—	7.2
Non-current assets					
As at June 30, 2024	\$ 57.8	\$ 682.7	\$ 29.6	\$ 25.5	\$ 795.6
As at December 31, 2023	57.0	618.9	34.9	26.2	737.0

Revenue is attributed to each geographical location based on location of sale.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read together with the unaudited condensed consolidated interim financial statements included in "Part I. Financial Information—Item 1. Unaudited Condensed Consolidated Interim Financial Information" in this Quarterly Report on Form 10-Q (the "**Consolidated Financial Statements**"). All per share amounts, common shares outstanding and stock-based compensation amounts for all periods reflect the effect of our Share Consolidation.

Within the tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages presented are calculated from the underlying whole-dollar amounts. Certain prior-period amounts have been reclassified to conform to the current period presentation. This is annotated where applicable.

In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations about the Company's financial condition, results of operations and industry that involve risks, uncertainties and assumptions. Actual results and timing of selected events may differ materially from those anticipated by these forward-looking statements as a result of various factors, including those set forth under the section in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K.

Company Overview

Li-Cycle (NYSE: LICY) is a leading global LIB resource recovery company. Established in 2016, and with major customers and partners around the world, Li-Cycle's mission is to recover battery- industry material critical to create a domestic closed-loop battery supply chain for a clean energy future. The Company's proprietary "Spoke & Hub" recycling and resource recovery process is designed (a) at its Spokes, or pre-processing facilities, to process battery manufacturing scrap and end-of-life batteries to produce "black mass", a powder-like substance which contains a number of valuable metals, and other intermediate products, and (b) at its future Hubs, or post-processing facilities, to process black mass to produce critical materials for the lithium-ion battery supply chain, including lithium carbonate. At its Spokes, the Company produces certain other products analogous to black mass that have a similar metal content, and, as a result, the Company tracks its production using a unit of measure called Black Mass & Equivalents or BM&E.

As at June 30, 2024, Li-Cycle had four operational Spokes in North America and Europe, which were located in Rochester, New York (the "**New York Spoke**"), Gilbert, Arizona (the "**Arizona Spoke**"), Tuscaloosa, Alabama (the "**Alabama Spoke**") and Magdeburg, Germany (the "**Germany Spoke**"), and was evaluating the continued development of its first commercial-scale Hub in Rochester, New York (the "**Rochester Hub**").

We continue to focus on our review of critical projects, execute against our cash preservation plan and advance funding opportunities.

In the first six months of 2024, we recycled 4,752 tonnes of battery material consisting of full packs, manufacturing scrap and other battery varieties, produced 1,405.1 tonnes and sold 1,158.0 tonnes of BM&E. Through our recycling services, we helped 12 prominent EV manufacturers and 11 key battery cell and material producers fulfill their commitments to responsibly dispose of their battery waste.

During the three and six months ended June 30, 2024, we recognized total revenues of \$8.4 million and \$12.6 million, respectively, representing an increase of \$4.8 million and an increase of \$5.4 million, respectively, compared to the same periods in the prior year. During the three and six months ended June 30, 2024, our net loss attributable to common shareholders was \$8.2 million and \$144.9 million, representing a decrease of \$23.8 million and \$76.6 million, respectively, compared to the same periods in the prior year. We continue to optimize our existing BM&E production abilities within our Spoke network and focus on further cost reductions and operational efficiencies to conserve cash and bolster our balance sheet.

We completed the second quarter of 2024 with \$66.6 million in cash and cash equivalents, representing a decrease of \$13.7 million from the end of 2023 and a decrease of \$52.2 million as compared to March 31, 2024. Our cash outflows from operating activities were \$72.0 million during the six months ended June 30, 2024, compared to \$63.8 million during the same period ended June 30, 2023, representing an increase of \$8.2 million. Capital expenditures amounted to \$15.4 million during the six months ended June 30, 2024, compared to \$164.9 million during the same period ended June 30, 2023, representing a decrease of \$149.5 million. Capital expenditures have declined since we paused construction of the Rochester Hub and other development projects and we expect to continue to incur reduced capital expenditures until the

restart of Rochester Hub construction. We expect to recommence construction on the Rochester Hub after securing additional financing toward the cost to complete the project, which is currently estimated at \$490.9 million.

Management Priorities, Challenges and Business Outlook

Market Update - EV and Battery Material Demand and Feedstock Availability

Generally, the trends in the geographical markets in which Li-Cycle operates (North America, Europe) present the Company with both opportunities and challenges. Our estimates, informed by available market data and our own views, of the long-term demand for EVs and hybrids remains robust in North America and Europe, with an expected approximately 21% compound annual growth rate in the number of vehicles forecasted to be sold between 2024 and 2030, based on an estimated 5.5 million vehicles in 2024 versus 17.0 million vehicles in 2030. However, current macroeconomic and industry trends (e.g., inflationary pressures) have resulted in reduced project commitments to build EV-related supply chains in North America and Europe. Notwithstanding the current challenging global economic environment, the long-term demand for EVs and hybrids remains strong.

Li-Cycle's current operational activities and product revenue are influenced by the commodity prices for nickel and cobalt. Both nickel and cobalt have experienced recent pricing softness, broadly driven by macroeconomic uncertainties, seasonal patterns and reduced supply-side pressures. Both nickel and cobalt are expected to have a continued supply availability surpluses through 2024 and a forecasted tightening balance of supply relative to demand in 2025. Lithium pricing is pertinent to Li-Cycle's expected Rochester Hub revenue drivers, in addition to pricing for nickel and cobalt. During the first six months of 2024, the lithium market has had a surplus of available production relative to estimated demand. We believe there has been a reduction in project commitments relating to lithium production outside of China, which is likely to contribute to a forecasted tightening balance of available production relative to demand in 2025.

Including consideration of the dynamics of planned LIB production in North America and Europe, we expect to continue to see significant growth in the amount of LIB materials available for recycling. We estimate that between 2024 and 2027, the amount of battery materials available for recycling in North America and Europe will more than double. This growth in available feedstock is expected to primarily be driven by manufacturing scrap, alongside further growth in after-sales EV batteries, stationary energy storage system and consumer electronic batteries available for recycling. By comparison, we believe the level of post-processing capacity (for the processing of black mass) in North America and Europe in 2024 will be substantially lower than the amount of battery materials available for recycling. These forecasts illustrate that a significant deficit of post-processing capacity for black mass is currently expected in the medium-term in North America and Europe. Additionally, there is continued strong support for the localization of the battery supply chain, including post-processing of black mass (as is planned at Li-Cycle's Rochester Hub) due to customer and regulatory drivers. These market and demand considerations continue to underpin the long-term proposition for the Rochester Hub.

Rochester Hub Project Review

We are continuing to advance our comprehensive review of the go-forward strategy for the Rochester Hub project.

We have focused our technical review on constructing, commissioning, and operating only those process areas needed to produce two key products: lithium carbonate and MHP. Consistent with our direction in the prior quarter, the construction, commissioning and operating costs for process areas associated with production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub, have not been included in the internal technical review and there are no current plans that include production of nickel sulphate and cobalt sulphate. However, the areas dedicated to the production of nickel sulphate and cobalt sulphate would be left intact under the MHP scope, to allow for the potential construction, completion, and integration of these areas in the future, although no such plans are contemplated at this time. Our technical review has confirmed the technical viability of the MHP process and allows the project to proceed on a schedule aligned with our current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits, regulatory approvals, if needed and additional financing. We are continuing to develop a more detailed analysis of the MHP scope, and our financing strategy in line with the revised MHP scope. We will require significant additional funding before restarting the Rochester Hub project, on the basis of the MHP scope or otherwise.

Our estimated project cost for the Rochester Hub project, being \$960.2 million for the MHP scope, remains the same from our most recent Annual Report on Form 10-K. Our current estimate of cost to complete ("**CTC**") is approximately \$490.9 million, including \$94.3 million of costs incurred but not yet paid as of June 30, 2024. If in the

future we decide to shift to a project scope that includes the production of nickel sulphate and cobalt sulphate, or any other changes to the MHP scope, then the estimated project costs would be higher.

The CTC estimates for the MHP scope are based solely upon our internal technical review, are subject to a number of assumptions, including refining detailed engineering, procurement, construction activities engineering, procurement and construction activities, including the cost of labor and may materially change as we continue to complete our comprehensive review work, including re-engaging and re-bidding construction subcontracts. In addition to the CTC, we will incur costs during the construction pause between October 23, 2023 to the potential project re-start date, which we expect to fund with current cash and required additional interim funding. We will also incur other costs such as working capital, commissioning and ramp-up costs and financing costs which will be included in the full funding solution.

During the six months ended June 30, 2024, we progressed the comprehensive review of its Rochester Hub project, including advancing work with the local market to refine go-forward cost estimates for the MHP scope.

In addition, certain contractors, subcontractors, consultants and suppliers (together, the “**lienors**”) have filed purported mechanic’s liens against our interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. MasTec is also seeking to enforce its lien through a foreclosure action and an affiliate of MasTec has filed a separate foreclosure action. See *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements.

Cash Preservation Plan

In the six months ended June 30, 2024, we continued to implement our Cash Preservation Plan, announced in November 2023. Among other things, we commenced closure activities at the Ontario Spoke which has been paused since 2023 and slowed operations at our North American and European Spokes, as we continued to review the timing and BM&E needs of the Rochester Hub. The Ontario Spoke is expected to indefinitely cease activity on or before September 30, 2024.

On March 25, 2024, we made the strategic decision to transition from a regional management structure to a centralized model, which resulted in certain leadership changes, which are anticipated to generate approximately \$10 million of annualized savings in payroll and benefits. Effective as of March 26, 2024, Debbie Simpson ceased serving as the Chief Financial Officer of the Company, Richard Storrie ceased serving as the Company’s Regional President, EMEA, and Tim Johnston ceased serving as the Company’s Executive Chair and transitioned to the role of interim non-executive Chair of the Company’s Board, which he held until May 31, 2024, after which he ceased serving on the Board and as an employee. Conor Spollen was appointed as the Chief Operating Officer of the Company, Dawei Li was appointed as the Chief Commercial Officer of the Company, and Craig Cunningham was appointed as the interim Chief Financial Officer and was later appointed to the role of Chief Financial Officer of the Company, effective July 20, 2024.

We continue to re-evaluate our strategy for bringing on additional Spoke and Hub capacity in the near-term, specifically:

- **Germany Spoke (Expansion Deferred):** Line 1 capacity of 10,000 tonnes per year was operationalized in August 2023. The Company had previously announced that Line 2 capacity of 10,000 tonnes per year and ancillary capacity of up to 10,000 tonnes per year were expected to be built by the end of 2023, but these plans have been deferred (including the application to expand permitted capacity from 25,000 tonnes to 35,000 tonnes per year) and the timing of the Germany Spoke expansion is being re-evaluated as part of the go-forward strategy.
 - **France Spoke (Expansion Project Paused):** The Company had expected to start constructing the France Spoke in 2023 and to commence operations in 2024. This Generation 3 Spoke was expected to have a main line recycling capacity of 10,000 tonnes per year, with optionality to expand to up to 25,000 tonnes per year. These plans have been paused and the timing of the France Spoke is being re-evaluated as part of the go-forward strategy.
 - **Norway Spoke (Expansion Project Paused):** The Company had expected to use its leased facility in Norway initially as a warehouse to support the Germany Spoke operations and then start Spoke operations there in 2024. These plans have been paused and the timing of the Norway Spoke is being re-evaluated as part of the go-forward strategy.
 - **New Ontario Spoke (Expansion Project Paused Indefinitely):** The Company had planned on replacing the existing Ontario Spoke in 2023 with an expanded Generation 3 Spoke and warehouse facility. The Ontario Spoke is expected
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to commence closure on or before September 30, 2024 and the replacement plans for new/replacement Spoke have been postponed indefinitely as part of the go-forward strategy.

- **Other Spoke Development Projects (Paused Indefinitely)**: The Company had previously disclosed that it was undertaking a site selection process for a potential new Spoke in Hungary. These plans have been postponed indefinitely as part of the go-forward strategy.
- **Planned Portovesme Hub Project (Project Paused)**: Work on the DFS for the Planned Portovesme Hub project announced in May 2023 has been paused and the project is currently under review with Glencore as well as with the Company as part of the go-forward strategy.

Liquidity and Financing Initiatives

We have incurred net negative operating cash flow since its inception and we expect to continue to generate net negative operating cash flow prior to completing and operating the currently paused Rochester Hub asset. Our liquidity sources consist of our existing cash and cash equivalents, debt, grants, other receivables, and when possible our ATM.

Notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business. Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12-month period following June 30, 2024, casting substantial doubt about the Company's ability to continue as a going concern.

We are actively exploring financing options focused on addressing the Company's immediate liquidity needs. Refer to the sections "*Liquidity and Capital Resources*" below for further discussion.

We continued to progress the closure of the previously announced conditional commitment with the DOE Loan Programs Office for a loan for gross proceeds of up to \$375.0 million through the DOE's Advanced Technology Vehicles Manufacturing program. Subsequent to the announcement of the pause in construction of the Rochester Hub, we continued to work closely with the DOE on reviewing the potential MHP scope as well as key technical, financial and legal work streams to advance toward definitive financing documentation required for closing. This includes, without limitation, determining conditions to drawing on the DOE Loan, reserve amounts and other potential terms of the DOE Loan. We are seeking an increase in the DOE Loan commitment, as part of its revised financing strategy for the Rochester Hub project. We have spent \$8.8 million in professional and legal fees since the inception of the DOE Loan process.

The Special Committee is also exploring other financing options and strategic alternatives to secure additional financing required by us to fund a required base equity commitment and required reserve amounts in order to draw down on the contemplated DOE Loan. There can be no assurances that the closing of the DOE Loan or any other financing transaction would be sufficient to restart construction or complete the development of the Rochester Hub.

On April 30, 2024, we received €5.3 million (\$5.8 million) of the €6.4 million (\$6.9 million) approved grant from the State of Saxony-Anhalt, Germany as a part of the "Improving the Regional Economic Structure" program. Under the financing plan, we are required to fund a proportion of the eligible investment expenditures, to engage at least 38 full-time employees and to provide a security interest in relation to certain equipment.

On March 11, 2024, we entered into the Glencore Senior Secured Convertible Note Purchase Agreement to issue the Glencore Senior Secured Convertible Note. The issuance and sale of the Glencore Senior Secured Convertible Note was completed on March 25, 2024.

In connection with the issuance of the Glencore Senior Secured Convertible Note, Glencore and the Company amended and restated the terms of the Glencore Unsecured Convertible Note, in two tranches.

The Glencore Senior Secured Convertible Note, together with the A&R Glencore Convertible Notes, may result in a change of control of the Company, depending on certain future events, including in the event the Company elects to pay interest in-kind. Assuming the conversion of the A&R Glencore Convertible Notes and the Glencore Senior Secured Convertible Note in full on June 30, 2024, Glencore and its affiliates would beneficially own approximately 49.86% of the common shares on an as-converted basis (based on the total number of outstanding common shares as of June 30, 2024). The Glencore Senior Secured Convertible Note also contains a minimum liquidity covenant that will require us to maintain a minimum amount of liquidity to be set at \$10.0 million, to be tested monthly. In addition, the Glencore Senior Secured Convertible Note also contains a capital expenditure covenant that restricts our ability to make capital expenditures in excess of \$2.0 million in any transaction or series of related transactions, subject to certain exceptions.

In connection with the closing of the Glencore Senior Secured Convertible Note, the Company also entered into a side letter agreement, pursuant to which it granted to Glencore the right to nominate two additional directors to the Board, in addition to Glencore's existing nominee to the Board, for a total of three nominees. In addition, for so long as Glencore has the right to designate nominees to the Board, the size of the Board may not exceed nine directors absent written agreement between Glencore and the Company. Both additional Glencore nominees are not to be related parties of Glencore and its affiliates and are to be independent under applicable Ontario securities laws, as well as SEC and NYSE rules. Both additional Glencore nominees will be entitled to payment and indemnification consistent with other non-employee directors and will be eligible for appointment to the committees of the Board. Glencore will agree to cause the Glencore-nominated directors to recuse themselves from any meeting, decision or discussion relating to the convertible notes issued to Glencore or related matters. Upon the occurrence of any vacancy on the Board, Glencore shall be entitled to designate an individual to fill the vacancy, to the extent it has not yet seated its two additional Glencore nominees.

Operational Initiatives

We expect to continue to pause or slow down operations at our operational Spokes in North America over the course of 2024. The Ontario Spoke is expected to indefinitely cease activity on or before September 30, 2024. In the six months ended June 30, 2024, Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of EV battery packs and modules, including damaged and defective materials, we are increasing our opportunity to earn recycling service revenues and leveraging the main line processing capabilities of its Generation 3 Spokes in Arizona, Alabama and Germany. We are also seeking to maximize the commercial value of our purchased battery cell manufacturing scrap by re-selling these materials, whether directly or after processing through our ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region.

During the six months ended June 30, 2024, in North America, Li-Cycle entered into a new recycling agreement with a prominent EV OEM for full battery pack batteries and extended an existing agreement with a leading battery cell manufacturer. During the six months ended June 30, 2024, in Europe, we also signed a new recycling agreement, and expanded and amended two existing agreements, for modules and full battery pack batteries with three of the largest automotive EV original equipment manufacturers (OEMs) in Europe as well as signed a new agreement with a major EV battery supplier and a global battery cell manufacturer in Europe. Li-Cycle now has recycling contracts with four of the largest automotive EV OEMs in Europe.

Material Accounting Policies and Critical Estimates

For a description of material accounting policies and critical estimates, refer to *Part II, Item 7, Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our critical accounting policies and, unless otherwise noted below, our estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Updates to significant accounting estimates include:

- i. the determination of net realizable value of inventory;
- ii. the determination of the useful life of property, plant and equipment;
- iii. the valuation and measurement of the convertible debt and the related conversion and redemption features;
- iv. the determination of the incremental borrowing rate and lease term for operating lease and finance lease right-of-use assets ("**ROU assets**") and operating lease and finance lease liabilities; and
- v. the determination of the transaction price used for revenue recognition.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment. The existence of an individual indicator outlined above, or otherwise, is not automatically an indicator that a long-lived asset may not be recoverable. Instead,

management exercises judgment and considers the combined effect of all potential indicators and developments present, potentially positive or negative, when determining whether a long-lived asset may not be recoverable

The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results. The Company's determination of its asset groups, its primary asset and its remaining useful life, estimated cash flows, cost to complete the assets under construction and timing of the completion are significant factors in assessing the recoverability of the Company's assets for the purposes of long-lived asset impairment testing.

As of June 30, 2024, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

When indicators of impairment exist, long-lived asset impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the asset group's estimated undiscounted future cash flows to the carrying value of its net assets. If the net undiscounted cash flows of the asset group exceed the carrying value of its net assets, long-lived assets are not considered to be impaired. If the carrying value exceeds the net undiscounted cash flows, there is an indication of potential impairment and the second step of the long-lived asset impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group. Fair values are determined using valuation techniques that are in accordance with U.S. GAAP, including the income approach. If the carrying value of the asset group's net assets exceeds its fair value, then the excess represents the maximum amount of potential impairment that will be allocated to long-lived assets in the asset group, with the limitation that the carrying value of each separable asset cannot be reduced to a value lower than its individual fair value.

Impairment was most recently tested as of March 31, 2024 in connection with the on-going pause on the construction work and review of the Rochester Hub project. Refer to *Note 2 Summary of Significant Accounting Policies* in the Company's unaudited condensed interim financial statements included in the Company's Form 10-Q for the three months ending March 31, 2024. For the quarter ended June 30, 2024, the Company has not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceed their carrying values.

The determination of the future net undiscounted cash flows used in the last completed recoverability test required significant judgment and estimate, specifically related to the North America asset group and included:

- The determination of the primary asset of the North America asset group being the combination of the ROU asset arising from the ground lease related to the Rochester Hub and the Rochester Hub buildings, due to the fact that they have the longest remaining useful life, the location of the land together with the buildings that are fundamental to the overall future operations of the Rochester Hub site and that the remainder of the equipment for this asset group would have not otherwise been acquired if not for this location and buildings.
 - The life of the net undiscounted cash flow model was determined to be approximately 40 years, to address estimation uncertainty relative to the remaining useful life of 49 years for the primary asset and aligning with the renewal options for the ground lease related to the Rochester Hub. The Company considered that it is reasonably certain that it will exercise each renewal option beyond the initial term, up to the maximum of 49 years inclusive of the initial non-cancellable period. To maintain the assets in good working order to generate cash flows over the projected term, sustaining capital expenditures were included based on widely accepted industry guidance from engineering, procurement, construction management firms and institutions such as the Chemical Engineering Plant Cost Index. The total cash flows were reviewed over the 40 years relative to the asset carrying value and it was noted that the carrying value of the asset group could be supported by the cash flows.
 - Significant cash inflows:
 - Financing to complete the construction of the Rochester Hub is assumed to be available to Li-Cycle. The Company is pursuing funding alternatives in the form of bridge financing, project financing, and additional long-term funding alternatives. Two separate models were considered in order to reflect the impact of potential financing in a binary situation. The model which assumed no funding included significantly lower undiscounted net cash flows, which do not exceed the carrying amount of the North America asset group. If over time Li-Cycle does not obtain financing, there could be an impairment. The model which assumed no funding received a remote weighting when determining the amount of undiscounted net cash flows, but nevertheless, was considered for completeness purposes. When sensitized to consider an equal weighting to the
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receipt of funding and lack thereof, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Revenues are driven by the sale of end products from the Rochester Hub in an MHP scope scenario and do not include the construction costs of the process areas required to produce nickel sulphate and cobalt sulphate. The key end product outputs are lithium carbonate and MHP. End product revenues can be further broken into price and volume.

- The Company was required to estimate the commodity prices of the constituent metals under the MHP scope over the 40-year period included in the recoverability test. The Company benchmarked the commodity prices based on external industry publications. The most significant metal contributing to the value of net undiscounted cash flows is lithium. Additionally, the Company was required to estimate the percentage of metal payables that the Company would receive on MHP products being sold ("**MHP payables**"), which was benchmarked to historical actual and forecasts from offtake partners. The Company further sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices for the life of the model. Separately, the Company sensitized MHP payables increasing or decreasing by 10% for the life of the model. Under either sensitized assumption the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- End product volumes are based on the capacities of the Spoke network and Rochester Hub and further impacted by the Company's metal recoveries through the Spoke & Hub processes. When sensitized for the Hub recoveries increasing or decreasing by 5% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Significant cash outflows:

- Rochester Hub forecasted commissioning and operating costs which are primarily driven by the cost of reagents, labor, and utilities were developed through an internal engineering and technical report based on the Association for the Advancement of Cost Engineering to a Class 2 standard. When sensitized such that operating costs were to increase or decrease by 10% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- The prices that Li-Cycle pays for battery feedstock for the Spoke network are generally tied to commodity prices for the metals contained in those battery feedstocks or products, notably nickel, and cobalt. The Company estimated forecasted commodity prices as discussed above. When sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Construction costs to complete the Rochester Hub were developed based on the technical report for an MHP process. While these construction costs are not significant to the overall model, as proven through the sensitivity exercise whereby an increase or decrease of 5% in either direction does not impact the overall conclusion that the undiscounted net cash flows are higher than the carrying value of the North America asset group, they are significant in determining the funding gap which is assumed to be secured as discussed above.

The Company has performed a sensitivity analysis to identify the impact of changes in its significant assumptions on the results of the recoverability test. As part of the sensitivity analysis, management stress tested the point in which a change in each significant assumption will cause the net undiscounted cash flows to no longer exceed the carrying amount of the asset group and then assessed whether such change is reasonable considering the nature of the assumption. Further details as to the sensitivity considered on the most critical inputs are noted above. It was determined that the recoverability test, including the considered impact of the sensitivities analysis shows that the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Convertible debt instruments

Convertible instruments are assessed to determine classification of the whole instrument and to determine how to account for any conversion features or non-equity derivative instruments. The host instrument (i.e., convertible note element of the outstanding instruments) is classified as a financial liability and recorded at the present value of the Company's obligation to make future interest payments in cash and settle the redemption value of the instrument in cash. The carrying value of the host instrument is accounted for at amortized cost and is therefore accreted to the original face value of the instrument, over the life, using the effective interest method. The conversion option components of convertible debt instruments issued

by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. If any conversion options require bifurcation as embedded derivatives, such embedded derivative liabilities are initially recognized at fair value and classified as derivatives in the balance sheet. Changes in the fair value of the embedded derivative liabilities are subsequently accounted for directly through the unaudited condensed consolidated statements of operations and comprehensive income (loss) and are included in operating activities in the unaudited condensed consolidated statements of cash flows as non-cash adjustment.

The conversion options are valued using certain directly and indirectly observable inputs and are classified as Level 2 in the fair value hierarchy. In determining the estimated fair value of the conversion options, the Company utilizes the most recent data available including risk-free interest rate, expected life of options, expected dividend yield, expected stock price volatility, and the Company's share price. The embedded derivatives are valued using the Binomial Option Pricing Model for the KSP Convertible Notes and Finite Difference Method for the Glencore Convertible Notes.

Government Grants

We receive grants from federal, state and local governments in different regions of the world that primarily encourage us to establish, maintain, or increase investment, or employment in the region. Government grants are recorded in our Consolidated Financial Statements in accordance with their purpose as a reduction of expense, or an offset to the related capital asset. The benefit is generally recorded when all conditions attached to the incentive have been met or are expected to be met and there is reasonable assurance of their receipt. Refer to *Note 6 (Property, plant and equipment, net)* to the Unaudited Consolidated Financial Statements for grants received during the six months ended June 30, 2024.

Results of Operations

\$ millions, except per share data	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Financial highlights						
Revenue	\$ 8.4	\$ 3.6	\$ 4.8	\$ 12.6	\$ 7.2	\$ 5.4
Cost of sales	(19.4)	(20.2)	0.8	(37.3)	(39.3)	2.0
Selling, general and administrative expense	(15.3)	(24.9)	9.6	(45.9)	(47.6)	1.7
Research and development	(0.6)	(1.3)	0.7	(0.5)	(2.2)	1.7
Other income (expense)	18.7	10.9	7.8	(73.8)	13.6	(87.4)
Income tax	—	—	—	—	(0.1)	0.1
Net loss	(8.2)	(31.9)	23.7	(144.9)	(68.4)	(76.5)
Adjusted EBITDA ¹ loss	(23.4)	(41.3)	17.9	(50.8)	(79.2)	28.4
Loss per common share - basic and diluted	(0.36)	(1.45)	1.09	(6.44)	(3.08)	(3.37)
Net cash used in operating activities	\$ (37.3)	\$ (38.7)	\$ 1.4	\$ (72.0)	\$ (63.8)	\$ (8.2)

As at	June 30, 2024	December 31, 2023	Change
Cash, cash equivalents and restricted cash	\$ 66.6	\$ 80.3	(13.7)

¹ Adjusted EBITDA is a non-GAAP financial measure and does not have a standardized meaning under U.S. GAAP. Refer to the section titled *'Non-GAAP Reconciliations and Supplementary Information'* below, including a reconciliation to comparable U.S. GAAP financial measures.

Revenue

Li-Cycle recognizes revenue from: (i) sales of products, including Black Mass & Equivalents, and shredded metal; and (ii) providing services relating to recycling of LIB, which includes coordination of inbound logistics and recycling and destruction of batteries. Sales of products are presented net of fair value gains or losses recognized in the period.

The Company's revenue primarily comes from six key customers. Refer to *Note 9 (Related party transactions)* in the Consolidated Financial Statements. These key customers are comprised of leading companies in the global battery supply chain, including battery manufacturers, EV OEMs, miners and raw material buyers. For the six months ended June

30, 2024, "Customer D," a U.S.-based global leader in EV and battery manufacturing, was the largest source of revenue for the Company.

\$ millions, except sales volume	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Product revenue recognized in the period	\$ 5.0	\$ 4.8	\$ 6.4	\$ 12.0
Fair value pricing adjustments	0.2	(1.7)	0.7	(5.8)
Product revenue	5.2	3.1	7.1	6.2
Recycling service revenue recognized in the period	3.2	0.5	5.5	1.0
Revenue	\$ 8.4	\$ 3.6	\$ 12.6	\$ 7.2
Tonnes of BM&E sold	1,158	2,093	2,104	2,974

For the three months ended June 30, 2024, revenue increased to \$8.4 million, compared to \$3.6 million in the three months ended June 30, 2023, primarily due to an increase in recycling service revenue, as well as favorable changes in fair value pricing adjustments of \$1.9 million, primarily related to timing of settlements received from customers.

For the six months ended June 30, 2024, revenue increased to \$12.6 million, compared to \$7.2 million in the three months ended June 30, 2023, primarily due to an increase in recycling service revenue as well as favorable changes in fair value pricing adjustments of \$5.1 million, primarily related to timing of settlements received from customers which were partially offset by a decrease in product revenue.

As of June 30, 2024, 340.9 tonnes of Black Mass & Equivalents were subject to fair value pricing adjustments. Depending on the contractual terms, the BM&E could take up to 12 months to settle after shipment. The table below shows the expected settlement dates for the tonnes of BM&E subject to fair value price adjustments by quarter for the last sixteen months:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
271+ days	—	—	248	1,662	2,450
181-270 days	—	248	151	557	743
91-180 days	248	151	1,372	743	668
1-90 days	93	725	542	1,312	1,116
Total tonnes	341	1,124	2,313	4,274	4,977

The following tables set out the period end and period average commodity prices for cobalt and nickel:

	Market price per tonne As at June 30,		Average market price per tonne For six months ended June 30,	
	2024	2023	2024	2023
Cobalt	\$ 24,912	\$ 31,416	\$ 18,390	\$ 33,363
Nickel	16,955	20,075	26,117	23,574

Recycling service revenue increased by \$2.7 million and \$4.5 million or 540% and 450% for the three and six months ended June 30, 2024, respectively, as compared to the three and six months ended June 30, 2023 respectively primarily as a result of new service contracts entered into after the first quarter of 2023.

Cost of sales

Cost of revenue attributable to product sales includes direct and indirect materials, labor costs, manufacturing overheads, including depreciation, logistics, maintenance, and facility related expenses. Cost of sales attributable to product revenue also includes charges to write down the carrying value of inventory when it exceeds its estimated net realizable value.

Cost of sales attributable to service revenue includes the cost of the battery materials acquired with the service contract with the remaining product conversion cost being included in cost of sales attributable to product sales.

The Company's operating Spokes continued to advance through the early operational phase during the quarter ended June 30, 2024. While cost of sales attributable to product revenue decreased \$2.3 million and \$4.4 million or 11%

and 11% for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 respectively as a result of decreased production levels, the decrease was partially offset by increases in operational repairs and maintenance activities due to inconsistent throughput and limited operating history as well as unfavorable inventory valuation adjustments due to higher operating costs relative to the net realizable value of inventory on hand on a comparative basis.

Cost of sales attributable to service revenue increased by \$1.5 million and \$2.4 million for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 due to new service contracts entered into after the first quarter of 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased \$9.6 million or 39% for the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 primarily as a result of decreased personnel costs driven by restructuring initiatives occurring in the fourth quarter of 2023 and throughout the first six months of 2024 of \$5.0 million, decrease in stock based compensation of \$2.7 million, and decrease in bad debt expense of \$1.0 million.

Selling, general and administrative expenses decreased \$1.7 million or 4% for the six months ended June 30, 2024 as compared to six months ended June 2023 primarily as a result of decreased personnel costs driven by restructuring activities occurring in the fourth quarter of 2023 and throughout the first six months of 2024 of \$2.5 million, a net decrease in share based compensation of \$2.5 million, decrease in bad debt expense of \$2.0 million and decreases in other administrative costs of \$4.0 million, offset by increased professional and legal fees of \$7.6 million, related to the Rochester Hub construction pause and legal fees related to the three shareholder lawsuits and mechanic's liens (See *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements).

Research and development

For the three and six months ended June 30, 2024, research and development was an income of \$0.6 million and \$0.5 million, compared to an expense of \$1.3 million and \$2.2 million for the corresponding periods in 2023. The \$0.6 million and \$0.5 million income in research and development for the three and six months ended June 30, 2024 was due to research and development costs related to the Planned Portovesme Hub, which were expensed in the fourth quarter of 2023 and refunded by Glencore in accordance with our cost sharing agreement with Glencore.

Research and development expenses decreased \$0.7 million in the three months ended June 30, 2024 and decreased \$1.7 million in the six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023, respectively. The decrease was primarily as a result of monies reimbursed by Glencore in accordance with our cost sharing agreement with Glencore as it relates to the Planned Portovesme Hub as well as slowed activities in conjunction with the Cash Preservation Plan as more fully described in section.

Other income (expense)

Other income (expense) consists of interest income, foreign exchange gain or loss, interest expense, and fair value gain on financial instruments. Interest expense represents interest paid in kind ("**PIK interest**"), actual cash interest costs incurred and any accrued interest payable at a future date, net of interest costs capitalized for qualifying assets where they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Other income (expense) changed favorably in the three months ended June 30, 2024 as compared to the three months ended June 30, 2023 due to favorable fair value adjustments of the Company's financial instruments of \$27.4 million offset by an increase in interest expense of \$15.5 million.

Other income (expense) changed unfavorably in the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 primarily driven by the non-cash debt extinguishment loss of \$58.9 million and increase in interest expense of \$25.9 million.

Net loss

Net loss was \$8.2 million and \$144.9 million in the three and six months ended June 30, 2024, compared to net loss of \$31.9 million and \$68.4 million in the comparative periods in 2023. Net loss for the three and six months ended

June 30, 2024 was driven by the factors discussed above, and reduced primarily by the decrease in the selling, general and administrative expenses, and the decrease in other expense.

Adjusted EBITDA loss

Adjusted EBITDA loss was \$23.4 million and \$50.8 million in the three and six months ended June 30, 2024, compared to \$41.3 million and \$79.2 million in the corresponding periods of 2023. The primary difference between Adjusted EBITDA loss and net loss for the period is the exclusion of the debt extinguishment loss of \$58.9 million related to the Glencore Unsecured Convertible Notes (see *Note 11 (Convertible debt)* to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q), as well as unrealized fair value gains on financial instruments, interest income, interest expense, and depreciation.

A reconciliation of Adjusted EBITDA loss to net loss is provided in the section titled “Non-GAAP Reconciliations and Supplementary Information” below.

Non-GAAP Reconciliations and Supplementary Information

The Company uses the non-GAAP measure of Adjusted EBITDA. Management believes that this non-GAAP measure provides useful information to investors in measuring the financial performance of the Company and is provided as additional information to complement U.S. GAAP measures by providing a further understanding of the Company’s results of operations from management’s perspective. Adjusted EBITDA does not have a standardized meaning prescribed by U.S. GAAP and the term therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company’s financial information reported under U.S. GAAP.

Adjusted EBITDA is defined 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 following table provides a reconciliation of net loss to Adjusted EBITDA (loss).

unaudited \$ millions	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (8.2)	\$ (31.9)	\$ (144.9)	\$ (68.4)
Income tax	—	—	—	(0.1)
Depreciation and amortization	2.6	2.0	6.8	3.9
Interest expense	15.6	0.1	27.1	1.2
Interest income	(0.9)	(4.2)	(1.5)	(9.2)
EBITDA (loss)	\$ 9.1	\$ (34.0)	\$ (112.5)	\$ (72.6)
Debt extinguishment loss	—	—	58.9	—
Restructuring fees ¹	2.2	—	13.7	—
Fair value gain on financial instruments ²	(34.7)	(7.3)	(10.9)	(6.6)
Adjusted EBITDA (loss)	\$ (23.4)	\$ (41.3)	\$ (50.8)	\$ (79.2)

¹ Restructuring charges include: expense related to the workforce reduction approved by the Board on March 25, 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 gain on financial instruments relates to convertible debt.

Capital Expenditure

Capital expenditures for the six months ended June 30, 2024 were \$15.4 million, compared to \$164.9 million in the six months ended June 30, 2023. The \$15.4 million capital expenditures in the six months ended June 30, 2024 primarily consisted of payments for equipment and construction materials purchased during previous periods for the Rochester Hub and the Germany Spoke. The decrease in capital expenditures for the six months ended June 30, 2024 was

due to the pause of construction at the Rochester Hub which was the primary driver for capital expenditures for the six months ended June 30, 2023.

Development of Spoke & Hub Network

Operational Updates

unaudited \$ millions, except production data in tonnes	Six months ended June 30,		
	2024	2023	Change
Operational Highlights			
Capital Expenditure	\$ 15.4	\$ 164.9	(91)%
Production - Black Mass & Equivalents	2,713	3,572	(24)%

Production – Black Mass & Equivalents

The Company produced 2,713 tonnes of Black Mass & Equivalents in the six months ended June 30, 2024, compared to 3,572 tonnes in the corresponding period of 2023. The decrease in production of BM&E was primarily attributable to the pause and slowdown of operations at our North America Spokes.

Li-Cycle has three operational Spokes in North America (the New York Spoke, the Arizona Spoke and the Alabama Spoke) and one operational Spoke in Europe (the Germany Spoke, which commenced operations in August 2023). Since November 1, 2023, production at the Ontario Spoke has been paused and the Company now plans the closure of this operation by September 30, 2024.

The table below outlines current installed Spoke capacity as at June 30, 2024, by Spoke location:

Annual material processing capacity (in tonnes)	Main Line ¹	Ancillary Processing			Total Processing Capacity
		Dry Shredding ²	Powder Processing ³	Baling ⁴	
New York Spoke	5,000	—	3,000	—	8,000
Arizona Spoke	10,000	5,000	3,000	5,000	23,000
Alabama Spoke	10,000	5,000	—	—	15,000
Germany Spoke	10,000	—	—	—	10,000
Available Spoke Capacity	35,000	10,000	6,000	5,000	56,000

Notes

¹ Processes materials using Li-Cycle's patented submerged shredding process or "wet shredding" specifically for battery materials that contain electrolyte and have risk of thermal runaway.

² Processes materials that do not contain electrolyte, and therefore have less risk of thermal runaway.

³ Processes cathode powders to minimize dusting in downstream processes.

⁴ Processes cathode foils into formed cubes for optimizing logistics and downstream processing.

The Company processes end-of-life batteries and certain manufacturing scrap at its Spoke main lines to produce black mass and shredded metal. Other manufacturing scrap acquired by the Company may be processed at the Company's ancillary lines to produce intermediate products or sold directly third parties.

Li-Cycle's first commercial Hub was under construction in Rochester, New York until October 23, 2023, when the Company announced a construction pause on its Rochester Hub project, pending completion of a comprehensive review of the go-forward strategy for the project. The Rochester Hub is expected to have a nameplate input capacity to process 35,000 tonnes of BM&E annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB equivalent feed annually). The facility is expected to have an output capacity of battery-industry critical materials including approximately 7,500 to 8,500 tonnes per annum of lithium carbonate.

Liquidity and Capital Resources

Overview

To date, Li-Cycle has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the PIPE Financing; (iii) other private placements of Li-Cycle securities (including convertible

notes and common shares); and (iv) government grants. We have incurred net negative operating cash flow since our inception and we expect to continue to generate net negative operating cash flow. Cash generated at our operating Spokes is consumed by those operations and any shortfalls as well as funds required for general and all other needs are provided through our existing cash, debt, grants and other receivables. Inherently, there can be no guarantee that we can execute our growth strategy, secure appropriate feedstock supply, or develop the operating capabilities necessary to grow into a cash flow positive business.

Accordingly, without additional financing in the near term, we will not have adequate liquidity during the 12-month period following June 30, 2024, casting substantial doubt about our ability to continue as a going concern.

There can be no assurance that we will be able to secure sufficient, additional funding, under reasonable commercial terms or at all, to provide liquidity for ongoing operations, to fund future growth or capital projects, including completion of the Rochester Hub or otherwise satisfy any of our funding needs and obligations. Additional financing is expected to have restrictive covenants that would significantly limit our operating and financial flexibility or our ability to obtain future financing.

See the following sections for more details regarding our material cash requirements and sources and conditions of liquidity.

Material Cash Requirements

As discussed in and subject to the factors in *Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Rochester Hub Project Review* in this Quarterly Report on Form 10-Q, our primary need for liquidity is to fund on-going working capital requirements of our business during the comprehensive review of the paused Rochester Hub project and go-forward strategy in addition to funding existing capital commitments related to the paused Rochester Hub project. We will require additional funding to restart the construction of the Rochester Hub which has an estimated cost to complete of \$490.9 million inclusive of \$94.3 million to settle various existing Hub commitments included in accounts payable.

We have no material debt maturities until September 29, 2026 and no requirements to pay cash interest associated with our convertible debt until September 29, 2026 under the Company's option to elect PIK interest. See *Note 11 (Convertible debt)* to the Consolidated Financial Statements for further details on our convertible debt.

Excluding Rochester Hub related commitments referred to above, we have \$41.7 million of accounts payable as at June 30, 2024, and in the twelve months following June 30, 2024, we anticipate cash lease payments of \$10.7 million primarily related to facilities costs and \$4.4 million of cash severance costs related the March 2024 restructuring.

We continue to experience net negative cash flows from operations, and notwithstanding the potential impacts of the Cash Preservation Plan and other cost reducing activities, we require material funds to support our operations and continue our business.

Sources and Conditions of Liquidity

Our sources to fund our operations and continued construction of the Rochester Hub are predominantly from our existing available cash, unreceived grants, sales of BM&E and services, other receivables and proceeds from future financing, if and when available. On June 28, 2024, the Company entered into an ATM issuance sales agreement having an aggregate offering price of \$75 million. We intend to utilize any proceeds from the sale of common shares under the ATM towards our short-term liquidity needs and on-going operating, corporate and other costs. We can provide no assurance as to whether we will be able to raise funds through the sale of our common shares under the ATM.

As further noted in *Management's Discussion and Analysis of Financial Condition and Results of Operations - Management Priorities, Challenges and Business Outlook - Liquidity and Financing Initiatives*, we continue to progress toward a definitive financing agreement with the U.S. Department of Energy. We cannot know or guarantee when, if ever, or how much, if any, funds will be available or received from the on-going DOE loan process.

See *Note 6 (Property, plant and equipment, net)* to the Consolidated Financial Statements for details of the \$5.8 million (€5.3 million) conditional grant received from the State of Saxony-Anhalt, Germany. By financing a portion of eligible capital expenditures before May 31, 2025, we may become eligible to receive the remaining €1.1 million of the

approved grant. At June 30, 2024, we satisfy and, although there can be no guarantee, we expect to continue to satisfy the conditions of the grant through the required period. In the future, should we not meet the conditions of the grant, all or part of the grant could be cancelled and we could be required to return funds provided by the grant.

During the six months ended June 30, 2024, we reached new agreements and renegotiated certain previous agreements with certain suppliers to extend the payment terms for \$6.3 million of trade accounts payable beyond one year. We expect to pay, in aggregate, \$1.5 million in interest over the collective terms of the deferrals. The Company recorded these amounts as non-current accounts payable in the unaudited condensed consolidated interim balance sheet as of June 30, 2024.

Cash, cash equivalents and restricted cash were \$66.6 million as at June 30, 2024, compared to \$80.3 million as at December 31, 2023. Cash, cash equivalents and restricted cash as at June 30, 2024 included proceeds received from the issuance of the Glencore Senior Secured Convertible Note and restricted cash of \$9.6 million.

At June 30, 2024, we had convertible debt of \$426.4 million. For details regarding our indebtedness, see *Note 11 (Convertible debt)* to the Consolidated Financial Statements.

Cash Flows Summary

Presented below is a summary of Li-Cycle's operating, investing, and financing cash flows for the six months ended June 30, 2024 and 2023:

\$ millions	Six months ended June 30,	
	2024	2023
Net cash used in operating activities	\$ (72.0)	\$ (63.8)
Net cash used in investing activities	(15.4)	(164.9)
Net cash provided (used in) by financing activities	73.7	(0.4)
Net change in cash, cash equivalents and restricted cash	\$ (13.7)	(229.1)

Net Cash Used in Operating Activities

For the six months ended June 30, 2024, net cash used in operating activities were approximately \$72.0 million, compared to \$63.8 million in the corresponding period of 2023 and were driven by an increase in selling, general and administrative disbursements included in expenses in prior periods and expenses related to legal fees incurred as a result of the three shareholder suits and mechanic's liens filed following the construction pause at the Rochester Hub and other non-recurring restructuring costs.

The cash expenditures related to the shareholder lawsuits and lien related activities during the six months ended June 30, 2024 was \$5.7 million. The non-recurring cash restructuring costs of \$11.2 million during the six months ended June 30, 2024 include severance costs for certain executives and non-executives pursuant to contractual termination benefits related to the March 2024 workforce reduction, as well as consulting, legal and Special Committee fees.

See note *Note 6 (Property, plant and equipment, net)* to the Consolidated Financial Statements for details of the \$6.9 million (€6.4 million) conditional grant received from the State of Saxony-Anhalt, Germany, included as a reduction in cash used in operating activities as it relates to capital assets and development costs.

Net Cash Used in Investing Activities

For the six months ended June 30, 2024, net cash used in investing activities were \$15.4 million, and primarily consisted of payments for equipment and construction materials purchased during previous periods for the Rochester Hub and Germany Spoke, compared to net cash used in the investing activities of \$164.9 million in the corresponding period of 2023. Net cash used in investing activities in the six months ended June 30, 2023 were driven by the development of the Rochester Hub through the acquisition of equipment and construction materials.

Net Cash Provided by (Used In) Financing Activities

For the six months ended June 30, 2024, net cash provided by financing activities were \$73.7 million, compared to \$0.4 million used in the corresponding period of 2023, and were primarily driven by \$75.0 million of gross proceeds

received from the issuance of the Glencore Senior Secured Convertible Note on March 25, 2024 net of \$1.3 million of transaction costs.

Recent Accounting Pronouncements

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the FASB. Unless otherwise discussed, and as further highlighted in *Note 2 (Accounting Changes)* to the Consolidated interim Financial Statements, Li-Cycle is in the process of assessing the impact of recently issued standards or amendments to existing standards that are not yet effective.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Li-Cycle is exposed to various risks in relation to financial instruments. The main types of risks are currency risk and interest rate risk. While Li-Cycle may enter into hedging contracts from time to time, any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Foreign Currency Risk

The Company is exposed to currency risk as its cash is mainly denominated in U.S. dollars, while its operations also require Canadian dollars and other currencies in addition to U.S. dollars. As at June 30, 2024, the impact of a 5% change in these respective currencies versus the U.S. dollar, would result in an immaterial impact. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk, as it has variable interest rate debt that includes an interest rate floor and cap. The Company does not expect changes in interest rates to have a material impact on its business and does not engage in interest rate hedging activities.

Credit and Liquidity Risks

Credit risk associated with cash is minimal as the Company deposits the majority of its cash with large Canadian and U.S. financial institutions above a minimum credit rating and with a cap on maximum deposits with any one institution. The Company's credit risk associated with receivables is managed through the use of credit assessments, credit limits, and payment terms with customers, as well as requiring payment in advance where the assessed credit risk warrants it, and exposure to potential loss is also assessed as minimal.

The Company's revenue and accounts receivable primarily come from large multinational OEMs and dominant market participants.

Management is assessing its liquidity risk management framework for the management of the Company's short-term, medium and long-term funding and liquidity requirements.

Market Risks

The Company is exposed to commodity price movements for the inventory it holds and the products it produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals contained its products, notably cobalt and nickel. The Company does not engage in commodity price hedging activities.

The following table sets out the Company's exposure, as of June 30, 2024 and December 31, 2023, in relation to the impact of movements in the cobalt and nickel price for the provisionally invoiced sales volume of BM&E by metric tonne:

As at June 30, 2024		Cobalt	Nickel
Tonnes subject to fair value pricing adjustments		340.9	340.9
10% increase in prices	\$	—	\$ —
10% decrease in prices	\$	—	\$ —
As at December 31, 2023		Cobalt	Nickel
Tonnes subject to fair value pricing adjustments		2,313.0	2,313.0
10% increase in prices	\$	0.2	\$ 0.3
10% decrease in prices	\$	(0.2)	\$ (0.3)

The following table sets out the period end commodity prices for cobalt and nickel as at June 30, 2024 and December 31, 2023:

As at June 30, 2024		Market price per tonne
Cobalt	\$	24,912
Nickel	\$	16,955

As at December 31, 2023		Market price per tonne
Cobalt	\$	28,660
Nickel	\$	16,250

Capital Risk Management

The Company's objective when managing its capital is to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net cash (cash and cash equivalents after deducting convertible debt) and equity of the Company (comprising issued share capital and other reserves). The Company is not subject to any externally imposed capital requirements as of June 30, 2024.

ITEM 4 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Li-Cycle's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, its Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2024, its disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

Changes in Internal Control Over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of internal control over financial reporting ("ICFR") as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Li-Cycle has identified material weaknesses in its ICFR. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's financial statements will not be prevented or detected on a timely basis.

As reported in Li-Cycle's Annual Report on Form 10-K, management has concluded ICFR was not effective due to the following material weaknesses:

- The Company did not maintain an effective control environment due to insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner.
 - The Company did not maintain an effective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its ICFR, resulting from the insufficient number of experienced personnel described above.
 - The Company did not maintain effective information and communication processes, related to insufficient communication of internal control information and the operating ineffectiveness of its IT general controls to ensure the quality and timeliness of information used in control activities, including related to service organizations.
 - As a consequence of the above, the Company had ineffective process-level and financial statement close controls, primarily due to a lack of sufficient documentation to provide evidence of the operating effectiveness of controls.
-

Plan for Remediation of Material Weaknesses

During the three months ended June 30, 2024, Li-Cycle continued to implement its remediation plan to address the material weaknesses and their underlying causes, and strengthen all elements of the Company's ICFR program, including:

- Building its internal competency in technical accounting, financial reporting and internal controls to enhance its ability to execute detailed review of transactions to identify errors in a timely manner.
- Enhancing the risk assessment process to allow for the timely identification of risks of material misstatement and the impact of changes in the business that impact financial reporting risks.
- Strengthening processes to communicate internal control information and addressing operating deficiencies in IT general controls.
- Improving the quality of internal control evidence documentation to demonstrate operating effectiveness in process-level and financial statement close controls.

Although Li-Cycle continues to advance its remediation plan, the Company will not be able to conclude that it has remediated the material weaknesses until all relevant controls are fully implemented and have operated effectively for a sufficient period of time. The Company will continue to provide updates as it progresses through its remediation plan.

Except for the steps taken to address the material weaknesses in the Company's ICFR as described above, no changes in the Company's ICFR occurred during the three and six months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of the material pending legal proceedings, see *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q and the section titled "*Item 3. Legal Proceedings*" in our Annual Report on Form 10-K

ITEM 1A RISK FACTORS

We describe our existing risk factors in "*Item 1A. Risk Factors*" of our Annual Report on Form 10-K. Other than as described below, there have been no material changes in our risk factors disclosed in "*Item 1A. Risk Factors*" in our Annual Report on Form 10-K.

There is substantial doubt about Li-Cycle's ability to continue as a going concern.

As of June 30, 2024, Li-Cycle's net loss and net cash used in operating activities amounted to \$8.2 million and \$72.0 million, respectively. Li-Cycle has also incurred significant losses since inception, expects to incur net losses in the future and has a declining cash balance. Li-Cycle expects to continue to have a net cash outflow from operations for the foreseeable future as it continues its comprehensive review of the Rochester Hub and go-forward strategy in addition to funding existing and remaining capital commitments related to its Rochester Hub and general business operations. Certain contractors, subcontractors, consultants and suppliers (together, the "lienors") have also filed purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project, under New York Lien Law, given alleged delays in making payments to those lienors. As at August 1, 2024, there were liens on the Company's interests in the Rochester Hub property filed by contractors and suppliers to the Company of approximately \$65.1 million and filed by subcontractors to the Company's contractors of approximately \$38.7 million, as well as liens on the Company's interests in the warehouse and administrative building for the Rochester Hub filed by the Warehouse Landlord of approximately \$5.1 million. Such liens may restrict the Company's ability to dispose of its interest in such properties or pledge its interests in such properties as collateral for future financing arrangements while they remain in place. In addition, the lienors may enforce their liens by court action and courts may cause the Company's interest in the applicable properties to be sold to satisfy such liens. There can be no assurances that any efforts by the Company to negotiate payment plans with the lienors will be successful, timely or on terms favorable to the Company. Further, the lienors could have priority over the Company's shareholders in the event of bankruptcy or similar proceedings and, as a result, the amount of distributions our shareholders could receive in such bankruptcy or a similar proceeding could be

reduced. On April 9, 2024, one of the lienors, MasTec commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. MasTec is also seeking to enforce its lien through a foreclosure action and an affiliate of MasTec has filed a separate foreclosure action. We are not able to predict with any reasonable degree of certainty the outcome of any such proceedings and regardless of the outcome of the arbitration or any future foreclosure action, such proceedings could result in substantial costs to the Company, divert management's attention and resources and harm our business, prospects, financial condition and results of operations. See and *Note 14 (Commitments and contingencies)* to the Consolidated Financial Statements and incorporated by reference hereto. In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business. Other circumstances such as a continued rise in inflation, commodity and labor prices and other challenging macroeconomic conditions may also arise, which could have a material and adverse effect on the Company's cash flow and anticipated cash needs, which in turn could result in significant additional funding needs. As a result, if Li-Cycle is unable to source additional short or long-term financing in the near term, it will not have sufficient cash and cash equivalents on hand to support current operations for the twelve months following the filing of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. The Company will require a significant amount of financing in order to meet its funding needs. This casts substantial doubt upon the Company's ability to continue as a going concern without access to additional capital through financing transactions or otherwise. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital when needed and may therefore need to significantly modify or terminate operations or dissolve and liquidate our assets under applicable bankruptcy laws or otherwise.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure, as well as disrupt our operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy, including coverage for director and officer liability, general liability, property liability, automobile liability, U.S. workers' compensation liability as well as coverage for our U.S. facilities. In addition, our operations (including any potential future operations such as our Rochester Hub, the Planned Portovesme Hub project and possible future additions to our Spoke network, notwithstanding the current pause on those projects) and future expansion plans, are subject to risks inherent in the lithium-ion battery recycling industry and risks associated with the construction and development of new facilities, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage, some of which may not be insured or fully covered at any time by insurance. The availability of, and the ability to collect on, insurance coverage is subject to various factors some of which are beyond our control and is not guaranteed to cover any or all of our losses in every circumstance. Li-Cycle's insurance coverage at any time may also be inadequate to fully cover hazard risk exposures related to any such operational risks.

Li-Cycle has no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. Moreover, Li-Cycle may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements or at all. For example, Li-Cycle is currently in the process of extending and/or renewing its insurance policies and there can be no assurance that such policies will be extended and/or renewed on favorable terms or at all. In addition, if any of Li-Cycle's landlords for its Spoke facilities is unable to obtain insurance coverage, Li-Cycle may have to seek such coverage from its own insurance providers and there can be no assurance that such efforts will be successful. Any failure to obtain adequate insurance as well as the occurrence of a significant uninsured loss, or a loss in excess of the insurance coverage limits maintained by Li-Cycle, could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle relies on a limited number of commercial partners to generate most of its current and expected revenue.

Li-Cycle relies on a limited number of commercial partners from whom we generate most of our revenue. Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of EV battery packs and modules, including damaged and defective materials, we are increasing our opportunity to earn recycling service revenues. We directly sell a portion of our products to third parties under short term contracts. We are also seeking to maximize the commercial value of our purchased battery cell manufacturing scrap by re-selling a portion of these materials, whether directly or after processing through the ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region. In selling directly to third parties, we may assume additional risks, including credit risk and transportation risk. Given that these third-party contracts are generally short-term commitments, there can be no assurances

that we will continue to obtain or renew such contracts on similarly favorable terms, which could have a material adverse effect on our business, results of operation and financial condition.

Li-Cycle has entered into two off-take agreements with Traxys covering: (i) 100% of its production of black mass from Li-Cycle's North American Spokes, other than such black mass as Li-Cycle has determined (in its sole discretion) is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain end products from Li-Cycle's Rochester Hub, being lithium carbonate, nickel sulphate, cobalt sulphate, manganese carbonate and graphite concentrate. Li-Cycle has also entered into additional off-take agreements with Glencore, covering substantially all of its other Spoke and Hub products. Effective March 25, 2024, pursuant to the terms of the Allocation Agreement, Traxys has waived its rights over 50% of the volume of black mass and refined products that would otherwise have been sold to Traxys under the Company's existing commercial agreements with Traxys, and such material has been deemed to be Glencore-committed material under the terms of the Company's commercial agreements with Glencore. The risk and uncertainties subject to the Glencore agreement are outlined in our Annual Report on Form 10-K.

The NYSE may delist our common shares, which could limit investors' ability to engage in transactions in our common shares and subject us to additional trading restrictions.

Our common shares are listed on the NYSE.

On December 20, 2023, we received written notice from the NYSE (the "**Trading Standards Notice**") indicating that we were not in compliance with Rule 802.01C of the NYSE Manual because the average closing price of our common shares was less than \$1.00 over a consecutive 30 trading-day period. On June 20, 2024, we were notified by the NYSE that we comply with Rule 802.01C of the NYSE Manual. If in the future we fail to comply with any applicable continued listing requirements, the NYSE may subsequently delist our common shares.

If the NYSE were to delist our common shares, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- a limited amount of news and analyst coverage for the Company; and
- a decreased ability to obtain capital or pursue acquisitions by issuing additional equity or convertible securities.

Failure to develop and maintain effective internal control over financial reporting could have a material adverse effect on our business, results of operations and the trading price of our common shares.

The Company is required to comply with Section 404 of the Sarbanes-Oxley Act, which requires, among other things, that the Company evaluate annually the effectiveness of its internal control over financial reporting. The standards required for a public company under Section 404 of the Sarbanes-Oxley Act are significantly more stringent than those required of Li-Cycle prior to the Business Combination. Section 404(a) of the Sarbanes-Oxley Act requires management to assess and report annually on the effectiveness of internal control over financial reporting and to identify any material weaknesses in internal control over financial reporting. Additionally, Section 404(b) of the Sarbanes-Oxley Act, which applied to us in fiscal 2023 as a large accelerated filer, requires the independent registered public accounting firm to issue an annual report that addresses the effectiveness of internal control over financial reporting.

Li-Cycle has identified material weaknesses in our internal control over financial reporting, see the section titled "*Item 1A. Risk Factors — Risks Relating to Li-Cycle's Business — Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired*". For the fiscal 2023 report of KPMG LLP, our registered public accounting firm at the time, see the section titled "*Item 9A. Attestation Report of Registered Public Accounting Firm*".

If we continue to identify deficiencies in our internal control over financial reporting or if we are unable to comply with the requirements applicable to us as a public company in a timely manner, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. If this occurs, we also could become subject to sanctions or investigations by the SEC or other regulatory authorities.

Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to the Company, including under Section 404 of the Sarbanes-Oxley Act, including because of the impact of the Workforce Reduction plan and additional steps that the Company expects to take in the near-term to right-size and right-shape our organization based on our go-forward strategic objectives and the Cash Preservation Plan, including taking additional steps in the near term to significantly reduce the workforce, including with respect to corporate positions. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if required, our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, or expresses an adverse opinion, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our share price may be materially adversely affected.

We expect to continue to incur costs related to our internal control over financial reporting in the upcoming years to further improve our internal control environment.

Our executive officers and directors may have interests different than yours and may take actions with which you disagree.

Li-Cycle's executive officers and directors have a significant stake in the Company and are likely to have influence over any critical decisions relating to Li-Cycle. Li-Cycle's executive officers and directors collectively hold, directly or indirectly, approximately 14.83% of the Company's outstanding common shares as of June 30, 2024. Our co-Founder, President, CEO and director, Ajay Kochhar held approximately 13.88% of the Company's outstanding common shares as of June 30, 2024. Our other Co-Founder, Tim Johnston, ceased serving as our Executive Chair on May 26, 2024, and on May 31, 2024, ceased serving as our interim Non-Executive Chair and as an employee. As of June 30, 2024, Mr. Johnston still held approximately 8.22% of the Company's outstanding common shares. As a result, such individuals are likely to continue to have a significant influence in determining any matters submitted to our shareholders for approval, and to have continuing voting power and/or significant influence in the management and affairs of the Company, as applicable. The interests of our executive officers and directors may differ from the interests of other shareholders of Li-Cycle due to various factors and as a result, our executive officers and directors may take actions with which you disagree or which are in conflict with your interests.

Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired

As of December 31, 2023, Li-Cycle's management assessed the effectiveness of the Company's internal control over financial reporting and concluded that the Company did not maintain effective internal control over financial reporting as of that date. Management has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024, and concluded that, as of that date, the Company's disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting.

While we have taken steps to address these material weaknesses and expect to continue to implement a remediation plan to address the underlying causes, any gaps or deficiencies in our internal control over financial reporting may result in us being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information. In addition, there can be no assurance that these measures will remediate the material weaknesses in our internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. For more information, see "Part I - Item 4. Controls and Procedures".

In addition, on March 28, 2024, KPMG LLP ("KPMG"), the independent registered public accounting firm of the Company, notified the Company that it has decided to decline to stand for re-appointment as the Company's independent registered public accounting firm to serve as independent auditor. However, KPMG has advised the Company that it will remain the Company's independent registered public accounting firm until completion of its review of the consolidated interim financial statements of the Company and subsidiaries as of and for the three months ended March 31, 2024 and as of and for the three and six months ended June 30, 2024. There can be no assurance as to when the Company will be able to appoint a new independent auditor, which may in turn adversely affect our ability to provide required financial information in a timely manner and cause delays to our SEC filings.

Li-Cycle is subject to the risk of litigation or regulatory proceedings, which could materially adversely impact its financial results.

All industries, including the lithium-ion battery recycling industry, are subject to legal claims, with or without merit. From time to time, we are subject to various litigation and regulatory proceedings arising in the normal course of business. Due to the inherent uncertainty of the litigation process, we may not be able to predict with any reasonable degree of certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome, any legal or regulatory proceeding, including any legal proceeding related to purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project could have a material adverse impact on Li-Cycle's business, financial condition and results of operations due to defense costs, the diversion of management resources, potential reputational harm and other factors.

Three shareholder suits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, being (i) Hubiack v. Li-Cycle Holdings Corp., et al., 1:23-cv-09894 (a putative U.S. federal securities class action filed in the U.S. District Court for the Southern District of New York), (ii) Wyshynski v. Li-Cycle Holdings Corp. et al., Court File No. CV-23-00710373-00CP (a putative Ontario securities class action claim filed in the Ontario Superior Court of Justice), and (iii) Nieves v. Johnston, et. Al., Index No. E2023014542 (a shareholder derivative action filed in the Supreme Court of the State of New York, Monroe County). See also Note 14 in our Consolidated Financial Statements, and the section titled "*Item 3. Legal Proceedings*" in our Annual Report on Form 10-K. Regardless of the outcome, these suits could result in substantial costs to the Company, divert management's attention and resources and harm our business, prospects, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Trading Arrangements and Policies

During the three months ended June 30, 2024, neither the Company nor any of its directors or officers adopted or terminated any 10b5-1 trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q or are incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description
1.1	At Market Issuance Sales Agreement, dated as of June 28, 2024, by and between Li-Cycle Holdings Corp. and B. Riley Securities, Inc. (incorporated by reference to Exhibit 1.1 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 28, 2024).**
2.1††	Business Combination Agreement, dated as of February 15, 2021, by and among Peridot Acquisition Corp., Li-Cycle Corp. and the Company (incorporated by reference to Exhibit 2.1 from the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
3.1	Certificate of Restated Articles of Incorporation of the Company dated July 18, 2024.
3.2	Restated Articles of Incorporation of the Company dated July 18, 2024.
3.3	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 1.3 from the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).**
4.1	Specimen Common Share Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).**
4.2	Rights Agreement dated as of October 31, 2023, by and between the Company and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on November 1, 2023).**
4.3	Amendment No. 1 to the Rights Agreement, dated as of March 11, 2024, by and between Li-Cycle Holdings Corp. and Continental Stock Transfer & Trust Company as rights agent (incorporated by reference to Exhibit 4.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).**
4.4	Convertible Note, dated September 29, 2021, issued by Li-Cycle Holdings Corp. to Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).**
4.5	Consent to New Debt and Amendment to Convertible Note, dated May 5, 2022, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.38 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.6	Amendment No. 2 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.39 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.7	Amendment No. 3 to Convertible Note dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.8	Convertible Note, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).**
4.9	Amendment No. 1 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.40 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).**
4.10	Senior Secured Convertible Note dated March 25, 2024 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.11	Note Guaranty dated March 25, 2024 by and among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**
4.12	Amended and Restated Convertible Note No. 1 dated March 25, 2024 (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).**

4.13	<u>Amended and Restated Convertible Note No. 2 dated March 25, 2024 (incorporated by reference to Exhibit 4.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.1††	<u>Note Purchase Agreement, dated March 11, 2024, by and between Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).</u>**
10.2††	<u>Amended and Restated Note Purchase Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.8 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.3††	<u>U.S. Pledge and Security Agreement dated March 25, 2024 by and among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.4††	<u>U.S. Stock Pledge Agreement dated March 25, 2024 by and between Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.5††	<u>Canadian General Security Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.6††	<u>Canadian Pledge Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.7	<u>Amended and Restated Registration Rights Agreement dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.8	<u>Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore plc (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.9†††	<u>North America Black Mass and Refined Products Allocation Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp. and certain of its affiliates, Traxys North America LLC and Glencore Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.10	<u>Indemnification Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.9 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.11	<u>Subsidiary Joinder Agreement, dated May 29, 2024, by between Li-Cycle Europe AG and Li-Cycle Germany GmbH.</u>
10.12††, †††	<u>Security Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Europe AG and Glencore Canada Corporation.</u>
10.13††, †††	<u>Bank Account Pledge Agreement, dated May 31, 2024, by and between, Li-Cycle Europe AG and Glencore Canada Corporation.</u>
10.14††, †††	<u>Share Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Holdings Corp. and Glencore Canada Corporation, acknowledged and agreed by Li-Cycle Europe AG.</u>
10.15††, †††	<u>Global Assignment Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada Corporation.</u>
10.16††, †††	<u>Account Pledge Agreement, dated May 31, 2024, by and between Li-Cycle Germany GmbH and Glencore Canada.</u>
10.17†††	<u>Share Pledge Agreement, dated May 29, 2024, by and between Li-Cycle Europe AG, Glencore Canada Corporation and Li-Cycle Germany GmbH.</u>

10.18††, †††	<u>Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024, between Pike Conductor Dev 1, LLC (as Lessor) and Li-Cycle North America Hub, Inc. (as Lessee) (incorporated by reference to Exhibit 10.1 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.19	<u>Guarantee by Li-Cycle Holdings Corp. to Pike Conductor Dev 1, LLC (as Lessor) under Amended and Restated Ground Sublease Agreement (Warehouse), dated May 31, 2024 (incorporated by reference to Exhibit 10.2 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.20††, †††	<u>Limited Assignment of Design Build Contract, dated May 31, 2024, by and between Pike Conductor Dev 1, LLC, Li-Cycle North America Hub, Inc., and Pike Conductor JV 1, LLC (incorporated by reference to Exhibit 10.3 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on June 4, 2024).</u>**
10.21†, †††	<u>Executive Employment Agreement, dated March 26, 2024, by and between Li-Cycle Corp. and Conor Spollen (incorporated by reference to Exhibit 10.12 from the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).</u>**
10.22†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 24, 2024, by and between Li-Cycle Corp. and Debbie Simpson (incorporated by reference to Exhibit 10.13 from the Company's Form 10-Q (File No. 001-40733) filed with the SEC on May 10, 2024).</u>**
10.23†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 29, 2024, by and between Li-Cycle Corp. and Tim Johnston (incorporated by reference to Exhibit 10.1 from the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024), as amended by the Company's Form 8-K/A (File No. 001-40733) filed with the SEC on June 5, 2024.</u>**
10.24†, †††	<u>Separation Agreement, dated March 26, 2024, as amended April 26, 2024, by and between Li-Cycle Europe AG and Richard Storrie (incorporated by reference from Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on May 15, 2024).</u>**
10.25†	<u>Executive Employment Agreement, dated July 17, 2024, by and between Li-Cycle Corp. and Craig Cunningham</u>
31.1	<u>Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
31.2	<u>Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
32.1#	<u>Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350.</u>
32.2#	<u>Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350.</u>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

** Previously filed.

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

††† Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because Li-Cycle Corp. customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause it competitive harm if publicly disclosed. Li-Cycle Holdings Corp. will supplementally provide an unredacted copy of this exhibit to the SEC or its staff upon request.

This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar
Name: Ajay Kochhar
Title: President & CEO and Executive Director

By: /s/ Craig Cunningham
Name: Craig Cunningham
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Date: August 8, 2024

Tab M

This is Exhibit "M" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena Alnajar".

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-40733

Li-Cycle Holdings Corp.
(Exact Name of Registrant as Specified in Its Charter)

Province of Ontario, Canada
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer Identification No.)

207 Queens Quay West, Suite 590, Toronto, ON, M5J 1A7, Canada
(Address of principal executive offices, including zip code)

(877) 542-9253
Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(S)	Name of each exchange on which registered
Common shares, without par value	LICY	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of March 31, 2024, the registrant had 179,082,557 common shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may be considered “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws.

Forward-looking statements may generally be identified by the use of words such as “believe”, “may”, “will”, “continue”, “anticipate”, “intend”, “expect”, “should”, “would”, “could”, “plan”, “potential”, “future”, “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this Quarterly Report on Form 10-Q include but are not limited to statements about: the expectation that Li-Cycle will recover critical battery-grade materials to create a domestic closed-loop battery supply chain for a clean energy future; the expectation that the steps taken under the Cash Preservation Plan will result in cash savings; Li-Cycle’s expectations regarding cash outflows; Li-Cycle’s expectations regarding the DOE Loan; Li-Cycle’s expectations that it will require significant funding before restarting the Rochester Hub project or that it will be able to restart the Rochester Hub project; Li-Cycle’s expectations that it will be stopping or slowing operations at its remaining operating Spokes and re-evaluating its strategy for bringing on additional Spoke and Hub capacity in the near-term; Li-Cycle’s expectation to recognize revenue from the sale of critical battery materials; Li-Cycle’s expectation regarding other capital expenditures; Li-Cycle’s expectation that it will need to secure an alternative short or long-term financing in the near term or else it will not have sufficient cash and cash equivalents on hand or other resources to support current operations for the twelve months following the filing of this Quarterly Report; and expectations related to potential financing and other strategic alternatives. These statements are based on various assumptions, whether or not identified in this Quarterly Report on Form 10-Q, made by Li-Cycle’s management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects, including paused projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s expectations regarding workforce reductions; Li-Cycle’s ability to source feedstock and manage supply chain risk; Li-Cycle’s ability to increase recycling capacity and efficiency; Li-Cycle’s ability to obtain financing on acceptable terms or execute any strategic transactions; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; the success of the Cash Preservation Plan, the outcome of the review of the go-forward strategy of the Rochester Hub, Li-Cycle’s ability to attract new suppliers or expand its supply pipeline from existing suppliers; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. The risk factors and cautionary language discussed in this Quarterly Report on Form 10-Q provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in such forward-looking statements, including among other things:

- Li-Cycle’s inability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries;
 - Li-Cycle’s inability to successfully implement its global growth strategy, on a timely basis or at all;
 - Li-Cycle’s inability to manage future global growth effectively;
 - Li-Cycle’s inability to develop the Rochester Hub as anticipated or at all, and other future projects including its Spoke network expansion projects in a timely manner or on budget or that those projects will not meet expectations with respect to their productivity or the specifications of their end products;
 - Li-Cycle’s history of losses and expected significant expenses for the foreseeable future as well as additional funds required to meet Li-Cycle’s liquidity needs and capital requirements in the future not being available to Li-Cycle on acceptable terms or at all when it needs them;
 - risk and uncertainties related to Li-Cycle’s ability to continue as a going concern;
-

- uncertainty related to the success of Li-Cycle's Cash Preservation Plan and related past and any further workforce reductions;
- Li-Cycle's inability to attract, train and retain top talent who possess specialized knowledge and technical skills;
- Li-Cycle's failure to oversee and supervise strategic review of all or any of Li-Cycle's operations and capital project and obtain financing and other strategic alternatives;
- Li-Cycle's ability to service its debt and the restrictive nature of the terms of its debt;
- Li-Cycle's potential engagement in strategic transactions, including acquisitions, that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in incurrence of debt, or prove not to be successful;
- one or more of Li-Cycle's current or future facilities becoming inoperative, capacity constrained or disrupted, or lacking sufficient feed streams to remain in operation;
- the potential impact of the pause in construction of the Rochester Hub on the authorizations and permits granted to Li-Cycle for the operation of the Rochester Hub and the Spokes on pause;
- the risk that the New York state and municipal authorities determine that the permits granted to Li-Cycle for the production of metal sulphates at the Rochester Hub will be impacted by the change to MHP and the reduction in scope for the project;
- Li-Cycle's failure to materially increase recycling capacity and efficiency;
- Li-Cycle expects to continue to incur significant expenses and may not achieve or sustain profitability;
- problems with the handling of lithium-ion battery cells that result in less usage of lithium-ion batteries or affect Li-Cycle's operations;
- Li-Cycle's inability to maintain and increase feedstock supply commitments as well as secure new customers and off-take agreements;
- a decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies;
- decreases in benchmark prices for the metals contained in Li-Cycle's products;
- changes in the volume or composition of feedstock materials processed at Li-Cycle's facilities;
- the development of an alternative chemical make-up of lithium-ion batteries or battery alternatives;
- Li-Cycle's expected revenues for the Rochester Hub are expected to be derived significantly from a limited number of customers;
- uncertainty regarding the sublease agreement with Pike Conductor Dev 1, LLC related to the construction, financing and leasing of a warehouse and administrative building for the Rochester Hub;
- Li-Cycle's insurance may not cover all liabilities and damages;
- Li-Cycle's heavy reliance on the experience and expertise of its management;
- Li-Cycle's reliance on third-party consultants for its regulatory compliance;
- Li-Cycle's inability to complete its recycling processes as quickly as customers may require;
- Li-Cycle's inability to compete successfully;

- increases in income tax rates, changes in income tax laws or disagreements with tax authorities;
- significant variance in Li-Cycle's operating and financial results from period to period due to fluctuations in its operating costs and other factors;
- fluctuations in foreign currency exchange rates which could result in declines in reported sales and net earnings;
- unfavorable economic conditions, such as consequences of the global COVID-19 pandemic;
- natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events;
- failure to protect or enforce Li-Cycle's intellectual property;
- Li-Cycle may be subject to intellectual property rights claims by third parties;
- Li-Cycle may be subject to cybersecurity attacks, including, but not limited to, ransomware;
- Li-Cycle's failure to effectively remediate the material weaknesses in its internal control over financial reporting that it has identified or its failure to develop and maintain a proper and effective internal control over financial reporting;
- the potential for Li-Cycle's directors and officers who hold Company common shares to have interests that may differ from, or be in conflict with, the interests of other shareholders; and
- risks related to adoption of Li-Cycle's shareholder rights plan and amendment to the shareholder rights plan and the volatility of the price of Li-Cycle's common shares.

These and other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections titled "*Part II—Item 1A. Risk Factors*", "*Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Li-Cycle's Performance*" and elsewhere in this Quarterly Report on Form 10-Q. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statements. Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle's assessments as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

FREQUENTLY USED TERMS

As used in this Quarterly Report on Form 10-1Q, unless the context otherwise requires or indicates otherwise, references to “we,” “us,” “our,” “Li-Cycle” or the “Company” refer to Li-Cycle Holdings Corp., an Ontario corporation, and its consolidated subsidiaries.

In this document:

“**A&R Glencore Convertible Notes**” means the Glencore Unsecured Convertible Notes, as amended and restated on March 25, 2024 in connection with the closing of the issuance of the Glencore Senior Secured Convertible Note.

“**Alabama Spoke**” means Li-Cycle’s Spoke near Tuscaloosa, Alabama, which commenced operations on October 13, 2022.

“**Amalgamation**” means the amalgamation of Peridot Ontario and NewCo in accordance with the terms of the Arrangement.

“**ancillary processing capacity**” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB through dry shredding, powder processing and baling.

“**Annual Report on Form 10-K**” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 15, 2024, as amended by the Form 10-K/A filed with the SEC on April 29, 2024.

“**Arizona Spoke**” means Li-Cycle’s Spoke in Gilbert, Arizona, which commenced operations on May 17, 2022.

“**Arrangement**” means the plan of arrangement (including the Business Combination) in substantially the form attached as Annex C to the proxy statement/prospectus forming a part of the registration statement on Form F-4, filed by the Company with the SEC on July 6, 2021.

“**black mass**” means a powder-like substance which contains a number of valuable metals, including nickel, cobalt and lithium.

“**Black Mass & Equivalents**” or “**BM&E**” means black mass and products analogous to black mass that have a similar metal content.

“**Business Combination**” means the transactions contemplated by the Business Combination Agreement.

“**Business Combination Agreement**” means the Business Combination Agreement, dated as of February 15, 2021, as amended, by and among Peridot, Li-Cycle Corp. and NewCo.

“**Cash Preservation Plan**” means the cash preservation plan initiated on November 1, 2023, which included reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of Black Mass & Equivalents production and otherwise slow down operations at its remaining operating Spoke locations in order to reduce expenses and slow cash outflows as well as reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company’s available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.

“**Closing Date**” means the closing date of the Business Combination.

“**common shares**” means the common shares of the Company, without par value.

“**Consolidated Financial Statements**” means the unaudited condensed consolidated interim financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

“**Continuance**” means the continuance of Peridot from the Cayman Islands under the Companies Act to the Province of Ontario, Canada as a corporation existing under the OBCA.

“**DFS**” means definitive feasibility study.

“EV” means electric vehicles.

“Germany Spoke” means Li-Cycle’s Spoke in Magdeburg, Germany, which commenced operations on August 1, 2023.

“Glencore” means Glencore plc and its subsidiaries.

“Glencore Convertible Notes” means the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“Glencore Note Purchase Agreement” means the note purchase agreement, dated as of May 5, 2022, between the Company and Glencore Ltd.

“Glencore Senior Secured Convertible Note” means the senior secured convertible note in an aggregate principal amount of \$75.0 million issued to an affiliate of Glencore plc on March 25, 2024 pursuant to the Glencore Senior Secured Convertible Note Purchase Agreement, as such note may be amended from time to time.

“Glencore Senior Secured Convertible Note Purchase Agreement” means the agreement dated March 11, 2024 and amended and restated on March 25, 2024, by and between the Company, an affiliate of Glencore plc and the other parties named therein for the issuance of the Glencore Senior Secured Convertible Note.

“Glencore Unsecured Convertible Note” means the unsecured convertible note in the principal amount of \$200.0 million due May 31, 2027 issued to Glencore Ltd. pursuant to the Glencore Note Purchase Agreement on May 31, 2022, as such note may be amended from time to time.

“Glencore Unsecured Convertible Notes” means the Glencore Unsecured Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“Glencore Warrants” means warrants to be issued by Li-Cycle to the holder of a Glencore Convertible Note in connection with an optional redemption of such Glencore Convertible Note that entitle the holder to acquire, until the maturity date of such Glencore Convertible Note, a number of common shares equal to the principal amount of the Glencore Convertible Note being redeemed divided by the then applicable conversion price.

“Hub” means a centralized facility for large-scale production of specialty materials that achieves economies of scale in recycling.

“IP” means intellectual property.

“KSP Convertible Note” means the unsecured convertible note in the principal amount of \$100.0 million due September 29, 2026 originally issued to Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a company within the Koch Investments Group) pursuant to the KSP Note Purchase Agreement on September 29, 2021 and subsequently assigned on May 1, 2022, to one of its affiliates, Wood River Capital, LLC, and amended on May 5, 2022, February 13, 2023 and March 25, 2024, as such note may be further amended from time to time.

“KSP Convertible Notes” means the KSP Convertible Note together with any PIK Notes issued in satisfaction of interest due and payable thereon.

“KSP Note Purchase Agreement” means the Note Purchase Agreement, dated as of September 29, 2021, between the Company and Spring Creek Capital, LLC, and assigned on May 1, 2022, to Wood River Capital, LLC.

“LGC” means LG Chem, Ltd.

“LGES” means LG Energy Solution, Ltd.

“LIB” means lithium-ion batteries, including lithium-ion battery manufacturing scrap and end-of-life lithium-ion batteries.

“LIBOR” means the London Inter-Bank Offered Rate.

“Li-Cycle Holders” means the prior shareholders of Li-Cycle Corp. that entered into the Li-Cycle Transaction Support Agreements in connection with the Business Combination.

“Li-Cycle Shares” means the issued and outstanding common shares of Li-Cycle Corp. prior to the Business Combination.

“Li-Cycle Transaction Support Agreements” means the Transaction Support Agreements, each dated as of February 15, 2021, among Peridot and the Li-Cycle Holders, entered into in connection with the Business Combination Agreement.

“LME” means the London Metal Exchange.

“Long-Term Incentive Plan” means the Company’s 2021 Incentive Award Plan.

“main line processing capacity” means, in relation to Li-Cycle’s Spokes, the capacity to process LIB using Li-Cycle’s patented submerged shredding process or “wet shredding” designed specifically for battery materials that contain electrolyte and have risk of thermal runaway.

“MHP” means mixed hydroxide precipitate, containing nickel, cobalt and manganese.

“MHP scope” means a scope for the Rochester Hub project that focuses only on those process areas needed to produce lithium carbonate and MHP.

“Moelis” means Moelis & Company LLC.

“NewCo” means Li-Cycle Holdings Corp. prior to the Amalgamation.

“New Ontario Spoke” means the planned, expanded Spoke and warehouse facility, the development of which has been postponed indefinitely.

“New York Spoke” means Li-Cycle’s operational Spoke in Rochester, New York, which commenced operations in late 2020.

“Norway Spoke” means Li-Cycle’s planned Spoke in Moss, Norway, the development of which is currently paused.

“NYSE” means the New York Stock Exchange.

“OBCA” means the Ontario Business Corporations Act.

“OEM” means an original equipment manufacturer.

“Ontario Spoke” means Li-Cycle’s Spoke in Kingston, Ontario, the operations of which are currently paused.

“Peridot” means, before the Continuance, Peridot Acquisition Corp., a Cayman Islands exempt company and, after the Continuance, Peridot Ontario.

“Peridot Ontario” means Peridot as continued under the OBCA following the Continuance.

“PIK Notes” means the additional unsecured convertible notes that may be issued by Li-Cycle from time to time in satisfaction of the interest due and payable on the KSP Convertible Notes, the A&R Glencore Convertible Notes or the Glencore Senior Secured Convertible Note, as the case may be, as such notes may be amended from time to time.

“Planned Portovesme Hub” means the planned joint development project with Glencore to produce critical battery materials at a Hub facility in Portovesme, Italy, the definitive feasibility study for which is currently paused.

“Rochester Hub” means Li-Cycle’s planned, first commercial-scale Hub, under development in Rochester, New York, the construction of which is currently paused.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“SOFR” means the Secured Overnight Financing Rate.

“Special Committee” means the Special Committee comprised of independent directors that was established in connection with the comprehensive review of the go-forward strategy of the Rochester Hub project. See *“Part I—Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Liquidity Developments.”*

“Spoke” means a decentralized facility that mechanically processes batteries close to sources of supply and handles the preliminary processing of end-of-life batteries and battery manufacturing scrap.

“Sponsor” means Peridot Acquisition Sponsor, LLC, a Delaware limited liability company.

“Traxys” means Traxys North America LLC.

References to **“dollar,” “USD,” “US\$”** and **“\$”** are to U.S. dollars and references to **“CA\$”** and **“Cdn. \$”** are to Canadian dollars.

This Quarterly Report on Form 10-Q includes certain trademarks, service marks and trade names that we own or otherwise have the right to use, such as “Li-Cycle” and “Spoke & Hub Technologies” which are protected under applicable intellectual property laws and are our property. We have, or are in the process of obtaining, the exclusive right to use such trademarks, service marks and trade names in the countries in which we operate or may operate in the future. This Quarterly Report on Form 10-Q also contains additional trademarks, tradenames, and service marks belonging to other parties, which are the property of their respective owners. Solely for convenience, our trademarks, service marks and trade names referred to in this Quarterly Report on Form 10-Q may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other parties’ trademarks, tradenames, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

~~Index to Unaudited Condensed Consolidated Interim Financial Statements~~

- Unaudited condensed consolidated interim statements of operations and comprehensive loss
- Unaudited condensed consolidated interim balance sheets
- Unaudited condensed consolidated interim statements of equity
- Unaudited condensed consolidated interim statements of cash flows
- Notes to the unaudited condensed consolidated interim financial statements

Li-Cycle Holdings Corp.**Unaudited condensed consolidated interim statements of operations and comprehensive loss**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Revenue		
Product revenue	\$ 1.9	\$ 3.1
Recycling service revenue	2.3	0.5
Total revenue	4.2	3.6
Cost of sales		
Cost of sales - Product revenue	(15.9)	(19.1)
Cost of sales - Recycling service revenue	(0.9)	—
Total cost of sales	(16.8)	(19.1)
Selling, general and administrative expense	(31.7)	(22.7)
Research and development	0.1	(0.9)
Loss from operations	\$ (44.2)	\$ (39.1)
Other income (expense)		
Interest income	0.6	5.0
Interest expense	(11.5)	(1.1)
Foreign exchange gain (loss)	1.1	(0.5)
Fair value loss on financial instruments	(23.8)	(0.7)
Debt extinguishment loss (Note 14)	(58.9)	—
	\$ (92.5)	\$ 2.7
Net loss before taxes	\$ (136.7)	\$ (36.4)
Income tax	—	(0.1)
Net loss and comprehensive loss	\$ (136.7)	\$ (36.5)
Loss per common share - basic and diluted	\$ (0.76)	\$ (0.21)

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim balance sheets

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 109.1	\$ 70.6
Restricted cash	9.6	9.7
Accounts receivable, net	2.9	1.0
Other receivables	1.6	1.9
Prepayments, deposits and other current assets	55.3	56.2
Inventories, net	8.5	9.6
Total current assets	187.0	149.0
Non-current assets		
Property, plant and equipment, net	665.0	668.8
Operating lease right-of-use assets	70.5	56.4
Finance lease right-of-use assets	2.2	2.2
Other assets	7.6	9.6
	745.3	737.0
Total assets	\$ 932.3	\$ 886.0
Liabilities		
Current liabilities		
Accounts payable	\$ 118.6	\$ 134.5
Accrued liabilities	31.8	17.6
Deferred revenue	2.4	0.2
Operating lease liabilities	8.5	4.4
Total current liabilities	161.3	156.7
Non-current liabilities		
Accounts payable	6.6	—
Deferred revenue	5.2	5.3
Operating lease liabilities	65.3	56.2
Finance lease liabilities	2.2	2.3
Convertible debt	447.7	288.1
Asset retirement obligations	1.0	1.0
	528.0	352.9
Total liabilities	\$ 689.3	\$ 509.6
Commitments and Contingencies (Note 17)		
Equity		
Common stock and additional paid-in capital		
Authorized unlimited shares, Issued and outstanding - 179.1 million shares at March 31, 2024 (178.2 million shares at December 31, 2023)	651.6	648.3
Additional paid-in capital		
Accumulated deficit	(408.3)	(271.6)
Accumulated other comprehensive loss	(0.3)	(0.3)
Total equity	243.0	376.4
Total liabilities and equity	\$ 932.3	\$ 886.0

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Li-Cycle Holdings Corp.**Unaudited condensed consolidated interim statements of equity**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	Number of common shares	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Equity attributable to the shareholders of Li-Cycle Holdings Corp.	Non- controlling interest	Total
Balance, December 31, 2022	176.1	635.3	(133.6)	(0.3)	501.4	0.2	501.6
Settlement of RSUs	0.4	—	—	—	—	—	—
Stock-based compensation - RSUs	—	2.7	—	—	2.7	—	2.7
Stock-based compensation - options	—	0.7	—	—	0.7	—	0.7
Net loss and comprehensive loss	—	—	(36.5)	—	(36.5)	—	(36.5)
Balance, March 31, 2023	176.5	638.7	(170.1)	(0.3)	468.3	0.2	468.5
Balance, December 31, 2023	178.2	648.3	(271.6)	(0.3)	376.4	—	376.4
Settlement of RSUs	0.9	—	—	—	—	—	—
Stock-based compensation - RSUs	—	2.7	—	—	2.7	—	2.7
Stock-based compensation - options	—	0.6	—	—	0.6	—	0.6
Net loss and comprehensive loss	—	—	(136.7)	—	(136.7)	—	(136.7)
Balance, March 31, 2024	179.1 \$	651.6 \$	(408.3) \$	(0.3) \$	243.0 \$	— \$	243.0

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Li-Cycle Holdings Corp.**Unaudited condensed consolidated interim statements of cash flows**

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Operating activities		
Net loss for the period	\$ (136.7)	\$ (36.5)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	3.2	3.2
Depreciation and amortization	4.2	1.9
Foreign exchange (gain) loss on translation	(1.3)	0.2
Fair value loss on financial instruments	23.8	0.7
Bad debt expense	—	1.0
Inventory write downs to net realizable value	1.8	2.1
Loss on write off of fixed assets	0.1	—
Interest and accretion on convertible debt	11.5	1.1
Debt extinguishment loss (Note 14)	58.9	—
Non-cash lease expense	(1.1)	(0.1)
	(35.6)	(26.4)
Changes in working capital items:		
Accounts receivable	(1.9)	(0.4)
Other receivables	0.3	4.4
Prepayments and deposits	2.1	(3.3)
Inventories	(0.4)	0.5
Deferred revenue	2.1	—
Accounts payable and accrued liabilities	4.3	2.8
Net cash used in operating activities	\$ (29.1)	\$ (22.4)
Investing activities		
Purchases of property, plant, equipment, and other assets	(6.2)	(86.3)
Net cash used in investing activities	\$ (6.2)	\$ (86.3)
Financing activities		
Proceeds from convertible debt	75.0	—
Payments of transaction costs	(1.3)	—
Net cash provided by financing activities	\$ 73.7	\$ —
Net change in cash, cash equivalents and restricted cash	38.4	(108.7)
Cash, cash equivalents and restricted cash, beginning of period	80.3	517.9
Cash, cash equivalents and restricted cash, end of period	\$ 118.7	\$ 409.2
Supplemental non-cash investing activities:		
Purchases of property and equipment included in liabilities	\$ 16.7	\$ 25.4
Decreases of property and equipment and liabilities for credits from suppliers	\$ 24.4	\$ —
Supplemental information:		
Interest paid	\$ —	\$ (0.1)

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated interim financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

1. Corporate information

i. Nature of operations

Li-Cycle's core business model is to build, own and operate recycling plants tailored to regional needs. Li-Cycle's Spoke & Hub Technologies™ provide an environmentally-friendly resource recovery solution that addresses the growing global lithium-ion battery recycling challenges supporting the global transition toward electrification.

Li-Cycle Holdings Corp. and its subsidiaries, (collectively "**Li-Cycle**" or the "**Company**") started their business as Li-Cycle Corp., which was incorporated in Ontario, Canada under the *Business Corporations Act* (Ontario) ("**OBCA**") on November 18, 2016. The Company's registered address is 207 Queens Quay West - Suite 590, Toronto, Ontario, Canada.

On August 10, 2021, in accordance with the plan of arrangement to reorganize Li-Cycle Corp., the Company finalized a business combination (the "**Business Combination**") with Peridot Acquisition Corp., and the combined company was renamed Li-Cycle Holdings Corp. On closing, the common shares of Li-Cycle Holdings Corp. were listed on the New York Stock Exchange and commenced trading under the symbol "NYSE:LICY".

ii. Going concern

The going concern basis of accounting assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the unaudited condensed consolidated interim financial statements are issued. Based on its recurring losses from operations since inception, which included losses from operations of \$44.2 million for the quarter ended March 31, 2024 (\$39.1 million for the quarter ended March 31, 2023), net cash used in operating activities of \$29.1 million during the three months ended March 31, 2024 (\$22.4 million for the quarter ended March 31, 2023), and the pause on construction of the Rochester Hub project (as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these unaudited condensed consolidated interim financial statements were issued.

To date, the Company has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; and (iii) private placements of other Company securities (including convertible notes and common shares).

On October 23, 2023, the Company announced that it was pausing construction work on its Rochester Hub project, pending completion of a comprehensive review of the go-forward strategy for the project. The pause in construction was due to escalating costs and the expectation that, aggregate costs to complete the existing scope of the project would exceed the previously disclosed budget of \$560.0 million. Prior to the construction pause, stages of commissioning of the Rochester Hub project had been expected to commence in late 2023.

On March 11, 2024, the Company entered into an agreement (the "**Glencore Senior Secured Convertible Note Purchase Agreement**") to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the "**Glencore Senior Secured Convertible Note**"). This transaction closed on March 25, 2024. In addition to the Glencore Senior Secured Convertible Note investment, the Company is actively exploring external financing options but there can be no assurance that the Company will be able to secure additional funding, under reasonable commercial terms or at all. Furthermore, any additional financing, including the Glencore Senior Secured Convertible Note investment, may be insufficient to provide sufficient liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs and obligations, and additional financing may have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future financing.

In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business.

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated financial statements

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These factors, in addition to the continued rise in inflation, commodity and labor prices and other challenging macroeconomic conditions, have led the Company to implement mitigating initiatives available to it to strengthen its financial position, enhance liquidity and preserve cash flow, depending on how these uncertain circumstances unfold, including:

- On October 23, 2023, Li-Cycle announced that it had paused construction work on its Rochester Hub, pending completion of a comprehensive review of the go-forward strategy for the project.
- In connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board of Directors (the “**Board**”) established a Special Committee comprised of independent directors (the “**Special Committee**”) to, among other things, (1) oversee and supervise a strategic review of all or any of the Company’s operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives.
- The Special Committee selected Moelis & Company LLC (“**Moelis**”) and other advisors to assist with exploring financing options to increase the liquidity of Li-Cycle and strategic alternatives, and to assist the Company with managing short-term liquidity and implementing liquidity generating initiatives.
- On November 1, 2023, the Company initiated the implementation of a cash preservation plan (the “**Cash Preservation Plan**”) including reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of BM&E production and otherwise slow down operations at its remaining operating Spoke locations. On March 25, 2024, the Board approved plans to reduce approximately 17% of the Company’s workforce, primarily at the corporate level, as part of the Company’s ongoing efforts to right size and right shape its organization as part of the Cash Preservation Plan. The Cash Preservation Plan also involves reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company’s available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.
- In addition, the Company is also pursuing additional funding alternatives, including working closely with the United States Department of Energy (“**DOE**”) towards obtaining financing for the Rochester Hub. As noted above, there can be no assurance that the Company will be able to secure additional funding, under reasonable commercial terms or at all.

These factors represent material uncertainties that cast substantial doubt as to the Company’s ability to continue as a going concern. These unaudited consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these unaudited condensed consolidated interim financial statements, adjustments may be necessary to the carrying value of assets and liabilities or reported expenses, and these adjustments could be material.

2. Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated interim financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“**U.S. GAAP**”) for interim financial reporting and applicable quarterly reporting regulations of the Securities and Exchange Commission (the “**SEC**”) and are presented in U.S. Dollars.

Unaudited Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements of the Company, including the condensed consolidated interim balance sheet as of March 31, 2024, the unaudited condensed consolidated interim statements of operations and comprehensive loss, condensed consolidated interim statement of equity and condensed consolidated interim statement of cash flows for the three months ended March 31, 2024 and 2023, as well as other information disclosed in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements as of that date contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on March 15, 2024, as amended by the Form 10-K/A filed with the SEC on April 29, 2024 (“**Annual Report on Form 10-K**”). These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes in the Company’s Annual Report on Form 10-K.

The Company’s significant accounting policies are disclosed in our Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of its financial position as of March 31, 2024, and the results of operations for the three months ended March 31, 2024, and

Li-Cycle Holdings Corp.
Notes to the unaudited condensed consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

2023, and cash flows for the three months ended March 31, 2024, and 2023, have been included. The unaudited condensed consolidated interim statements of operations and comprehensive loss for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future years or interim periods.

Basis of consolidation

The Company consolidates all entities that it controls through a majority voting interest and all variable interest entities ("**VIE**") for which it is the primary beneficiary. As at March 31, 2024, and comparative reporting periods, the Company does not hold any interest in companies that qualify as VIE. The Company has controlling financial interest in various voting interest entities ("**VOE**") through its ownership of majority voting interests in the entities.

Intercompany accounts and transactions have been eliminated on consolidation.

Non-controlling interest is defined as equity in a subsidiary not attributable, directly or indirectly, to a parent where a parent controls one or more entities.

Changes in the Company's ownership interest in a subsidiary that do not result in the loss of control of the subsidiary are accounted for as equity transactions.

Non-controlling interest is subsequently measured through the unaudited condensed consolidated interim statements of operations and comprehensive loss and will be attributed based on ownership interest and distributions/dividends to the non-controlling interest.

Reclassification

The Company reclassified certain amounts in the condensed consolidated interim financial statements to conform to the current period's presentation.

Use of estimates

The preparation of condensed consolidated interim financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, which are evaluated on an ongoing basis, that affect the amounts reported in the Company's condensed consolidated interim financial statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable at the time under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and disclosure, if any, of contingent assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates and judgments.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant accounting estimates include:

- i. the determination of net realizable value of inventory;
- ii. the determination of the useful life of property, plant and equipment;
- iii. the determination of the useful life of intangible assets;
- iv. the valuation and measurement of the convertible debt and the related conversion and redemption features;
- v. the valuation and measurement of warrant liabilities;
- vi. the determination of the undiscounted future cash flows and recoverability of the long-lived assets including cost to complete assets under construction and timing of the completion;
- vii. the determination of the incremental borrowing rate and lease term for operating lease and finance lease right-of-use assets ("**ROU assets**") and operating lease and finance lease liabilities; and
- viii. the determination of the transaction price used for revenue recognition.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment.

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All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results. The Company's determination of its asset groups, its primary asset and its remaining useful life, estimated cash flows, cost to complete the assets under construction and timing of the completion are significant factors in assessing the recoverability of the Company's assets for the purposes of long-lived asset impairment testing.

As of the quarter ended March 31, 2024, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

When indicators of impairment exist, long-lived asset impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the asset group's estimated undiscounted future cash flows to the carrying value of its net assets. If the net undiscounted cash flows of the asset group exceed the carrying value of its net assets, long-lived assets are not considered to be impaired. If the carrying value exceeds the net undiscounted cash flows, there is an indication of potential impairment and the second step of the long-lived asset impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group. Fair values are determined using valuation techniques that are in accordance with U.S. GAAP, including the income approach. If the carrying value of the asset group's net assets exceeds its fair value, then the excess represents the maximum amount of potential impairment that will be allocated to long-lived assets in the asset group, with the limitation that the carrying value of each separable asset cannot be reduced to a value lower than its individual fair value.

Management determined that the pause on the construction work on its Rochester Hub project pending completion of a comprehensive strategic review continues to be an indicator for potential impairment requiring it to perform a recoverability assessment. These actions represent a trigger requiring management to perform a recoverability test in line with Step 1 of the impairment assessment which compares the expected net undiscounted cash flows to be derived from the asset group for the remaining useful life of the asset group's primary asset compared to its carrying value. For the quarter ended March 31, 2024, the Company has not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceed their carrying values.

The determination of the future net undiscounted cash flows used in the recoverability test required significant judgment and estimate. The areas with the highest degree of judgment related to the North America asset group and included:

- The determination of the primary asset of the North America asset group being the combination of the ROU asset arising from the ground lease related to the Rochester Hub and the Rochester Hub buildings, due to the fact that they have the longest remaining useful life, the location of the land together with the buildings that are fundamental to the overall future operations of the Rochester Hub site and that the remainder of the equipment for this asset group would have not otherwise been acquired if not for this location and buildings.
- The life of the net undiscounted cash flow model was determined to be approximately 40 years, to address estimation uncertainty relative to the remaining useful life of 49 years for the primary asset and aligning with the renewal options for the ground lease related to the Rochester Hub. The Company considered that it is reasonably certain that it will exercise each renewal option beyond the initial term, up to the maximum of 49 years inclusive of the initial non-cancellable period. To maintain the assets in good working order to generate cash flows over the projected term, sustaining capital expenditures were included based on widely accepted industry guidance from engineering, procurement, construction management firms and institutions such as the Chemical Engineering Plant Cost Index. The total cash flows were reviewed over the 40 years relative to the asset carrying value and it was noted that the carrying value of the asset group could be supported by the cash flows stemming from approximately the first 16 years of the model.
- Significant cash inflows:
 - Financing to complete the construction of the Rochester Hub is assumed to be available to Li-Cycle. The Company is pursuing funding alternatives in the form of bridge financing, project financing, and additional long-term funding alternatives. Two separate models were considered in order to reflect the impact of potential financing in a binary situation. The model which assumed no funding included significantly lower undiscounted net cash flows, which do not exceed the carrying amount of the North America asset group. If over time Li-Cycle does not obtain financing, there could be an impairment. The model which assumed no funding received a remote weighting when determining the amount of undiscounted net cash flows, but nevertheless, was considered for completeness purposes. When sensitized to consider an equal weighting to the receipt of funding and lack thereof, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Li-Cycle Holdings Corp.
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- Revenues are driven by the sale of end products from the Rochester Hub in an MHP only scenario and do not include the construction costs of the process areas required to produce nickel sulphate and cobalt sulphate. The key end product outputs are lithium carbonate and a mixed hydroxide product containing nickel, cobalt, and manganese. End product revenues can be further broken into price and volume.

- The Company was required to estimate the commodity prices of the constituent metals of lithium-ion battery materials over the 40-year period included in the recoverability test. The Company benchmarked the commodity prices based on external industry publications. The most significant metal contributing to the value of net undiscounted cash flows is lithium. Additionally, the Company was required to estimate the percentage of metal payables that the Company would receive on MHP products being sold ("**MHP payables**"), which was benchmarked to historical actual and forecasts from offtake partners. The Company further sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices for the life of the model. Separately, the Company sensitized MHP payables increasing or decreasing by 10% for the life of the model. Under either sensitized assumption the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- End product volumes are based on the capacities of the Spoke network and Rochester Hub and further impacted by the Company's metal recoveries through the Spoke & Hub processes. When sensitized for the Hub recoveries increasing or decreasing by 5% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Significant cash outflows:

- Rochester Hub forecasted commissioning and operating costs which are primarily driven by the cost of reagents, labor, and utilities were developed through an internal engineering and technical report based on the Association for the Advancement of Cost Engineering to a Class 2 standard. When sensitized such that operating costs were to increase or decrease by 10% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- The prices that Li-Cycle pays for battery feedstock for the Spoke network are generally tied to commodity prices for the metals contained in those battery feedstocks or products, notably nickel, cobalt. The Company estimated forecasted commodity prices as discussed above. When sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Construction costs to complete the Rochester Hub were developed based on the technical report for an MHP process. While these construction costs are not significant to the overall model, as proven through the sensitivity exercise whereby an increase or decrease of 5% in either direction does not impact the overall conclusion that the undiscounted net cash flows are higher than the carrying value of the North America asset group, they are significant in determining the funding gap which is assumed to be secured as discussed above.

The Company has performed a sensitivity analysis to identify the impact of changes in its significant assumptions on the results of the recoverability test. As part of the sensitivity analysis, management stress tested the point in which a change in each significant assumption will cause the net undiscounted cash flows to no longer exceed the carrying amount of the asset group and then assessed whether such change is reasonable considering the nature of the assumption. Further details as to the sensitivity considered on the most critical inputs are noted above. It was determined that the recoverability test, including the considered impact of the sensitivities analysis shows that the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Restricted cash

As of March 31, 2024, the Company had \$9.6 million in restricted cash of which \$2.9 million is held as security for waste disposal obligations related to the Germany Spoke operations, and \$5.5 million is a bank guarantee against a reservation fee for future battery waste recycling services. Additionally, the Company has funds held as cash collateral with its bank as security for credit cards and a performance bond. As the use of these funds is contractually restricted, and the Company does not have the ability to use these funds for general operating purposes, they are classified as restricted cash in the consolidated balance sheets.

Li-Cycle Holdings Corp.
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Recently issued accounting standards

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting: Improvements to Reportable Segment Disclosures (Topic 280)*. The amendments “improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses.” In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable “investors to better understand an entity’s overall performance” and assess “potential future cash flows.” The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is planning to adopt ASU 2023-07 for the fiscal year beginning January 1, 2024 on a fully retrospective basis and is currently evaluating the impact of the adoption on its financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes: Improvements to Income Tax Disclosures (Topic 740)*. Under the ASU, public business entities must annually “(1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate).” The ASU’s amendments are effective for public business entities for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU 2023-09 on its financial statements.

3. Revenue - product sales and recycling services

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Product revenue recognized in the period	\$ 2.3	\$ 7.2
Fair value pricing adjustments	(0.4)	(4.1)
Product revenue	\$ 1.9	\$ 3.1
Recycling service revenue recognized in the period	2.3	0.5
Revenue	\$ 4.2	\$ 3.6

The Company’s principal lines of business are the sale of products (including Black Mass & Equivalents and shredded metal) and lithium-ion battery recycling services which together account for 100% of sales. The principal markets for the Company’s products and recycling services are the United States, Canada and Asia.

Product revenue, and the related trade accounts receivables, are measured at initial recognition using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals. Changes in fair value are recognized as an adjustment to product revenue, and the related accounts receivable, and can result in gains and losses when the applicable metal prices increase or decrease from the date of initial recognition.

4. Accounts receivable, net

The Company recognizes current estimated credit losses (“CECL”) for trade receivables not subject to provisional pricing. The CECL for accounts receivable are estimated based on days past due consisting of customers with similar risk characteristics that operate under similar economic environments. The Company determines the CECL based on an evaluation of certain criteria and evidence of collection uncertainty including client industry profile. When specific customers are identified as no longer sharing the same risk profile as their current pool, they are removed from the pool and evaluated separately.

The allowance for credit losses as at March 31, 2024 was \$nil (December 31, 2023 : \$nil) and no expected credit loss provisions were recognized for the three months ended March 31, 2024.

Bad debt expense for the three months ended March 31, 2024 was \$nil (for the three months ended March 31, 2023 : \$1.0 million).

Accounts receivable are stated at the amount the Company expects to collect. The Company generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, the Company performs ongoing credit evaluations of its customers’ financial condition.

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5. Other receivables

As at	March 31, 2024	December 31, 2023
Sales taxes receivable	\$ 1.4	1.8
Other receivable	0.2	0.1
Total other receivables	\$ 1.6	\$ 1.9

Other receivables consist primarily of interest receivable.

6. Prepayments, deposits and other current assets

As at	March 31, 2024	December 31, 2023
Prepaid equipment deposits	\$ 39.6	\$ 40.1
Prepaid transaction costs	7.7	7.8
Prepaid lease deposits	5.3	5.6
Prepaid insurance	3.5	4.6
Prepaid construction charges	0.9	2.6
Other prepaids	4.2	3.3
Total prepayments, deposits and other current assets	\$ 61.2	\$ 64.0
Non-current security deposits	(5.3)	(5.0)
Non-current insurance	(0.6)	(2.8)
Current prepayments and deposits	\$ 55.3	\$ 56.2

Other prepaids consist principally of other deposits, prepaid subscriptions and financial assurance. Non-current security deposits and non-current insurance are recorded in other assets on the condensed consolidated interim statements of financial position. Prepaid transaction costs primarily consists of prepayments made in connection with the conditional commitment with the U.S. Department of Energy Loan Programs Office for a loan for gross proceeds of up to \$375 million.

7. Inventories, net

As at	March 31, 2024	December 31, 2023
Raw materials	\$ 0.4	\$ 0.8
Finished goods	3.4	3.7
Parts and tools	4.7	5.1
Total inventories, net	\$ 8.5	\$ 9.6

The inventory balances for raw materials and finished goods are adjusted to the lower of cost or net realizable value. For the three months ended March 31, 2024, the write down of inventory was \$1.8 million (three months ended March 31, 2023: write down of \$2.1 million). The adjustments are recorded in cost of sales in the unaudited condensed consolidated interim statements of operations and comprehensive income (loss).

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Notes to the unaudited condensed consolidated financial statements

All dollar amounts presented are expressed in millions of US dollars except share and per share amounts

8. Property, plant and equipment, net

As at	March 31, 2024	December 31, 2023
Plant equipment	\$ 55.8	\$ 55.3
Computer equipment	4.6	4.5
Vehicles	0.2	0.2
Leasehold improvement	13.6	13.5
Construction in progress - Rochester Hub	549.2	547.2
Construction in progress - Spoke Network	31.1	34.7
Construction in progress - Buildings	28.8	29.5
	\$ 683.3	\$ 684.9
Less - accumulated depreciation	(18.3)	(16.1)
Total property, plant and equipment, net	\$ 665.0	\$ 668.8

For the three months ended March 31, 2024, \$nil in borrowing costs (for the three months ended March 31, 2023: \$7.7 million) were capitalized to assets under construction due to the pause of construction at the Rochester Hub. Depreciation expense for the three months ended March 31, 2024 was \$2.2 million compared to \$1.9 million in the corresponding period of 2023.

Refer to Note 17 for details of contractual commitments to purchase fixed assets.

9. Leases

The Company's lease portfolio is predominately operating leases for plant operations, storage facilities, and office space for employees. The Company presents operating lease and finance lease balances separately on the consolidated balance sheets. The Company's finance leases relate to plant operations. The Company does not include options to extend leases in the lease term until they are reasonably certain to be exercised. The following table presents the Company's lease balances and their classification on the unaudited condensed consolidated interim statements of operations and comprehensive loss:

	March 31, 2024	March 31, 2023
Finance lease		
Amortization of ROU assets	\$ —	\$ —
Interest on lease liabilities	0.1	—
Total finance lease cost	\$ 0.1	\$ —
Operating lease cost	\$ 2.8	\$ 2.0
Short-term lease cost	—	—
Variable lease cost	0.4	0.4
Total lease cost	\$ 3.3	\$ 2.4

The weighted average remaining lease term of the Company's premises and equipment operating leases is 13.41 years as at March 31, 2024 and 14.48 years as at December 31, 2023. The weighted average remaining lease term of the Company's premises and equipment finance leases is 46.66 years as at March 31, 2024 and 46.78 years as at December 31, 2023.

The weighted average lease discount rate of the Company's premises and equipment operating leases is 7.57% as at March 31, 2024 and 7.69% as at December 31, 2023. The weighted average lease discount rate of the Company's premises and equipment finance leases is 9.49% as at March 31, 2024 and December 31, 2023.

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Supplemental Cash Flow Related Disclosures	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Cash paid for amounts related to lease liabilities:		
Operating cash flows from operating leases	\$ 2.8	\$ 2.5
Operating cash flows from finance leases	0.1	—
Financing cash flows from finance leases	—	—
Recognition of ROU assets and lease liabilities for new operating leases	\$ 15.6	\$ 0.2
Recognition of ROU assets and lease liabilities for new finance leases	—	—

Maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
March 2025	\$ 9.3	0.2
March 2026	9.5	0.2
March 2027	9.5	0.2
March 2028	8.8	0.2
March 2029	8.6	0.2
Thereafter	60.6	11.6
Total future minimum lease payments	\$ 106.3	\$ 12.6
Imputed interest	(32.5)	(10.4)
Total lease liabilities	\$ 73.8	\$ 2.2

At March 31, 2024, none of the Company's executed leases that had not yet commenced will create significant rights or obligations in the future and sublease transactions are not material. There were no restrictions or covenants imposed by its leases.

10. Other assets

As at	March 31, 2024	December 31, 2023
Non-current security deposits	\$ 5.3	\$ 5.0
Non-current insurance	0.6	2.8
Intangible assets, net	1.7	1.8
Total other assets	\$ 7.6	\$ 9.6

As of March 31, 2024 and December 31, 2023, the Company's intangible assets consisted of the following:

As at	March 31, 2024	December 31, 2023
Internal-use software	\$ 0.7	\$ 0.7
Cloud computing arrangements	1.3	1.3
	\$ 2.0	\$ 2.0
Less - accumulated amortization	(0.3)	(0.2)
Intangible assets, net	\$ 1.7	\$ 1.8

Amortization expense relating to cloud computing arrangements is recorded in selling, general and administrative expenses in the unaudited condensed consolidated interim statements of operations and comprehensive loss for the three months ended March 31, 2024 is \$0.1 million (for the three months ended March 31, 2023: \$nil).

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11. Related party transactions

Related Party Debt

The Company has convertible debt instruments with affiliates of Glencore plc. ("**Glencore**"), refer to Note 14 for more information.

Related Party Revenue

The Company has agreements with Glencore, pursuant to which it sells certain products and by-products produced at the Company's Spokes to Glencore. During the three months ended March 31, 2024, the Company recorded a net loss of \$0.3 million from sales to Glencore, which is driven by losses from the finalization of provisional assays, which exceeded sales in the period (sales to Glencore were \$0.9 million for the three months ended March 31, 2023). Account receivables from Glencore as of March 31, 2024 were \$1.3 million (\$0.3 million as of December 31, 2023). The receivables balance with Glencore increased in the three months ended March 31, 2024 as a result of recognizing receivables, booked against a decrease in research and development expense, from Glencore as part of a cost sharing arrangement between the parties related to the Portovesme Hub of \$1.3 million (\$nil as of December 31, 2023).

Related Party Expenses

The Company has engaged Fade In Production Pty. Ltd., which is controlled by certain members of the immediate family of the interim non-executive Chair of the Company's Board, to provide it with corporate video production services since 2017. Total expense and accrual were below \$0.1 million and \$nil for three months ended and as of March 31, 2024, respectively.

On May 31, 2022, the Company entered into agreements with Glencore, pursuant to which Glencore earns (i) sourcing fees on feed purchased for the Company's Spokes; and (ii) marketing fees on the sale of Black Mass sold to third parties. Sourcing fees and marketing fees payable to Glencore as of March 31, 2024 were \$0.1 million (December 31, 2023: \$0.1 million).

12. Accounts payable and accrued liabilities

As at	March 31, 2024	December 31, 2023
Accounts payable	\$ 125.2	\$ 134.5
Accrued expenses	23.8	14.5
Accrued compensation	8.0	3.1
Total accounts payable and accrued liabilities	\$ 157.0	\$ 152.1
Non-current accounts payable	(6.6)	—
Current accounts payable and accrued liabilities	\$ 150.4	\$ 152.1

During the three months ended March 31, 2024, and as part of the Cash Preservation Plan, the Company reached agreements with certain suppliers to extend the payment terms for the amounts invoiced beyond one year. The Company recorded these amounts as non-current accounts payable in the unaudited condensed consolidated interim balance sheet as of March 31, 2024.

On March 25, 2024, the Board approved plans to reduce approximately 17% of its workforce, primarily at the corporate level, as part of the Company's ongoing efforts to right size and right shape its organization as part of the Cash Preservation Plan.

The workforce reduction provides certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. The Company recorded an expense of \$0.4 million in cost of sales and \$5.1 million in selling, general and administrative expense in the Unaudited condensed consolidated interim statements of operations and comprehensive loss for the three months ended March 31, 2024 for contractual termination benefits that are considered severance benefits plans as they are both probable and reasonably estimable as of March 31, 2024 under ASC 712 - *Exit or Disposal Cost Obligations*. No amounts were recorded for one-time termination benefits since they had not been accepted by the employees as of March 31, 2024.

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13. Deferred revenue

In the normal course of business, the Company receives advances from customers for the sale of products and the provision of lithium-ion battery recycling services. The table below depicts the activity in the deferred revenue account during the three months ended March 31, 2024 and 2023.

Product revenue

As at	March 31, 2024	December 31, 2023
Balance, beginning of the period	\$ —	\$ —
Additions	2.8	—
Revenue recognized	(0.6)	—
Balance, end of the period	\$ 2.2	\$ —
Current deferred revenue	2.2	—
Non-current deferred revenue	\$ —	\$ —

Service revenue

As at	March 31, 2024	December 31, 2023
Balance, beginning of the period	\$ 5.5	\$ —
Additions	—	5.4
Foreign exchange gain (loss)	(0.1)	0.1
Balance, end of the period (to be recognized over a period of five years)	\$ 5.4	\$ 5.5
Current deferred revenue	0.2	0.2
Non-current deferred revenue	\$ 5.2	\$ 5.3

14. Convertible debt

As at	March 31, 2024	December 31, 2023
KSP Convertible Notes (a)	\$ 103.0	\$ 99.1
Glencore Convertible Notes (b)	344.7	189.0
Total convertible debt at end of the period	\$ 447.7	\$ 288.1

The KSP Convertible Notes and the A&R Glencore Convertible Notes are all unsecured debt instruments and the Glencore Senior Secured Convertible Note is a secured debt instrument. The amount of maturities and sinking fund requirements for convertible debt instruments, with interest components rolled into principal, for each of the next five years are as follows:

March 31, 2025	\$ —
March 31, 2026	—
March 31, 2027	163.4
March 31, 2028	314.5
March 31, 2029	130.9
Total	\$ 608.8

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(a) KSP Convertible Notes

As at	March 31, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 119.3	\$ 110.2
Issuance of convertible notes	—	9.1
Principal of convertible notes at end of the period	\$ 119.3	\$ 119.3
Conversion feature at beginning of period	\$ —	\$ 6.0
Fair value (gain) loss on embedded derivative	0.1	(6.0)
Conversion feature at end of period	\$ 0.1	\$ —
Debt component at beginning of the period	\$ 99.1	\$ 85.4
Debt component issued	—	9.1
Accrued interest paid in kind	—	(9.1)
Accrued interest expense	3.8	13.7
Debt component at end of period	\$ 102.9	\$ 99.1
Total KSP convertible debt at end of period	\$ 103.0	\$ 99.1

On September 29, 2021, the Company entered into a Note Purchase Agreement (the “**KSP Note Purchase Agreement**”) with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the “**KSP Convertible Note**”) for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026, unless earlier repurchased, redeemed or converted. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind (“**PIK**”), at its election. Initially, interest payments made in cash were based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments were based on an interest rate of LIBOR plus 6.0% per year, with a LIBOR floor of 1% and a cap of 2%. Since July 1, 2023, as the LIBOR interest rate is no longer published, under the terms of the KSP Note Purchase Agreement, the interest rate is instead based on the sum of the Secured Overnight Financing Rate (“**SOFR**”) and the average spread between the SOFR and LIBOR during the three-month period ending on the date on which LIBOR ceases to be published, subject to a floor of 1% and cap of 2%. On March 25, 2024, the Company amended the KSP Note Purchase Agreement to modify the interest rate terms of the KSP Convertible Note, by removing the SOFR floor of 1% and cap of 2% and including penalty interest upon an event of default consistent with the penalty interest provision of the Glencore Senior Secured Convertible Note. The amendment was accounted for as a debt modification in accordance with ASC 470-50 - Debt Modifications or Extinguishments and no gain or loss was recognized. After the amendment, the effective interest rate of the KSP Convertible Note is 18.7%.

The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. The Company has elected to pay interest by PIK since the first interest payment date of December 31, 2021. The KSP Convertible Note and the PIK notes issued thereunder are referred to collectively as the “**KSP Convertible Notes**”, and as at March 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
Total		\$ 119.3

At the option of the holder, the KSP Convertible Notes may be converted into common shares of the Company at a conversion price of \$13.43, subject to customary anti-dilutive adjustments. If the Company's share price is equal to or greater than \$17.46, for a period of twenty consecutive days, the Company can force conversion of the KSP Convertible Notes at an amount equal to the sum of principal, accrued but unpaid interest, plus any make-whole amount which equal to the undiscounted interest that would have been payable from the date of conversion to the maturity date. At the Company's option at any time, the Company

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can also redeem all of the KSP Convertible Notes at any time for a cash purchase price equal to 130% of the principal plus unpaid interest until maturity. The conversion feature under the KSP Convertible Notes has been recorded as a bifurcated embedded derivative liability since the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company's option. The KSP Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon occurrence of an event at the holder's discretion. Under a change of control event, mandatory redemption happens upon occurrence of an event. Both the change of control and event of default options under the KSP Convertible Notes have been recorded as bifurcated embedded derivative liabilities as the redemption price triggered by these features represents a substantial premium over the principal amount. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at March 31, 2024, no conversions or redemptions had taken place.

The fair value of the compound embedded derivative upon issuance of the KSP Convertible Notes was determined to be a liability of \$27.7 million whereas the remaining \$72.3 million, net of transaction costs of \$1.6 million, was allocated to the principal portion of the debt. During the three months ended March 31, 2024, the Company recognized a fair value loss of \$0.1 million on the embedded derivatives (for the three months ended March 31, 2023: loss of \$0.2 million). The embedded derivatives were valued using the Binomial Option Pricing Model. The assumptions used in the model were as follows:

	(Issuance date) September 29, 2021	December 31, 2023	March 31, 2024
Risk free interest rate	1.1%	4.2%	4.7%
Expected life of options	5.0 years	3.8 years	2.5 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	66%	63%	71%
Share Price	\$12.56	\$4.76	\$1.03

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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(b) Glencore Convertible Notes

As at	March 31, 2024	December 31, 2023
Principal of convertible note at beginning of period	\$ 225.3	\$ 208.1
Issuance of convertible notes	75.0	17.2
Principal of convertible note at end of period	\$ 300.3	\$ 225.3
Conversion feature at beginning of period	\$ 0.4	\$ 16.5
<i>Change in the period:</i>		
Fair value gain for the year ended December 31, 2023	—	(16.1)
Fair value loss on the conversion features embedded in the A&R Glencore Convertible Notes from January 1, 2024 to March 25, 2024	1.8	—
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	(2.2)	—
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	—
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	—
Fair value loss on the conversion features from March 26, 2024 to March 31, 2024	21.9	—
Conversion feature at end of period	\$ 180.1	\$ 0.4
Debt component at beginning of period	\$ 188.6	\$ 164.9
<i>Change in the period:</i>		
Issuance of debt component	—	17.2
Accrued interest paid in kind	—	(17.2)
Accrued interest expense for the year ended December 31, 2023	—	23.7
Accrued interest and accretion expense from January 1, 2024 to March 25, 2024	5.9	—
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	—
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	—
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	—
Transaction costs	(8.4)	—
Accrued interest expense from March 26, 2024 to March 31, 2024	0.6	—
Debt component at end of period	\$ 164.6	\$ 188.6
Total Glencore convertible debt at end of period	\$ 344.7	\$ 189.0
Reconciliation of net change in Convertible debt to Debt extinguishment loss in the three months ended March 31, 2024		
Extinguishment of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	\$ (2.2)	
Issuance of conversion feature embedded in Glencore Senior Secured Convertible Note	59.0	
Issuance of the conversion feature embedded in the A&R Glencore Convertible Notes as part of the modification	99.2	
Total change in the conversion features	156.0	
Extinguishment of the debt component related to A&R Glencore Convertible Notes as part of the modification	(194.5)	
Issuance of debt component of the Glencore Senior Secured Convertible Note	48.0	
Issuance of the debt component of the A&R Glencore Convertible Notes as part of the modification	124.4	
Total change in the debt components	(22.1)	
Total net change in convertible debt in the three months ended March 31, 2024	133.9	
Proceeds from convertible debt	(75.0)	
Debt extinguishment loss	\$ 58.9	

On May 31, 2022, the Company issued an unsecured convertible note (the “**Glencore Unsecured Convertible Note**”) for a principal amount of \$200 million to Glencore Ltd., a subsidiary of Glencore plc (LON: GLEN). The Glencore Unsecured Convertible Note will mature on May 31, 2027 unless there is an earlier repurchase, redemption or conversion. Interest on the

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Glencore Unsecured Convertible Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Unsecured Convertible Note in cash or by payment in-kind (“PIK”), at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 0.42826% (the “**Floating Rate**”) plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%. The PIK election results in the issuance of a new note under the same terms as the initial Glencore Unsecured Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. The effective interest rate of the Glencore Unsecured Convertible Note is 13.5%.

On March 25, 2024, the Company amended, restated and consolidated, the Glencore Unsecured Convertible Note and the PIK notes issued thereunder, such that they were split into two tranches and certain terms of the Glencore Unsecured Convertible Note and the PIK notes issued thereunder were amended, effective from the occurrence of: (a) for the first tranche (the “**First A&R Convertible Note**”), the earliest of the date that is one month after the effectiveness and initial funding, if any, of a project loan financing for the Rochester Hub, and December 31, 2024, and (b) for the second tranche (the “**Second A&R Convertible Note**” and together with the First A&R Convertible Note, the “**A&R Glencore Convertible Notes**”), the earliest of (i) the first commercial production from the Rochester Hub, (ii) construction costs exceeding the construction budget set forth in the project loan financing, and (iii) June 1, 2026 (each such date in the case of the foregoing clauses (a) and (b), an applicable “**Modification Date**”). Upon the occurrence of the applicable Modification Date, the terms of the applicable A&R Convertible Note shall automatically be modified to be consistent with the corresponding provisions of the Glencore Senior Secured Convertible Note (as defined and described below): the maturity will be amended to be five (5) years from the applicable Modification Date, the interest rate will be amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption will be required (including, from the applicable Modification Date, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount across the A&R Glencore Convertible Notes (to the extent the applicable Modification Date with respect thereto has occurred) and the Glencore Senior Secured Convertible Note), and the Company will provide guarantees and pari passu security for the A&R Glencore Convertible Notes on substantially the same terms with the Glencore Senior Secured Convertible Note. In addition, at each Modification Date, the conversion price for the applicable A&R Glencore Convertible Notes will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to the applicable Modification Date plus a 25% premium per share, and (y) \$9.95 per share. The amendment was accounted for as a debt extinguishment in accordance with ASC 470-50 - *Debt Modifications or Extinguishments* and the Company recorded \$58.9 million as a debt extinguishment loss presented in the unaudited condensed consolidated statement of operations and comprehensive loss for the three months ended March 31, 2024. After the amendment, the effective interest rate of the A&R Glencore Convertible Notes and Glencore Senior Secured Convertible Note is 20.6%.

On March 25, 2024, the Company issued a senior secured convertible note (the “**Glencore Senior Secured Convertible Note**”) for an aggregate principal amount of \$75 million to Glencore Canada Corporation, a subsidiary of Glencore plc (LON: GLEN). The Glencore Senior Secured Convertible Note will mature on March 25, 2029, unless there is an earlier repurchase, redemption or conversion. Interest on the Glencore Senior Secured Convertible Note is payable semi-annually, with Li-Cycle permitted to pay interest on the Glencore Senior Secured Convertible Note in cash or by PIK, at its election. Interest payments made in cash are based on an interest rate of the SOFR for a tenor comparable to the relevant interest payment period plus 5% per annum if interest is paid in cash or plus 6% per annum if interest is paid in PIK. In the case that an event of default has occurred and is continuing, the interest rate will be the rate stated above, plus one percent (1%) per annum (which additional 1% will be payable in cash). The PIK election results in the capitalization of the interest by adding such interest amounts to the aggregate outstanding principal balance of the Glencore Senior Secured Convertible Note then outstanding on the applicable Interest Date.

All obligations of the Company with respect to the Glencore Senior Secured Convertible Note are guaranteed by Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc (the “**Issuance Date Note Guarantors**”), each a subsidiary of the Company. Li-Cycle Europe AG and Li-Cycle Germany GmbH (the “**Post-Closing Guarantors**” and together with the Issuance Date Guarantors, collectively the “**Note Guarantors**”), both subsidiaries of the Company, are required to guaranty all obligations of the Company with respect to the Glencore Senior Secured Convertible Note as Note Guarantors within a certain time period following the issuance of the Glencore Senior Secured Convertible Note. The Company and the Issuance Date Note Guarantors have also granted perfected, first priority security interests (subject to customary exceptions and permitted liens) in all of their respective assets, including intellectual property and a pledge of the equity interests of each other Note Guarantor to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note. Within a certain time period following the issuance of the Glencore Senior Secured Convertible Note, the Post-Closing Guarantors are required to grant a perfected, first priority security interest (subject to customary exceptions and permitted liens) in all intra-group receivables owing to them and over all bank accounts held by such entities in their respective jurisdictions of organization and Li-Cycle Europe AG is required to further pledge its equity interests in Li-Cycle Germany GmbH to secure the obligations of the Company with respect to the Glencore Senior Secured Convertible Note.

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The Company has elected to pay interest by PIK since the first interest payment on the Glencore Unsecured Convertible Note on November 30, 2022. The First A&R Glencore Note, the Second A&R Glencore Note and the Glencore Senior Secured Convertible Note are referred to collectively as the “**Glencore Convertible Notes**”, and as at March 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Glencore Senior Secured Convertible Note	March 25, 2024	75.0
Total		306.2

At the option of the holder, the A&R Glencore Convertible Notes may be converted into common shares of the Company at a conversion price which shall be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP (volume weighted average trading price) having a reference date equal to applicable Modification Date plus a 25% premium, and (y) \$9.95 per share (the current conversion price of the A&R Glencore Convertible Notes), subject to customary anti-dilutive adjustments. At the option of the holder, the Glencore Senior Secured Convertible Note may be converted into common shares of the Company at a conversion price of \$0.53 per share. The conversion feature under the Glencore Convertible Notes has been recorded as an embedded derivative liability as the conversion ratio does not always result in a conversion of a fixed dollar amount of liability for a fixed number of shares due to the optionality of the interest rate utilized on conversion at the Company’s option. The A&R Glencore Convertible Notes are also subject to redemption upon a change of control event or an event of default. Under an event of default, redemption happens upon occurrence of an event at the holder’s discretion. Under a change of control event, mandatory redemption happens upon occurrence of an event. The Glencore Senior Secured Convertible Note is subject to redemption at any time by payment of the required redemption payment. Commencing with the delivery of the financial statements for the fiscal year ending December 31, 2026, the Company will be required to redeem a portion of the outstanding principal amount of the Glencore Senior Secured Convertible Note in an amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company). The Company is also required to redeem the Glencore Senior Secured Convertible Note in the event of certain continuing events of default upon request by the holder, certain bankruptcy-related events of default and upon a change of control transaction, unless in each case, the Glencore Senior Secured Convertible Note is first converted by the holder. The change of control, event of default, and mandatory redemption provisions under the Glencore Convertible Notes have been recorded as bifurcated embedded derivative liabilities. The bifurcated embedded derivatives are measured at fair value bundled together as a single compound embedded derivative. As at March 31, 2024, no conversion or redemption had taken place.

In connection with any optional redemption, and with respect to the Glencore Senior Secured Convertible Note and A&R Glencore Convertible Notes, any mandatory redemption and provided that the applicable holder has not elected to convert the Glencore Convertible Notes into common shares, the Company must issue warrants (the “**Glencore Warrants**”) to the applicable holder on the optional redemption date or receipt of notice of redemption, as applicable, that entitle the holder to acquire, until the end of the applicable exercise period, a number of common shares equal to the principal amount of the Glencore Convertible Notes being redeemed divided by the then applicable conversion price. The initial exercise price of the Glencore Warrants will be equal to the conversion price as of the applicable redemption date.

The fair value of the embedded derivative liability upon issuance of the Glencore Convertible Notes was determined to be \$46.2 million with the remaining \$153.8 million, net of transaction costs of \$1.3 million, allocated to the initial amortized cost of the host debt instrument. During the three months ended March 31, 2024, the Company recognized a fair value loss of \$21.9 million on the embedded derivatives (three months ended March 31, 2023: loss of \$0.5 million). The embedded derivatives were valued using the Finite Difference Method. The assumptions used in the model were as follows:

	(Issuance date) May 31, 2022	December 31, 2023	March 31, 2024
Risk free interest rate	2.9%	4.2%	4.1% to 5.3%
Expected life of options	5.0 years	4.4 years	5.0 to 7.2 years
Expected dividend yield	0.0%	0.0%	0.0%
Expected stock price volatility	68%	63%	71%
Share Price	\$8.15	\$4.76	\$1.03

Expected volatility was determined by calculating the average implied volatility of a group of listed entities that are considered similar in nature to the Company.

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15. Common stock and additional paid-in capital

The following details the changes in issued and outstanding common shares for the three months ended March 31, 2024.

(in millions)		Number of shares outstanding	Amount
Common shares and additional paid-in capital outstanding as at December 31, 2023	\$	178.2	\$ 648.3
Settlement of RSUs		0.9	—
Stock-based compensation – RSUs		—	2.7
Stock-based compensation – options		—	0.6
Common shares and additional paid-in capital outstanding as at March 31, 2024	\$	179.1	\$ 651.6

16. Financial instruments and financial risk factors

Fair values

The Company's financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

As at March 31, 2024	Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$ 0.6	\$ —	\$ 0.6
Conversion feature of convertible debt (refer to Note 14)	180.2	—	180.2
As at December 31, 2023	Balance	Level 1	Level 2
Accounts receivable (subject to provisional pricing)	\$ 0.6	\$ —	\$ 0.6
Conversion feature of convertible debt (refer to Note 14)	0.4	—	0.4

Refer to Note 4 above for additional details related to measurement of accounts receivable and the concentration of credit risk of accounts receivable.

Market risk

The Company is exposed to commodity price movements for the inventory it holds and produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals in its products, notably cobalt and nickel.

The following table sets out the Company's exposure, in relation to the impact of movements in the cobalt and nickel price for the provisionally invoiced sales volume:

As at March 31, 2024	Cobalt	Nickel
Metric tonnes subject to fair value pricing adjustments	1,124.7	1,124.7
10% increase in prices	\$ 0.1	\$ 0.1
10% decrease in prices	\$ (0.1)	\$ (0.1)
As at December 31, 2023	Cobalt	Nickel
Metric tonnes subject to fair value pricing adjustments	2,313.0	2,313.0
10% increase in prices	\$ 0.2	\$ 0.3
10% decrease in prices	\$ (0.2)	\$ (0.3)

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The following table sets out the period end commodity prices for cobalt and nickel:

As at March 31, 2024		Market price per tonne
Cobalt	\$	27,778
Nickel	\$	16,525

As at December 31, 2023		Market price per tonne
Cobalt	\$	28,660
Nickel	\$	16,250

17. Commitments and contingencies

As of March 31, 2024, there were \$7.4 million in committed purchase orders or agreements for equipment and services (December 31, 2023: \$8.3 million).

Legal Proceedings

The Company is and may be subject to various claims and legal proceedings in the ordinary course of its business. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims or legal proceedings. The Company records provisions for such claims when an outflow of resources is considered probable and a reliable estimate can be made. No such provisions have been recorded by the Company.

Shareholder Litigation relating to the October 23, 2023 Announcement of Rochester Hub Construction Pause

Three shareholder lawsuits were launched following the Company's announcement on October 23, 2023 that it would be pausing construction on the Rochester Hub project, described below.

On November 8, 2023, a putative federal securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against the Company, and certain of its officers and directors, on behalf of a proposed class of purchasers of the Company's common shares during the period from June 14, 2022 through October 23, 2023. On March 15, 2024, the lead plaintiff filed an amended complaint on behalf of a proposed class of purchasers of the Company's common shares during the period from January 27, 2022 through November 13, 2023. See *Hubiack v. Li-Cycle Holdings Corp., et al.*, 1:23-cv-09894 (S.D.N.Y.) (the "**Hubiack Securities Action**"). The amended complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act, and alleges that the defendants issued false and misleading statements regarding the Rochester Hub's construction budget, costs and timeline, which were allegedly revealed beginning on October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project. The complaint seeks compensatory damages and an award of costs. On April 12, 2024, the defendants moved to dismiss the amended complaint in its entirety. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On November 27, 2023, a putative Ontario securities class action claim was filed in the Ontario Superior Court of Justice against the Company and its CEO. The claim was amended on February 8, 2024 and amended again on May 6, 2024. The claim is on behalf of a proposed class of purchasers of the Company's common shares during the period from February 27, 2023 through November 10, 2023. The claim, which is captioned as *Wyshynski v. Li-Cycle Holdings Corp. et al.*, Court File No. CV-23-00710373-00CP, alleges common law secondary market misrepresentations and, if leave is granted under Part XXIII.1 of the Securities Act (Ontario), statutory secondary market negligent misrepresentations. It also seeks an oppression remedy under s. 248 of the Ontario Business Corporations Act, based primarily on allegations of misconduct of senior management. The Wyshynski claim alleges that the Company's public disclosures through the class period contained misrepresentations because they omitted material facts regarding the cost of the Rochester Hub project and the availability of financing. The Wyshynski claim alleges that the purported misrepresentations were publicly corrected on (i) October 23, 2023, when the Company announced that it would pause construction on the Rochester Hub project; and (ii) November 13, 2023, with the release of the Company's Q3 2023 earnings. The putative class includes all persons who acquired Li-Cycle common shares during the class period and who held some or all of those common shares until after the release of at least one of the alleged corrective disclosures. The claim seeks compensatory damages and an award of costs, along with the appointment of a third party monitor. On April 5, 2024, the defendants moved to stay the action on the basis that New York is the more appropriate forum for the litigation. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

On December 4, 2023, a putative shareholder derivative action was filed in the Supreme Court of the State of New York, Monroe County, purportedly on behalf of the Company (as nominal defendant) against certain of the Company's current and/or former officers and directors. The action, which is captioned as *Nieves v. Johnston, et al.*, Index No. E2023014542 (N.Y. Sup. Ct.),

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principally concerns the same alleged misstatements or omissions at issue in the Hubiack Securities Action, and asserts common law claims for breach of fiduciary duty, waste, unjust enrichment, and gross mismanagement. The action seeks to recover unspecified compensatory damages on behalf of the Company, an award of costs and expenses and other relief. On February 29, 2024, the parties agreed to stay the action pending resolution of the Hubiack Securities Action. In view of the uncertainties inherent in litigation, we do not express a judgment as to the outcome of this litigation.

Subrogation Liability Claim

On or around January 2, 2024, the Company received a notice of a subrogation liability claim by an insurance company on behalf of one of the other tenants of the New York Spoke's warehouse. The claim relates to a small fire which occurred at the building on December 23, 2023, involving lithium-ion batteries being stored at the warehouse. The claimant has not provided details of potential damages and the Company's general liability insurer is providing coverage for this claim, including defense of the claim.

Commercial Claim – Pike Conductor DEV 1, LLC

On January 17, 2024, Pike Conductor DEV 1, LLC ("**Pike**") sent the Company a purported notice of default claiming that the Company failed to pay certain amounts in connection with leasing a warehouse and administrative building related to the Rochester Hub, and failed to clear certain liens levied on the property.

On January 26, 2024, the Company filed a lawsuit in New York State Court in Monroe County, seeking an order requiring Pike to amend and restate the agreement as a ground lease and to pay damages of at least \$39.0 million - \$53.0 million. The Company also sought an order barring Pike from seeking to, among other things, terminate the agreement or evict the Company from the property while the lawsuit is pending. Under the agreement between the parties, Pike agreed to construct the property and lease it to the Company. The Company agreed to finance up to \$58.6 million of Pike's construction costs, including \$14.5 million in tenant's improvements. Based on the agreement between the parties, if, by November 1, 2023, Pike had not repaid the pre-financing costs, less the tenant improvements, then the parties would restate the agreement as a ground lease and the Company would own the Warehouse. To date, the Company has funded approximately \$ 53.5 million of the construction costs. Repayment to the Company had not occurred by this date, and the agreement has not been restated as a ground lease.

On March 13, 2024, the court issued an order temporarily restraining Pike until a hearing can be held on the Company's lawsuit. Following certain court-ordered settlement conferences, the parties are negotiating the terms of an agreed settlement.

Dispute with MasTec Regarding Rochester Hub Construction Contract

On April 9, 2024, Mastec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a foreclosure action in the Supreme Court, County of Monroe, New York. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec. The amount owed by Li-Cycle is expected to be determined in the arbitration, and the foreclosure action is expected to be stayed pending determination of the arbitration. The amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable.

18. Loss per share

	For the 3 months ended March 31, 2024	For the 3 months ended March 31, 2023
Total net income (loss)	\$ (136.7)	\$ (36.5)
Weighted average number of common shares (in millions)	178.8	176.4
Effect of dilutive securities:		
Stock options	—	—
Restricted share units	—	—
Dilutive number of shares	\$ 178.8	\$ 176.4
Basic and diluted earnings (loss) per share	\$ (0.76)	\$ (0.21)

Adjustments for diluted loss per share were not made for the three months ended March 31, 2024 and 2023, as they would be anti-dilutive in nature. The following table presents shares (denominated in millions) from instruments that could dilute basic loss

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per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive for the periods presented:

As at	March 31, 2024	March 31, 2023
Stock options	3.4	5.3
Convertible debt		
KSP Convertible Notes	9.1	8.4
Glencore Convertible Notes	165.6	21.3
Restricted share units	12.2	3.5
Total	190.3	38.5

19. Segment reporting

The consolidated financial information presented in these financial statements is reviewed regularly by the Company's chief operating decision maker ("CODM") for making strategic decisions, allocations resources and assessing performance. The information review by CODM for decision making purposes aligns with the information provided above in the statements of operations and comprehensive income (loss), financial position, and cash flows. The Company's CODM is its Chief Executive Officer.

The Company's revenue primarily comes from eight key customers, as shown in the table below. The Company's remaining customers do not make up significant percentages of these balances. For additional details on product sales and fair value adjustments recognized in the period, refer to Note 3.

Revenue	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Customer D	40.1 %	0.5 %
Customer G	29.5 %	0.0 %
Customer H	15.4 %	0.0 %
Customer A	6.4 %	28.7 %
Customer C	0.0 %	24.0 %
Customer F	1.4 %	15.3 %
Customer B	0.0 %	12.4 %
Customer E	0.0 %	11.6 %

During the three months ended March 31, 2024, the Company operated in the United States and Germany, and during the three months ended March 31, 2023, the Company operated in the United States and Canada. Management has concluded that the customers, and the nature and method of distribution of goods and services delivered, if any, to these geographic regions are similar in nature. The risks and returns across the geographic regions are not dissimilar; therefore, the Company operates as a single operating segment.

The following is a summary of the Company's geographical information:

	Canada	United States	Germany	Other	Total
Revenues					
Three months ended March 31, 2024	\$ 0.1	\$ 3.6	\$ 0.5	\$ —	\$ 4.2
Three months ended March 31, 2023	(0.5)	4.1	—	—	3.6
Non-current assets					
As at March 31, 2024	\$ 55.6	\$ 632.1	\$ 32.1	\$ 25.5	\$ 745.3
As at December 31, 2023	57.0	618.9	34.9	26.2	737.0

Revenue is attributed to each geographical location based on location of sale.

20. Subsequent events

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Government Grant – Germany Spoke

On February 7, 2024, the Company announced that it has received approval from the State of Saxony-Anhalt, Germany for a grant of up to €6.4 million (\$6.9 million) for its Germany Spoke, as a part of the **"Improving the Regional Economic Structure"** program. On April 30, 2024, the Company received €5.3 million (\$5.8 million) of the approved grant. The grant can be used to finance eligible expenditures (primarily machinery and equipment, vehicles, and building or structural improvements) within the investment period ending May 31, 2025. Under the financing plan, the Company is required to fund a proportion of the eligible investment expenditures, to engage at least 38 full-time employees and to provide a security interest in relation to certain equipment.

Notice of Violation – Arizona Department of Environmental Quality

On or around April 17, 2024, the Company received a Notice of Violation from the Arizona Department of Environmental Quality ("**ADEQ**") following ADEQ's visit to the Arizona Spoke on March 27, 2024. ADEQ identified alleged violations related to storage of batteries beyond an operational day prior to recycling without a hazardous waste storage permit and failure to submit a biennial report to the ADEQ by March 1, 2024. The Notice of Violation provides that the Company is required to submit documentation that all hazardous waste and universal waste currently being stored on-site is either removed from the site by transferring to an appropriate destination facility or processed through the recycling process immediately. The Company is in active discussions with ADEQ regarding steps and schedule to achieve compliance. Potential penalties for non-compliance may include fines of up to \$25,000 per day, among other things.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations ("**MD&A**") is prepared as of May 10, 2024 and provides information which the management of Li-Cycle Holdings Corp. (the "**Company**" or "**Li-Cycle**") believes is relevant to an assessment and understanding of the unaudited condensed interim consolidated financial statements of Li-Cycle for the three months ended March 31, 2024 and 2023, prepared in accordance with U.S. GAAP for interim reporting. This MD&A should be read together with the unaudited condensed consolidated interim financial statements included in "Part I. Financial Information—Item 1. Unaudited Condensed Consolidated Interim Financial Information" in this Quarterly Report on Form 10-Q (the "**Consolidated Financial Statements**").

In addition to historical financial information, this MD&A contains forward-looking statements based upon current expectations about the Company's financial condition, results of operations and industry that involve risks, uncertainties and assumptions. For more information about forward-looking statements, refer to the section in this Quarterly Report on Form 10-Q titled "*Cautionary Note Regarding Forward-Looking Statements*". Actual results and timing of selected events may differ materially from those anticipated by these forward-looking statements as a result of various factors, including those set forth under the section in this Quarterly Report on Form 10-Q titled "*Key Factors Affecting Li-Cycle's Performance*" below, under "Part II. Other Information – Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q and under "*Item 1A. Risk Factors*" included in the Annual Report on Form 10-K.

Li-Cycle's Consolidated Financial Statements have been prepared in accordance with ASC 270 – *Interim Reporting*. All amounts are in U.S. dollars except as otherwise indicated. For more information about the basis of presentation of Li-Cycle's financial statements, see Note 2 (*Summary of Significant Accounting Policies*) in the Consolidated Financial Statements.

Certain figures, such as interest rates and other percentages included in this MD&A, have been rounded for ease of presentation. Percentage figures included in this MD&A have in all cases been calculated on the basis of the amounts prior to rounding. For this reason, percentage amounts in this MD&A may vary slightly from those obtained by performing the same calculations using the figures in Li-Cycle's financial statements or in the associated text. Certain other amounts that appear in this MD&A may similarly not sum due to rounding.

Company Overview

Li-Cycle (NYSE: LICY) is a leading global LIB resource recovery company. Established in 2016, and with major customers and partners around the world, Li-Cycle's mission is to recover critical battery-grade materials to create a domestic closed-loop battery supply chain for a clean energy future. The Company's proprietary "Spoke & Hub" recycling and resource recovery process is designed (a) at its Spokes, or pre-processing facilities, to process battery manufacturing scrap and end-of-life batteries to produce "black mass", a powder-like substance which contains a number of valuable metals, and other intermediate products, and (b) at its future Hubs, or post-processing facilities, to process black mass to produce critical materials for the lithium-ion battery supply chain, including lithium carbonate. At its Spokes, the Company produces certain other products analogous to black mass that have a similar metal content, and, as a result, the Company tracks its production using a unit of measure called Black Mass & Equivalents or BM&E.

As at March 31, 2024, Li-Cycle had four operational Spokes in North America and Europe, which were located in Rochester, New York (the "**New York Spoke**"), Gilbert, Arizona (the "**Arizona Spoke**"), Tuscaloosa, Alabama (the "**Alabama Spoke**") and Magdeburg, Germany (the "**Germany Spoke**"), and was evaluating the continued development of its first commercial-scale Hub in Rochester, New York (the "**Rochester Hub**").

Recent Liquidity Developments

On October 23, 2023, the Company announced that it was pausing construction work on its Rochester Hub, due to escalating construction costs, pending completion of a comprehensive review of the project, including an evaluation of the go-forward phasing of its scope and budget, including construction strategy. Refer to the section titled "*—Update on Strategic Priorities and Business Outlook*" below and the risk factor "*The development of Li-Cycle's Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others*" in the section of the Annual Report on Form 10-K titled "*Item 1A. Risk Factors—Risks Relating to Li-Cycle's Business*" for additional details.

Promptly following the October 23, 2023 announcement, and in connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board of Directors (the “**Board**”) established a Special Committee comprised of certain independent directors (the “**Special Committee**”) to, among other things, (1) oversee and supervise a strategic review of all or any of the Company’s operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives.

The Special Committee selected Moelis & Company LLC (“**Moelis**”) and other advisors to assist with exploring financing options to increase the liquidity of Li-Cycle and evaluating financing and other strategic alternatives, as well as to assist the Company with managing short-term liquidity and implementing liquidity generating initiatives. See the section titled “—Key Factors Affecting Li-Cycle’s Performance—Financial Condition and Capital Requirements” below for additional details.

On November 1, 2023, the Company initiated the implementation of a cash preservation plan (the “**Cash Preservation Plan**”), including reducing staffing in its corporate support functions on an ongoing basis, as needed, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of BM&E production and otherwise slow down operations at its remaining operating Spoke locations. The Company expects to continue to pause or slow down operations at its operational Spokes in North America. The Cash Preservation Plan also involves reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company’s available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project. Refer to the sections titled “—Update on Strategic Priorities and Business Outlook” and “—Liquidity and Capital Resources” below for further discussion.

Until 2020, Li-Cycle was a development stage company with no commercial revenues. To date, Li-Cycle has financed its operations primarily through proceeds received in connection with: (i) the business combination it completed with Peridot Acquisition Corp. on August 10, 2021 (the “**Business Combination**”); (ii) the concurrent \$315.5 million private placement of common shares (the “**PIPE Financing**”); and (iii) private placements of other Li-Cycle securities (including convertible notes and common shares).

The Company has evaluated whether there are conditions and events, considered in the aggregate and including the ones mentioned above, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. Based on its recurring losses from operations since inception and continued cash outflows from operating activities, including funding capital commitments related to the Rochester Hub (all as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that the Consolidated Financial Statements are issued. Refer to the section titled “—Liquidity and Capital Resources” below for definitions and additional details.

On February 7, 2024, the Company announced that it has received approval from the State of Saxony-Anhalt, Germany for a grant of up to €6.4 million (\$6.9 million) for its Germany Spoke. On April 30, 2024, the Company received €5.3 million (\$5.8 million) of the approved grant. The grant can be used to finance eligible expenditures (primarily machinery and equipment, vehicles, and building or structural improvements) within the investment period ending May 31, 2025. Under the financing plan, the Company is required to fund a proportion of the eligible investment expenditures, to engage at least 38 full-time employees and to provide a security interest in relation to certain equipment.

On March 11, 2024, the Company entered into an agreement, which was amended and restated on March 25, 2024 (the “**Glencore Senior Secured Convertible Note Purchase Agreement**”) to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the “**Glencore Senior Secured Convertible Note**”). The issuance and sale of the Glencore Senior Secured Convertible Note was completed on March 25, 2024.

In connection with the issuance of the Glencore Senior Secured Convertible Note, Glencore and the Company amended and restated the terms of the Glencore Unsecured Convertible Notes, in two tranches (and such resulting two tranches of the amended and restated Glencore Unsecured Convertible Notes, the “**A&R Glencore Convertible Notes**”).

The Glencore Senior Secured Convertible Note, together with the A&R Glencore Convertible Notes, may result in a change of control of the Company, depending on certain future events including in the event the Company elects to pay interest in-kind. Assuming the conversion of the A&R Glencore Convertible Notes and the Glencore Senior Secured Convertible Note in full on March 25, 2024, the issue date of the Glencore Senior Secured Convertible Note, Glencore and its affiliates would beneficially own approximately 47.8% of the common shares on an as-converted basis (based on the total number of outstanding common shares as of March 31, 2024). The Glencore Senior Secured Convertible Note also

contains a minimum liquidity covenant that will require us to maintain a minimum amount of liquidity to be set at \$10.0 million, to be tested monthly. In addition, the Glencore Senior Secured Convertible Note also contains a capital expenditure covenant that restricts our ability to make capital expenditures in excess of \$2.0 million in any transaction or series of related transactions, subject to certain exceptions.

In connection with the closing of the Glencore Senior Secured Convertible Note, the Company also entered into a side letter agreement, pursuant to which it granted to Glencore the right to nominate two additional directors to the Board, in addition to Glencore's existing nominee to the Board, for a total of three nominees. In addition, for so long as Glencore has the right to designate nominees to the Board, the size of the Board may not exceed nine directors absent written agreement between Glencore and the Company. Both additional Glencore nominees are not to be related parties of Glencore and its affiliates and are to be independent under applicable Ontario securities laws, as well as SEC and NYSE rules. Both additional Glencore nominees will be entitled to payment and indemnification consistent with other non-employee directors and will be eligible for appointment to the committees of the Board. Glencore will agree to cause the Glencore-nominated directors to recuse themselves from any meeting, decision or discussion relating to the convertible notes issued to Glencore or related matters. Upon the occurrence of any vacancy on the Board, Glencore shall be entitled to designate an individual to fill the vacancy, to the extent it has not yet seated its two additional Glencore nominees. One additional Glencore nominated director is expected to join the Board in 2024 and Glencore shall have the right to identify and (subject to customary approvals by the Company) propose for election one director at the Company's annual general meeting of shareholders to be held in 2025.

Refer to the section titled *"—Liquidity and Capital Resources"* below for definitions and additional details.

Comparability of Financial Information

Li-Cycle's future results of operations and financial position may not be comparable to historical results as a result of the Business Combination, the pause in construction of the Rochester Hub and the Cash Preservation Plan. Refer to the sections titled *"—Update on Strategic Priorities and Business Outlook"*, *"—Key Factors Affecting Li-Cycle's Performance - Financial Condition and Capital Requirements"* and *"—Liquidity and Capital Resources"* below for further discussion.

Li-Cycle included certain projected financial information in the proxy statement/prospectus on Form F-4 dated July 15, 2021 and filed with the U.S. Securities and Exchange Commission (the **"SEC"**) in connection with the Business Combination (as amended, the **"Proxy/Registration Statement"**), which information was also incorporated by reference in Li-Cycle's non-offering final prospectus dated August 10, 2021 filed with the Ontario Securities Commission (the **"Canadian Prospectus"**) and Shell Company Report on Form 20-F filed with the SEC.

Following the date of the effectiveness of the Proxy/Registration Statement and the date of the Canadian Prospectus, in order to meet changes in forecasted demand for LIB recycling, the Company decided to increase and accelerate its investment in the build-out of its recycling capacity in North America and Europe. For example, the Company opened the Arizona Spoke, the Alabama Spoke and the Germany Spoke, and announced the development of other Spoke projects, changing the Company's previous plans and projections. Li-Cycle also announced the increase of expected processing capacity and development costs at its Rochester Hub, announced plans for a new European Hub, and did not proceed with the developments of Spokes or Hubs in the Asia-Pacific region. As disclosed above, in the fourth quarter of 2023, the Company announced the pause in construction of the Rochester Hub project, commenced a project review and implemented the Cash Preservation Plan. Refer to the sections titled *"—Recent Liquidity Developments"* and *"—Update on Strategic Priorities and Business Outlook"* for additional details.

As a result of these and other developments, the assumptions underlying the projected financial information included in the Proxy/Registration Statement and the Canadian Prospectus, including a number of assumptions regarding capital expenditures and the timing of the roll-out of new operational facilities, no longer reflect a reasonable basis on which to project the Company's future results, and therefore those projections should not be relied on as indicative of future results. The Company's actual results could differ substantially from the projected financial information contained in the Proxy/Registration Statement and the Canadian Prospectus.

Update on Strategic Priorities and Business Outlook

Cash Preservation Plan

On November 1, 2023, the Company initiated the implementation of its Cash Preservation Plan, including reducing staffing in its corporate support functions on an ongoing basis, as needed, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of BM&E production and otherwise slow down operations at its remaining operating Spoke locations.

On March 25, 2024, the Company made the strategic decision to transition from its regional management structure to a centralized model, which resulted in certain leadership changes. Effective as of March 26, 2024, Tim Johnston ceased serving as the Company's Executive Chair and transitioned to the role of interim non-executive Chair of the Company's Board, Debbie Simpson ceased serving as the Chief Financial Officer of the Company and Richard Storrie ceased serving as the Company's Regional President, EMEA. In addition, Craig Cunningham was appointed as the interim Chief Financial Officer of the Company, Conor Spollen was appointed as the Chief Operating Officer of the Company and Dawei Li was appointed as the Chief Commercial Officer of the Company. In addition, on March 25, 2024, the Board approved plans to reduce approximately 17% of the Company's workforce, primarily at the corporate level, as part of the Cash Preservation Plan. These steps are expected to generate approximately \$10 million in payroll and benefit cost savings on an annualized basis.

The workforce reduction provides certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. The Company estimates that it will incur total charges of approximately \$8.3 million in connection with the workforce reduction, with the majority of these charges to be incurred as cash severance payments over the course of the next twelve (12) months. The Company recorded an expense of \$0.4 million in cost of sales and \$5.1 million in selling, general and administrative expense in the Consolidated Financial Statements for the three months ended March 31, 2024 for contractual termination benefits that are considered severance benefits plans since they are both probable and reasonably estimable as of March 31, 2024 under ASC 712 – *Exit or Disposal Cost Obligations*. No amounts were recorded for one-time termination benefits since they had not been not accepted by the employees as of March 31, 2024.

Certain payments to contractors and suppliers of the Company have been delayed as a result of the Cash Preservation Plan and management has actively engaged with contractors and suppliers to the Rochester Hub project to negotiate mutually agreeable payment plans. During the three months ended March 31, 2024, and as part of the Cash Preservation Plan, the Company reached agreements with certain suppliers to extend the payment terms for the amounts invoiced beyond one year totaling approximately \$6.6 million. The Company recorded these amounts as non-current accounts payable in the Consolidated Financial Statements.

In addition, certain contractors, subcontractors, consultants and other suppliers (together, the "**lienors**") have filed purported mechanic's liens against the Company's interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec Industrial Corp. ("**MasTec**") commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. Pending the results of the arbitration proceedings, MasTec is also seeking to enforce its lien through a foreclosure action. See "*Part II. Other Information - Item 1. Legal Proceedings*" and "*Part II. Other Information - Item 1A Risk Factors - There is substantial doubt about Li-Cycle's ability to continue as a going concern*" in this Quarterly Report on Form 10-Q and Note 17 (*Commitments and contingencies*) to the Consolidated Financial Statements.

Rochester Hub Project Review

The Company is continuing to advance its comprehensive review of the go-forward strategy for the Rochester Hub project.

The Company has focused its technical review on constructing, commissioning, and operating only those process areas needed to produce two key products: lithium carbonate and mixed hydroxide precipitate ("**MHP**") (the "**MHP scope**"). The construction, commissioning and operating costs for process areas associated with production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub, have not been included in the internal technical review and there are no current plans that include production of nickel sulphate and cobalt sulphate. However, the areas dedicated to the production of nickel sulphate and cobalt sulphate would be left intact under the MHP scope, to allow for

the potential construction, completion, and integration of these areas in the future, although no such plans are contemplated at this time. The Company's technical review confirmed the technical viability of the MHP process and allows the project to proceed on a schedule aligned with the Company's current expectations regarding the timing and evolution of the battery recycling and EV markets, subject to obtaining required permits, regulatory approvals, if needed and additional financing. The Company is continuing to develop a more detailed analysis of the MHP scope, and it is developing its financing strategy in line with the revised MHP scope. The Company will require significant additional funding before restarting the Rochester Hub project, on the basis of the MHP scope or otherwise.

As part of the internal technical review, the Company has conducted an engineering study internally to assess the cost to complete ("**CTC**") the Rochester Hub project under the MHP scope. The Company's current estimate of the CTC is approximately \$504.3 million, including \$111.3 million of costs incurred but not yet paid as of March 31, 2024. Taking into account total cash spend of \$455.9 million as of March 31, 2024, the revised estimated project cost of the Rochester Hub project is approximately \$960.2 million for the MHP scope. The increase in estimated project costs as compared to the prior range of approximately \$850.0 million to approximately \$1.0 billion that included the expected production of nickel sulphate and cobalt sulphate from November 2023 is primarily due to further refinement of the methodology used for estimating the project cost based on an MHP scope and the cost required to complete the MHP project. If in the future the Company decides to shift to a project scope that includes the production of nickel sulphate and cobalt sulphate, or any other changes to the MHP scope, then the estimated project costs would be higher. However, the Company currently has not completed and does not have plans to complete an evaluation of estimated project costs for such a project scope at this time.

The CTC estimate for the MHP scope is based solely upon the internal technical review, is subject to a number of assumptions, including refining detailed engineering, procurement, construction activities engineering, procurement and construction activities, including the cost of labor and is likely to change as the Company continues to complete its comprehensive review work, including re-engaging and re-bidding construction subcontracts. In addition to the CTC, the Company will incur costs during the construction pause between October 23, 2023 to the potential project re-start date, which the Company expects to fund with current cash and required additional interim funding. The Company will also incur other costs such as working capital, commissioning and ramp-up costs and financing costs which will be included in the full funding solution. The Company is actively exploring financing options focused on addressing the Company's immediate liquidity needs. Refer to the sections titled "*—Recent Liquidity Developments*" and "*—Liquidity and Capital Resources*" below for further discussion.

During the three months ended March 31, 2024, Li-Cycle progressed the comprehensive review of its Rochester Hub project, including advancing work with the local market to refine go-forward cost estimates for the MHP scope.

As at March 31, 2024, the Company has incurred total costs of \$567.2 million on the project, comprised of total cash spend of \$455.9 million and costs incurred but not yet paid of \$111.3 million. In addition, certain contractors, subcontractors, consultants and suppliers (together, the "**lienors**") have filed purported mechanic's liens against the Company's interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. Pending the results of the arbitration proceedings, MasTec is also seeking to enforce its lien through a foreclosure action. See "*Part II. Other Information — Item 1. Legal Proceedings*" and "*Part II. Other Information — Item 1A Risk Factors — There is substantial doubt about Li-Cycle's ability to continue as a going concern*" in this Quarterly Report on Form 10-Q and Note 17 (*Commitments and contingencies*) to the Consolidated Financial Statements.

Operational Initiatives

In view of the pause in construction of the Rochester Hub project, the Company slowed operations at its North American and European Spokes by pausing operations at the Ontario Spoke and slowing operations at its New York, Arizona and Alabama Spokes on an ongoing basis, as it continues to review the timing and BM&E needs of the Rochester Hub. The Company expects to continue to pause or slow down operations at its operational Spokes in North America over the course of 2024. In the three months ended March 31, 2024, Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of EV battery packs and modules, including damaged and defective materials, the Company is increasing its opportunity to earn recycling service revenues and leveraging the main line processing capabilities of its Generation 3 Spokes in Arizona, Alabama and Germany. The Company is also seeking to maximize the commercial value of its purchased battery cell manufacturing scrap by re-selling these materials, whether directly or after processing through its ancillary lines at its Spokes, directly to third parties,

primarily in the Asia-Pacific region. See “—Key Factors Affecting Li-Cycle’s Performance—Customer Demand for Recycled Materials”.

During the three months ended March 31, 2024, in North America, Li-Cycle entered into two new recycling agreements with EV OEMs for full battery pack batteries and extended an existing agreement with a leading battery cell manufacturer. During the three months ended March 31, 2024, the Company also signed a new recycling agreement, and expanded and amended two existing agreements, for modules and full battery pack batteries with three of the largest automotive EV original equipment manufacturers (OEMs) in Europe. Li-Cycle now has recycling contracts with four of the largest automotive EV OEMs in Europe. The Company also signed a new agreement with a major EV battery supplier and a global battery cell manufacturer in Europe.

The Company continues to re-evaluate its strategy for bringing on additional Spoke and Hub capacity in the near-term, specifically:

- **Germany Spoke (Expansion Deferred):** Line 1 capacity of 10,000 tonnes per year was operationalized in August 2023. The Company had previously announced that Line 2 capacity of 10,000 tonnes per year and ancillary capacity of up to 10,000 tonnes per year were expected to be built by the end of 2023, but these plans have been deferred (including the application to expand permitted capacity from 25,000 tonnes to 35,000 tonnes per year) and the timing of the Germany Spoke expansion is being re-evaluated as part of the go-forward strategy.
- **France Spoke (Project Paused):** The Company had expected to start constructing the France Spoke in 2023 and to commence operations in 2024. This Generation 3 Spoke was expected to have a main line recycling capacity of 10,000 tonnes per year, with optionality to expand to up to 25,000 tonnes per year. These plans have been paused and the timing of the France Spoke is being re-evaluated as part of the go-forward strategy.
- **Norway Spoke (Project Paused):** The Company had expected to use its leased facility in Norway initially as a warehouse to support the Germany Spoke operations and then start Spoke operations there in 2024. These plans have been paused and the timing of the Norway Spoke is being re-evaluated as part of the go-forward strategy.
- **Ontario Spoke (Operations Paused):** The Company had planned on replacing the existing Ontario Spoke in 2023 with an expanded Generation 3 Spoke and warehouse facility. The replacement plans for this Spoke have been postponed indefinitely as part of the go-forward strategy.
- **Other Spoke Development Projects (Project Paused):** The Company had previously disclosed that it was undertaking a site selection process for a potential new Spoke in Hungary. These plans have been postponed indefinitely as part of the go-forward strategy.
- **Planned Portovesme Hub Project (Project Paused):** In May 2023, the Company announced it had signed a letter of intent with Glencore International AG, a wholly owned subsidiary of Glencore plc (“**Glencore**”), to jointly study the feasibility of, and later, develop a Hub facility in Portovesme, Italy (the “**Planned Portovesme Hub**”) to produce critical battery materials. The Planned Portovesme Hub would repurpose part of the existing Glencore metallurgical complex, which would enable what we expect would be a cost-efficient and expedited development plan. Work on the definitive feasibility study (“**DFS**”) for the Planned Portovesme Hub project has been paused and the project is currently under review with Glencore as well as with the Company as part of the go-forward strategy.

Financing Initiatives

As previously announced, the Company entered into a conditional commitment with the DOE Loan Programs Office for a loan for gross proceeds of up to \$375.0 million through the DOE’s Advanced Technology Vehicles Manufacturing program. Subsequent to the announcement of the pause in construction of the Rochester Hub, the Company has continued to work closely with the DOE on reviewing the potential MHP scope as well as key technical, financial and legal work streams to advance toward definitive financing documentation required for closing. There can be no assurances that the process, as outlined above, will not affect the amount of the DOE Loan commitment, the amount of the additional financing required by the Company to fund a required base equity commitment in order to draw down on the DOE Loan, the amount of deductions from any potential DOE Loan proceeds, such as capitalized interest and other items, the conditions to drawing on the DOE Loan, other potential terms of the DOE Loan or that the DOE Loan will close and the Company will receive any funding. There are no assurances that the closing of the DOE Loan will yield the maximum amount of expected gross proceeds, and furthermore, that any financing would be sufficient to complete the Rochester Hub.

The Special Committee continues to work with Moelis to explore financing options and strategic alternatives to increase the short-term liquidity of the Company and, following the project review process, to support the completion of the Rochester Hub project.

Key Factors Affecting Li-Cycle's Performance

The Company believes that its performance and future success is dependent on multiple factors that present significant opportunities for Li-Cycle, but also pose significant risks and challenges, including those discussed below and in the section of this Quarterly Report on Form 10-Q titled *"Part II. Other Information - Item 1A. Risk Factors"* and the section of the Annual Report on Form 10-K titled *"Item 1A. Risk Factors"*.

Financing Options and Strategic Alternatives

In light of Li-Cycle's liquidity position and anticipated funding requirements, the Special Committee engaged Moelis to assist with exploring financing options and strategic alternatives. Notwithstanding the closing of the Glencore Senior Secured Convertible Note investment; there can be no assurance that Li-Cycle will be successful in identifying and implementing any further financing options and strategic alternatives. The Company will require a significant amount of financing in addition to the Glencore Senior Secured Convertible Note in order to meet its funding needs. The process of evaluating these options is costly, time-consuming and complex. Li-Cycle has incurred, and may in the future incur, significant costs related to this evaluation, as well as additional unanticipated expenses. A considerable portion of these costs have been and will continue to be incurred regardless of whether any such course of action is implemented, or any further transaction is completed. Any such costs will decrease the remaining cash available for use in Li-Cycle's business. Any delays in this process will cause Li-Cycle's cash balance to continue to deplete, which could make it less attractive as a counterparty. The continued review of Li-Cycle's options may also create continued uncertainty for its employees, including as a result of the past and future reductions in workforce and this uncertainty may adversely affect its ability to retain key employees necessary to maintain its ongoing operations or to execute any potential financing or a strategic transaction. In addition, a strategic alternative process can require a significant amount of management and other employee's time and focus, which diverts attention from operating the business. The failure to achieve some or all of the expected benefits of the financing options and strategic alternatives review, could have a material adverse effect on Li-Cycle's competitive position, business, results of operations, financial condition and cash flows. Further, the market capitalization of Li-Cycle has sharply declined since the announcement of the construction pause on the Rochester Hub project on October 23, 2023. As a result, there is a risk that minimal or no value will be assessed on Li-Cycle's assets by potential counterparties, and that Li-Cycle may not be able to complete any future transaction before its cash position is reduced such that it will need to terminate operations or dissolve and liquidate its assets under applicable bankruptcy laws or otherwise.

Any financing or other strategic transaction that Li-Cycle may consummate in the future could harm the business, operating results and financial condition and there can be no assurances that any financing or strategic transaction will lead to increased shareholder value or achieve any of the anticipated results. If Li-Cycle is successful in completing any future financing or other strategic alternative, it may still be subject to other operational and financial risks, including but not limited to, increased near-term and long-term expenditures; higher than expected financing or other strategic transaction costs; the incurrence of substantial debt or dilutive issuances of equity securities to fund future operations; write-downs of assets; impairment of relationships with key suppliers or customers due to changes in structure, management or ownership; the inability to retain key employees; and the cost of litigation. Furthermore, any additional financing may be insufficient to provide liquidity for ongoing operations, fund the Company's future growth or capital projects, including the Rochester Hub or otherwise satisfy any of the Company's funding needs, and additional financing may have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future financing.

See the risk factors titled *"Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future and may never achieve or sustain profitability," "There is substantial doubt about Li-Cycle's ability to continue as a going concern"* and *"There can be no assurance that the Cash Preservation Plan or the efforts to pursue financing options or strategic alternatives will achieve any of the intended results"* in the section of the Annual Report on Form 10-K titled *"Item 1A. Risk Factors—Risks Relating to Li-Cycle's Business"* for additional details

Development and Growth Projects

Most of our development and growth projects are currently paused. However, any development and growth projects that Li-Cycle undertook in the past and may undertake in the future have been and may continue to be subject to execution and capital cost risks, including, but not limited to, risks relating to regulatory approvals; financing and availability of financing; cost escalations; cash flow constraints; construction delays; supply chain constraints; skilled labor and capital constraints; mechanics and other liens; cost reduction plans and strategic reviews. Li-Cycle has experienced escalating costs for the Rochester Hub project, which resulted in pausing construction work on its Rochester Hub project

since October 2023, pending completion of a comprehensive review of the go-forward strategy for the project. The occurrence of these risks has had a material and adverse impact on Li-Cycle, its liquidity and financial condition, its ability to operate, its workforce and its cash flows.

Financial Condition and Capital Requirements

Li-Cycle incurred a net loss of \$136.7 million for the three months ended March 31, 2024. Li-Cycle expects to incur net losses in the future and may never achieve or sustain profitability. Net losses have had, and will continue to have, an adverse effect on working capital, total assets and shareholders' equity. We have determined under ASC 205 – *Presentation of financial statements*, that there is a substantial doubt regarding Li-Cycle's ability to continue as a going concern. Our ability to continue as a going concern is dependent on our ability to obtain the necessary financing to meet our obligations and repay our liabilities arising from the ordinary course of business operations when they become due. In addition, Li-Cycle's lithium-ion battery recycling operations are capital-intensive. While we have implemented the Cash Preservation Plan in order to reduce expenses and slow cash outflows and have been evaluating further financing and strategic alternatives, the outcome of these initiatives cannot be predicted with any certainty at this time. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital when needed and may therefore need to significantly modify or terminate operations or dissolve and liquidate its assets under applicable bankruptcy laws or otherwise.

As a result of the numerous risks and uncertainties associated with the current status of Li-Cycle's business, even if Li-Cycle is able to address its liquidity needs, Li-Cycle is unable to predict if it will become profitable or maintain profitability. For additional risks, see the risk factor titled "*Li-Cycle has a history of losses and expects to incur significant expenses for the foreseeable future and may never achieve or sustain profitability*" in the section of the Annual Report on Form 10-K titled "*Item 1A. Risk Factors*". Li-Cycle's inability to achieve, and then maintain, profitability would negatively impact its business, financial condition, results of operations, and cash flows.

The Company's ability to satisfy claims of all its creditors in full is uncertain. Losses have been incurred since March 31, 2024 and Li-Cycle expects to incur additional expenses in connection with any future financing or strategic alternative transaction or process and site maintenance costs at the Rochester Hub and general business operations. The Company will incur costs during the construction pause on the Rochester Hub to the potential project re-start date, which the Company expects to fund with current cash and required additional interim funding. In addition, certain payments to contractors and suppliers of the Company have been delayed as a result of the Cash Preservation Plan and management has actively engaged with contractors and suppliers to the Rochester Hub project to negotiate mutually agreeable payment plans. Certain contractors, subcontractors, consultants and suppliers (together, the "**lienors**") have also filed purported mechanic's liens against the Company's interests in certain properties in New York State, under New York Lien Law, given alleged delays in making payments to those lienors. On April 9, 2024, one of the lienors, MasTec, commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. Pending the results of the arbitration proceedings, MasTec is also seeking to enforce its lien through a foreclosure action. See "*Part II. Other Information - Item 1. Legal Proceedings*", and "*Part II. Other Information - Item 1A Risk Factors - There is substantial doubt about Li-Cycle's ability to continue as a going concern*" in this Quarterly Report on Form 10-Q and Note 17 (*Commitments and contingencies*) to the Consolidated Financial Statements. Li-Cycle has also incurred and expects to continue to incur significant expenses relating to advisors hired to assist the Company with managing short-term liquidity and implementing liquidity generating initiatives. No assurances can be given that Li-Cycle will be able to pay its creditors in full or that Li-Cycle will not be subject to additional expenses and liabilities in addition to its current expectations.

Employee Matters and Growth Management

On October 31, 2023, the Board authorized a reduction in workforce plan across Li-Cycle. Under our Cash Preservation Plan, the Company is considering taking additional steps to reduce its workforce. On March 25, 2024, the Board approved plans to reduce approximately 17% of the Company's workforce, primarily at the corporate level as part of the Cash Preservation Plan. As a result of the foregoing actions and considering the possibility of further reductions in workforce based on the Company's strategic objectives and the Cash Preservation Plan to right-size and right-shape our organization, Li-Cycle cannot provide any assurance that it will be able to retain adequate staffing levels among its remaining workforce. If employees who were not affected by any reduction in force seek alternative employment, this could require the Company to seek contractor support at unplanned additional expense or otherwise harm our productivity. In addition, on March 25, 2024, as part of the ongoing comprehensive review and Cash Preservation Plan, the Company made the strategic decision to transition from its regional management structure to a centralized model, which resulted in

certain leadership changes. Effective as of March 26, 2024, Tim Johnston ceased serving as the Company's Executive Chair and transitioned to the role of interim non-executive Chair of the Company's Board, Debbie Simpson ceased serving as the Chief Financial Officer of the Company and Richard Storrie ceased serving as the Company's Regional President, EMEA. In addition, Craig Cunningham was appointed as the interim Chief Financial Officer of the Company, Conor Spollen was appointed as the Chief Operating Officer of the Company and Dawei Li was appointed as the Chief Commercial Officer of the Company. The loss or transition of members of its senior management or inability to retain key employees could adversely affect its business. Li-Cycle's success depends on the skills, experience, and performance of its employees, including its senior management.

Notwithstanding the role of the Special Committee in supervising a strategic review of the Company's operations and capital projects, and considering financing and other strategic alternatives, Li-Cycle's executive officers and directors have a significant stake in the Company and are likely to have influence over any critical decisions relating to Li-Cycle. Li-Cycle's executive officers and directors collectively hold, directly or indirectly, approximately 21% of the Company's outstanding common shares as of March 31, 2024. As a result, such individuals are likely to continue to have a significant influence in determining any matters submitted to the shareholders for approval, and to have significant influence in the management and affairs of the Company. The interests of the officers and directors may differ from the interests of other shareholders of Li-Cycle due to various factors.

Share Capital

The price of Li-Cycle's common shares has been and could remain volatile, and the market price of common shares may decrease. From April 1, 2023 to March 29, 2024, the market price of Li-Cycle's common shares has fluctuated from a high of \$6.16 per share to a low of \$0.35 per share. In addition, following the announcement of the pause on the Rochester Hub project on October 23, 2023, the market capitalization of Li-Cycle declined sharply and several shareholder actions were commenced against the Company. These shareholder actions could result in substantial cost to the Company, divert management's attention and resources and harm our business, financial condition and results of operations. See Note 17 (*Commitments and Contingencies*) to the Consolidated Financial Statements.

On December 20, 2023, we received a written notice from the NYSE (the "**Trading Standards Notice**") that we are not in compliance with the continued listing standards set forth in Rule 802.01C of the NYSE Manual because the average closing price of our common shares over a consecutive 30 trading-day period was less than \$1.00. Pursuant to Rule 802.01C, we have a period of six months following the receipt of the Trading Standards Notice to regain compliance with the minimum average closing price requirement. We notified the NYSE within 10 business days of receipt of the Trading Standards Notice of our intent to cure the deficiency. The Trading Standards Notice has no immediate impact on the listing of our common shares, subject to our continued compliance with the NYSE's other continued listing requirements. While we have put forward a proposal to our shareholders at our annual general and special meeting of Shareholders to be held on May 23, 2024 to implement a consolidation of our issued and outstanding common shares on the basis of a consolidation ratio within a range between 2:1 and 8:1, with the ratio to be selected and implemented by the Board of Directors in its sole discretion, if at all, at any time prior to the next annual meeting of shareholders, there can be no assurance that any action taken by us to regain compliance with Rule 802.01C of the NYSE Manual will be successful.

The shareholder rights plan, which was adopted by the Board on October 31, 2023 and amended on March 11, 2024, could make an acquisition of the Company, which may be beneficial to its shareholders, more difficult and may prevent attempts by our shareholders to replace or remove the current members of the Board and management.

Availability of Lithium-Ion Battery Materials for Recycling

Li-Cycle is reliant on obtaining lithium-ion batteries and battery manufacturing scrap for recycling at its Spokes through its contracts with third-party suppliers. The Company maintains commercial contracts with leaders in the EV and LIB ecosystem, including battery manufacturers and automotive original equipment manufacturers, as well as energy storage, consumer electronics and transportation companies. Li-Cycle's cash flows are premised on the expectation that it will attract new suppliers by differentiating itself based on the sustainability of its process and the robustness of its technology, which in turn will enable Li-Cycle to offer competitive terms to suppliers.

There can be no assurance that Li-Cycle will attract new suppliers or expand its supply pipeline from existing suppliers, or that its relationship, including payment terms, with current suppliers will not continue to be adversely affected as a result of the current status of its business, the Company's ability to make timely payments to suppliers and any decline

in supply volume from existing suppliers or an inability to source new supplier relationships could have a negative impact on Li-Cycle's results of operations and financial condition.

Customer Demand for Recycled Materials

Li-Cycle currently recognizes revenue from, among other things, sales of products consisting primarily of Black Mass & Equivalents, shredded metal and recycling services. If the Rochester Hub becomes operational on the basis of the MHP scope, and Li-Cycle starts processing black mass internally, then Li-Cycle expects to recognize revenue from the sale of critical battery materials such as lithium carbonate and MHP. Refer to the section titled "*— Update on Strategic Priorities and Business Outlook*" above for further details. The demand for Li-Cycle's recycling services and products is driven in part by the demand for EVs (including automobiles, e-bikes, scooters, buses and trucks) and other energy storage systems. A decline in the adoption rate of EVs, or a decline in the support by governments for "green" energy technologies could reduce the demand for Li-Cycle's products and recycling services.

Li-Cycle has entered into two agreements with Traxys covering the off-take of black mass from its Spokes in North America and certain future specialty products from the Rochester Hub. Refer to the subsection titled "*Diversified In-Take and Off-Take Commercial Contracts - Off-Take Commercial Contracts for Black Mass and Battery Grade Materials*" in the section of the Annual Report on Form 10-K titled "*Item 1. Business*". Li-Cycle has also entered into additional off-take agreements with Glencore, covering substantially all of its other Spoke and future Hub products. On March 25, 2024, pursuant to the terms of the Allocation Agreement dated as of March 25, 2024 by and among the Company, certain of its affiliates, Traxys and Glencore Ltd. (the "**Allocation Agreement**"), Traxys waived its rights over 50% of the volume of black mass and refined products that would otherwise have been sold to Traxys under the Company's existing commercial agreements with Traxys, and such material has been deemed to be Glencore-committed material under the terms of the Company's existing commercial agreements with Glencore.

If the Company or its off-take partners are unwilling or unable to fulfil their respective contractual obligations, if either party fails to perform under the relevant contract, or if these off-take partners otherwise terminate these agreements prior to their expiration, the Company's business could suffer and Li-Cycle may not be able to find other off-take partners on similar or more favorable terms, which could have a material adverse effect on its business, results of operations and financial condition.

Li-Cycle relies on a limited number of customers from whom it generates most of its revenue. Li-Cycle has focused its commercial activities on supporting key OEM and strategic partners. By focusing on the intake of EV battery packs and modules, including damaged and defective materials, the Company is increasing its opportunity to earn recycling service revenues. The Company directly sells a portion of its products to third parties under short term contracts. The Company is also seeking to maximize the commercial value of its purchased battery cell manufacturing scrap by re-selling a portion of these materials, whether directly or after processing through the ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region. In selling directly to third parties, the Company may assume additional risks, including credit risk and transportation risk. Given that these third-party contracts are generally short-term commitments, there can be no assurances that the Company will continue to obtain or renew such contracts on similarly favorable terms, which could have a material adverse effect on the Company's business, results of operation and financial condition.

Fluctuations in Commodity Prices

The prices that Li-Cycle pays for battery feedstock for its Spokes, and the revenue that Li-Cycle recognizes from the sale of products, are impacted by the commodity prices for the metals contained in those battery feedstocks or products, notably nickel, cobalt, lithium and copper. In addition, Li-Cycle's financial results are dependent on the volume of metals contained in the battery feedstock purchased and products sold, each of which is subject to fluctuations in commodity prices.

As a result, fluctuations in the prices of these commodities affect Li-Cycle's costs and revenues. If the Rochester Hub becomes operational on the basis of the MHP scope, and Li-Cycle starts processing black mass internally, then Li-Cycle expects to recognize revenue from the sale of critical battery materials such as lithium carbonate. The amount of revenue that Li-Cycle will recognize from the sale of these Hub products will also be impacted by the commodity prices for the metals contained in these Hub products, notably lithium, nickel, cobalt, and copper. While Li-Cycle's costs and revenues may vary with commodity prices and specialty product prices, the Company believes the range of end products that Li-Cycle expects to produce will result in a diversification effect that will provide it with a natural hedge against significant variations in the commodity pricing related to a single product.

Ability to Build Out Additional Facilities

Li-Cycle's future growth and profitability is dependent on its ability to scale the business, and build out additional facilities in North America and internationally. Prior to the pause on the Rochester Hub project and the implementation of the Cash Preservation Plan, Li-Cycle had operational Spokes in Kingston, Ontario, Rochester, New York, Gilbert, Arizona and Tuscaloosa, Alabama, and was advancing the construction of its first commercial Hub, in Rochester, New York. Li-Cycle had also opened its first European Spoke, in Germany, and had announced plans for its first European Hub in partnership with Glencore in Portovesme, Italy.

Following the pause on the Rochester Hub project on October 23, 2023, as part of the Cash Preservation Plan, the Company executed a workforce reduction plan across the organization, paused production at its Ontario Spoke, reduced levels of BM&E production at its remaining operating Spokes in North America and suspended the development of certain Spoke projects, among other actions and expects to take similar actions in the future. The Company continues to conduct a comprehensive review of the go-forward strategy of its business and there can be no assurance that any resulting strategy will result in Li-Cycle growing or achieving profitability, even assuming that it is first successful in identifying and implementing any further financing option or strategic alternatives to address its liquidity issues. Even if the development of Li-Cycle's Rochester Hub and full operations at its Spoke network and other future projects were able to resume, which is uncertain and may not occur in part or at all, all such projects and operations will continue to be subject to risks, including engineering, financing and availability of financing, permitting, procurement, contracting, construction, commissioning, staffing and ramp-up, and Li-Cycle cannot guarantee that these projects will be completed within expected timeframes or at all, that costs will not be significantly higher than estimated, that it will have sufficient capital to cover any increased costs or that the completed projects will meet expectations with respect to their production rates, unit costs or specifications of their end products, among others. Refer to the section titled "*—Update on Strategic Priorities and Business Outlook*" and the risk factor "*The development of Li-Cycle's Rochester Hub, Spoke network and other future projects is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, and Li-Cycle cannot guarantee that these projects will be resumed, completed in a timely manner or at all, that their costs will not be significantly higher than estimated, that financing will be sufficient to cover costs or escalated costs, or that the completed projects will meet expectations with respect to their productivity or the specifications of their respective end products, among others.*" in the section of the Annual Report on Form 10-K titled "*Item 1A. Risk Factors—Risks Relating to Li-Cycle's Business*" for additional details.

General Economic Conditions and Global Supply Chain

Li-Cycle's operations, costs and timelines may be affected by global economic or geopolitical conditions, including recessions, slow economic growth, economic and pricing instability, inflation levels, increase of interest rates and credit market volatility, all of which could impact demand in the worldwide transportation industries or otherwise have a material adverse effect on Li-Cycle's business, results of operations and financial condition. For example, Russia's invasion of Ukraine and the war in the Middle East have and may continue to disrupt the global supply chain. Shortages, price increases and/or delays in shipments of supplies, equipment and raw materials have occurred and may continue to occur in the future which may result in increased operational or construction costs or operational or construction slowdowns. Inflation can also adversely affect us by increasing the costs of labor, materials and other costs required to manage and grow our business. This may affect our capital projects, including the Rochester Hub project, which could increase our capital costs, and our Spoke operations, which could reduce our profit margins and returns. In addition, inflation is often accompanied by higher interest rates. The potential impact of high interest rates and the uncertainty regarding future rate increases, may increase uncertainty and volatility in the global financial markets. In addition, the possibility of high inflation and an extended economic downturn could reduce our ability to incur debt or access capital and adversely impact our business, results of operations and financial condition. If current global market and political conditions continue or worsen, Li-Cycle's business, results of operations and financial condition could be materially adversely affected.

Research and Development

Li-Cycle continues to conduct R&D centered on various aspects of its business at reduced levels while the Company conducts a comprehensive review of its go-forward strategy.

Results of Operations

\$ millions, except per share data	Three months ended March 31,		
	2024	2023	Change
Financial highlights			
Revenue	\$ 4.2	\$ 3.6	\$ 0.6
Cost of sales	(16.8)	(19.1)	2.3
Selling, general and administrative expense	(31.7)	(22.7)	(9.0)
Research and development	0.1	(0.9)	1.0
Other income (expense)	(92.5)	2.7	(95.2)
Income tax	—	(0.1)	0.1
Net loss	(136.7)	(36.5)	(100.2)
Adjusted EBITDA ¹ loss	(27.4)	(37.9)	10.5
Loss per common share - basic and diluted	(0.76)	(0.21)	(0.55)
Net cash used in operating activities	\$ (29.1)	\$ (22.4)	\$ (6.7)

As at	March 31, 2024	December 31, 2023	Change
Cash, cash equivalents and restricted cash	\$ 118.7	\$ 80.3	\$ 38.4

¹ Adjusted EBITDA is a non-GAAP financial measure and does not have a standardized meaning under U.S. GAAP. Refer to the section titled "Non-GAAP Reconciliations and Supplementary Information" below, including a reconciliation to comparable U.S. GAAP financial measures.

Revenue

Li-Cycle recognizes revenue from: (i) sales of products, including Black Mass & Equivalents, and shredded metal; and (ii) providing services relating to recycling of LIB, which includes coordination of inbound logistics and recycling and destruction of batteries. Sales of products are presented net of fair value gains or losses recognized in the period. Refer to the section titled "— Material Accounting Policies and Critical Estimates" below for additional details on the Company's revenue recognition policy.

\$ millions, except sales volume	Three months ended March 31,	
	2024	2023
Product revenue	\$ 2.3	\$ 7.2
Recycling service revenue	2.3	0.5
Revenue before fair value pricing adjustments	4.6	7.7
Fair value pricing adjustments	(0.4)	(4.1)
Revenue	\$ 4.2	\$ 3.6
Tonnes of BM&E sold	946	881

For the three months ended March 31, 2024, revenue increased to \$4.2 million, compared to \$3.6 million in the three months ended March 31, 2024, primarily due to an increase in recycling service revenue as well as changes in fair value pricing adjustments, which were partially offset by a decrease in product revenue. Product revenue, net of fair market value adjustments, decreased by \$1.2 million or 39% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, despite a 7% increase in volume of products sold, primarily as result of a change in the mix of constituent payable metals in the products sold as compared to the three months ended March 31, 2023, as well as unfavorable commodity prices when compared to the previous period.

The following tables set out the period end and period average commodity prices for cobalt and nickel:

		Market price per tonne As at March 31,		Average market price per tonne Three months ended March 31,	
		2024	2023	2024	2023
Cobalt	\$	27,778	\$ 35,935	\$ 27,756	35,458
Nickel		16,525	23,050	16,600	25,737

Revenue for the three months ended March 31, 2024 was impacted by unfavorable fair value pricing adjustments of \$0.4 million, compared to unfavorable fair value pricing adjustments of \$4.1 million for the three months ended March 31, 2024. As of March 31, 2024, 1,124 metric tonnes of Black Mass & Equivalents were subject to fair value pricing adjustments. Depending on the contractual terms, the BM&E could take up to 12 months to settle after shipment. The table below shows the expected settlement dates for the metric tonnes of BM&E subject to fair value price adjustments by quarter for the last sixteen months:

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
271+ days	—	248	1,662	2,450	1,154
181-270 days	248	151	557	743	583
91-180 days	151	1,372	743	668	925
1-90 days	725	542	1,312	1,116	1,697
Total metric tonnes	1,124	2,313	4,274	4,977	4,359

Recycling service revenue increased \$1.8 million or 360% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 primarily as a result of new service contracts entered after the first quarter of 2023.

Cost of sales

Cost of revenue attributable to product sales includes direct and indirect materials, labor costs, manufacturing overheads, including depreciation, logistics, maintenance, and facility related expenses. Cost of sales attributable to product revenue also includes charges to write down the carrying value of inventory when it exceeds its estimated net realizable value.

Cost of sales attributable to service revenue includes the cost of the battery materials acquired with the service contract with the remaining product conversion cost being included in cost of sales attributable to product sales.

The Company's operating Spokes continue to advance through the early operational phase as of the quarter ended March 31, 2024. While, cost of sales attributable to product revenue decreased \$3.2 million or 17% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 as a result of decreased production levels, the decrease was partially offset by increased operational costs associated repair and maintenance activities due to inconsistent throughput and limited operating history.

Cost of sales attributable to service revenue increased by \$0.9 million or 100% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 due to new service contracts entered into after the first quarter of 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses increased \$9.0 million or 40% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 primarily as a result of increased professional and legal fees of \$7.9 million, primarily due to professional fees related to the Rochester Hub construction pause and legal fees incurred as a result of the three shareholder lawsuits and mechanic's liens filed following the construction pause at the Rochester Hub (See Note 17 (*Commitments and contingencies*) to the Consolidated Financial Statements) and severance expense associated with the Company's reduction in workforce announced in March 2024 of \$5.1 million, partially offset by decreases of \$2.4 million related to recurring personnel costs and \$1.3 million in other administrative costs.

Research and development

For the three months ended March 31, 2024, research and development was an income of \$0.1 million, compared to an expense of \$0.9 million in the corresponding period in 2023. The \$0.1 million income in research and development

for the three months ended March 31, 2024 was due to research and development costs related to the Planned Portovesme Hub, which were expensed in the fourth quarter of 2023 and refunded by Glencore in accordance with our cost sharing agreement with Glencore.

Other income (expense)

Other income (expense) consists of interest income, foreign exchange gain or loss, interest expense, and fair value gain (loss) on financial instruments. Interest expense represents interest paid in kind ("**PIK interest**"), actual cash interest costs incurred and any accrued interest payable at a future date, net of interest costs capitalized for qualifying assets where they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

For the three months ended March 31, 2024, other income (expense) was an expense of \$92.5 million compared to other income of \$2.7 million in the corresponding period of 2023. The expense for the three months ended March 31, 2024 was primarily related to debt extinguishment loss of \$58.9 million and unrealized fair value loss on financial instruments of \$23.8 million as a result of the amendment and restatement of the terms of the Glencore Unsecured Convertible Notes in connection with the issuance of the Glencore Senior Secured Convertible Note, a decrease in interest income of \$4.4 million related to lower short term interest-bearing cash investments, partially offset by foreign exchange gains of \$1.1 million as a result of favorable changes in currency rates.

Net loss

Net loss was \$136.7 million in the three months ended March 31, 2024, compared to net loss of \$36.5 million in the comparative period in 2023. Net loss for the three months ended March 31, 2024 was driven by the factors discussed above, primarily by the increase in the selling, general and administrative expenses, and the increase in other expense.

Adjusted EBITDA loss

Adjusted EBITDA loss was \$27.4 million in the three months ended March 31, 2024, compared to \$37.9 million in the corresponding period of 2023. The primary difference between Adjusted EBITDA loss and net loss for the period is the exclusion of the debt extinguishment loss of \$58.9 million related to the Glencore Unsecured Convertible Notes (see Note 14 to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q), as well as unrealized fair value gains on financial instruments, interest income, interest expense, and depreciation.

A reconciliation of Adjusted EBITDA loss to net loss is provided in the section titled "*Non-GAAP Reconciliations and Supplementary Information*" below.

Non-GAAP Reconciliations and Supplementary Information

The Company uses the non-GAAP measure of Adjusted EBITDA. Management believes that this non-GAAP measure provides useful information to investors in measuring the financial performance of the Company and is provided as additional information to complement U.S. GAAP measures by providing a further understanding of the Company's results of operations from management's perspective. Adjusted EBITDA does not have a standardized meaning prescribed by U.S. GAAP and the term therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Accordingly, it should not be considered in isolation nor as a substitute for the analysis of the Company's financial information reported under U.S. GAAP.

Adjusted EBITDA is defined 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 following table provides a reconciliation of net loss to Adjusted EBITDA (loss).

unaudited \$ millions	Three months ended March 31,		
	2024	2023	
Net loss	\$ (136.7)	\$ (36.5)	
Income tax	—	(0.1)	
Depreciation and amortization	4.2	1.9	
Interest expense	11.5	1.1	
Interest income	(0.6)	(5.0)	
EBITDA (loss)	\$ (121.6)	\$ (38.6)	
Debt extinguishment loss	58.9	—	
Restructuring fees ¹	11.5	—	
Fair value loss on financial instruments ²	23.8	0.7	
Adjusted EBITDA (loss)	\$ (27.4)	\$ (37.9)	

¹ Restructuring charges include: expense related to the workforce reduction approved by the Board on March 25, 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.

Operational Updates

unaudited \$ millions, except production data in tonnes	Three months ended March 31,		
	2024	2023	Change
Operational Highlights			
Capital Expenditure	\$ 6.2	\$ 86.3	93%
Production - Black Mass & Equivalents	1,319	1,853	29%

Capital Expenditure

Capital expenditures for the three months ended March 31, 2024 were \$6.2 million, compared to \$86.3 million in the three months ended March 31, 2023. The \$6.2 million capital expenditures in the three months ended March 31, 2024 primarily consisted of payments for equipment and construction materials purchased during previous periods for the Rochester Hub and the Germany Spoke. The decrease in capital expenditures for the three months ended March 31, 2024 was due to the pause of construction at the Rochester Hub whereas capital expenditures for the three months ended March 31, 2023 were primarily driven by purchases of equipment and construction materials for the Rochester Hub.

Production - Black Mass & Equivalents

The Company produced 1,319 tonnes of Black Mass & Equivalents in the three months ended March 31, 2024, compared to 1,853 tonnes in the corresponding period of 2023. The decrease in production of BM&E was primarily attributable to the pause and slow down of operations at our North America Spokes.

Development of Spoke & Hub Network

Li-Cycle has three operational Spokes in North America (the New York Spoke, the Arizona Spoke and the Alabama Spoke) and one new operational Spoke in Europe (the Germany Spoke, which commenced operations in August 2023). Since October 23, 2023, production at the Ontario Spoke has been paused.

The table below outlines current installed Spoke capacity as at March 31, 2024, by Spoke location:

Annual material processing capacity (in tonnes)	Main Line ¹	Ancillary Processing			Total Processing Capacity
		Dry Shredding ²	Powder Processing ³	Baling ⁴	
New York Spoke	5,000	—	3,000	—	8,000
Arizona Spoke	10,000	5,000	3,000	5,000	23,000
Alabama Spoke	10,000	5,000	—	—	15,000
Germany Spoke	10,000	—	—	—	10,000
Available Spoke Capacity	35,000	10,000	6,000	5,000	56,000

Notes

- ¹ Processes materials using Li-Cycle's patented submerged shredding process or "wet shredding" specifically for battery materials that contain electrolyte and have risk of thermal runaway.
- ² Processes materials that do not contain electrolyte, and therefore have less risk of thermal runaway.
- ³ Processes cathode powders to minimize dusting in downstream processes.
- ⁴ Processes cathode foils into formed cubes for optimizing logistics and downstream processing.

The Company processes end-of-life batteries and certain manufacturing scrap at its Spoke main lines to produce black mass and shredded metal. Other manufacturing scrap acquired by the Company may be processed at the Company's ancillary lines to produce intermediate products or sold directly third parties.

Li-Cycle's first commercial Hub was under construction in Rochester, New York until October 23, 2023, when the Company announced a construction pause on its Rochester Hub project, pending completion of a comprehensive review of the go-forward strategy for the project. The Rochester Hub is expected to have a nameplate input capacity to process 35,000 tonnes of BM&E annually (equivalent to approximately 90,000 tonnes or 18 GWh of LIB equivalent feed annually). The facility is expected to have an output capacity of battery grade materials including approximately 7,500 to 8,500 tonnes per annum of lithium carbonate. The Company expects to continue to pause or slow down operations at its operational Spokes in North America as it reviews the future timing and BM&E needs of the planned Rochester Hub. The Company will also continue to re-evaluate its strategy for bringing on additional Spoke and Hub capacity in the mid-term. See "*Update on Strategic Priorities and Business Outlook*", above.

Liquidity and Capital Resources

Overview

Until 2020, Li-Cycle was a development stage company with no commercial revenues. To date, Li-Cycle has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the PIPE Financing; and (iii) private placements of other Li-Cycle securities (including convertible notes and common shares).

As at March 31, 2024, the Company had \$109.1 million of cash and cash equivalents on hand and convertible debt of \$447.7 million. Li-Cycle has no material debt maturities until May 31, 2027. For the three months ended March 31, 2024, the Company's net loss and net cash used in operating activities amounted to \$136.7 million and \$29.1 million, respectively. The Company has also incurred significant losses since its inception. The Company's primary need for liquidity is to fund working capital requirements of its business during its comprehensive review of the Rochester Hub and go-forward strategy in addition to funding existing and remaining capital commitments related to its Rochester Hub. On October 23, 2023, the Company announced that it was pausing construction work on its Rochester Hub, due to escalating costs, pending completion of a comprehensive review of the go-forward strategy for the project, which in turn led to the establishment of the Special Committee and the implementation of the Cash Preservation Plan, among other initiatives aimed at strengthening the Company's financial position and enhancing its liquidity. Refer to the sections entitled "*Recent Liquidity Developments*" and "*Update on Strategic Priorities and Business Outlook*" above for further details.

The Company expects to finance its operations primarily through cash flows from operations and additional external financing. The Company has a declining cash balance notwithstanding the implementation of the Cash Preservation Plan. As a result, without alternative short or long-term financing in the near term, the Company will not have sufficient cash and cash equivalents on hand or other resources to support current operations for the twelve months following the filing of this Quarterly Report on Form 10-Q. This casts substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to secure additional funding, under reasonable commercial terms or at all. Furthermore, any additional financing, may be insufficient to provide liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub or otherwise satisfy any of the Company's funding needs and obligations, and additional financing may have restrictive covenants that significantly limits the Company's operating and financial flexibility or its ability to obtain future financing.

In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business. These factors have led the Company to take steps to preserve its current cash position through the Cash Preservation Plan, including reducing headcount and

spending, extending payment cycles and implementing other similar measures. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital when needed, and Li-Cycle may therefore need to significantly modify or terminate operations or dissolve and liquidate our assets under applicable bankruptcy laws or otherwise.

The Company has evaluated whether there are conditions and events, considered in the aggregate and including the ones mentioned above, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. Based on its recurring losses from operations since inception and continued cash outflows from operating activities, including funding capital commitments related to the Rochester Hub, the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that the Consolidated Financial Statements are issued.

Cash Flows Summary

Presented below is a summary of Li-Cycle's operating, investing, and financing cash flows for the three months ended March 31, 2024 and March 31, 2023:

\$ millions	Three months ended March 31,	
	2024	2023
Net cash used in operating activities	\$ (29.1)	\$ (22.4)
Net cash used in investing activities	(6.2)	(86.3)
Net cash provided by financing activities	73.7	—
Net change in cash, cash equivalents and restricted cash	\$ 38.4	(108.7)

Cash and Cash Equivalents

Cash, cash equivalents and restricted cash were \$118.7 million as at March 31, 2024, compared to \$80.3 million as at December 31, 2023. Cash, cash equivalents and restricted cash as at March 31, 2024 included proceeds received from the issuance of the Glencore Senior Secured Convertible Note and restricted cash of \$9.6 million, of which \$2.9 million is held as security for waste disposal obligations related to the Germany Spoke operations and \$5.5 million is a bank guarantee against a reservation fee for future battery waste recycling services. Additionally, restricted cash also includes funds held as cash collateral with a bank as security for credit cards and a performance bond.

Net Cash Used in Operating Activities

For the three months ended March 31, 2024, net cash used in operating activities were approximately \$29.1 million, compared to \$22.4 million in the corresponding period of 2023 and were driven by an increase in selling, general and administrative expenses including increases in professional fees primarily related to legal fees incurred as a result of the three shareholder suits and mechanic's liens filed following the construction pause at the Rochester Hub as well as increases in severance costs as a result of the workforce reduction announced in March 2024. The workforce reduction provides certain executives and non-executives with contractual termination benefits as well as one-time termination benefits. The Company recorded the expense of \$0.4 million in cost of sales and \$5.1 million in selling, general and administrative expense.

Net Cash Used in Investing Activities

For the three months ended March 31, 2024, net cash used in investing activities were \$6.2 million, and primarily consisted of payments for equipment and construction materials purchased during previous periods for the Rochester Hub and Germany Spoke, compared to net cash used in the investing activities of \$86.3 million in the corresponding period of 2023. Net cash used in investing activities in the three months ended March 31, 2023 were driven by the capital investment in the Rochester Hub and acquisition of equipment and construction materials for the Rochester Hub.

Net Cash Provided by Financing Activities

For the three months ended March 31, 2024, net cash provided by financing activities were \$73.7 million, compared to \$nil in the corresponding period of 2023, and were primarily driven by \$75.0 million of gross proceeds

received from the issuance of the Glencore Senior Secured Convertible Note on March 25, 2024 net of \$1.3 million of transaction costs.

Debt Obligations

KSP Convertible Notes

On September 29, 2021, the Company entered into a Note Purchase Agreement (the "**KSP Note Purchase Agreement**") with Spring Creek Capital, LLC (an affiliate of Koch Strategic Platforms, LLC, being a subsidiary of Koch Investments Group) and issued an unsecured convertible note (the "**KSP Convertible Note**") for a principal amount of \$100 million to Spring Creek Capital, LLC. The KSP Convertible Note will mature on September 29, 2026, unless earlier repurchased, redeemed or converted. Interest on the KSP Convertible Note is payable semi-annually, and Li-Cycle is permitted to pay interest on the KSP Convertible Note in cash or by payment in-kind ("**PIK**"), at its election. Initially, interest payments made in cash were based on an interest rate of LIBOR plus 5.0% per year, and PIK interest payments were based on an interest rate of LIBOR plus 6.0% per year, with a LIBOR floor of 1% and a cap of 2%. Since July 1, 2023, as the LIBOR interest rate is no longer published, under the terms of the KSP Note Purchase Agreement, the interest rate is instead based on the sum of the Secured Overnight Financing Rate ("**SOFR**") and the average spread between the SOFR and LIBOR during the three-month period ending on the date on which LIBOR ceases to be published, subject to a floor of 1% and cap of 2%. On March 25, 2024, the terms of the KSP Convertible Note were modified to removing the SOFR floor of 1% and cap of 2% and including penalty interest upon an event of default consistent with the penalty interest provision of the Glencore Senior Secured Convertible Note, as described below under "—Liquidity and Capital Resources—Debt Obligations—Glencore Senior Secured Convertible Note". The amendment was accounted for as a debt modification in accordance with ASC 470-50 - Debt Modifications or Extinguishments and no gain or loss was recognized. The PIK election results in the issuance of a new note under the same terms as the KSP Convertible Note, issued in lieu of interest payments with an issuance date on the applicable interest date. The Company has elected to pay interest by PIK since the first interest payment date of December 31, 2021. The KSP Convertible Note and the PIK notes issued thereunder are referred to collectively as the "**KSP Convertible Notes**", and as at March 31, 2024, comprised the following:

Note	Date Issued	Amount Issued
Initial KSP Note	September 29, 2021	\$ 100.0
PIK Note	December 31, 2021	1.8
PIK Note	June 30, 2022	4.1
PIK Note	December 31, 2022	4.3
PIK Note	June 30, 2023	4.4
PIK Note	December 31, 2023	4.7
Total		\$ 119.3

On May 1, 2022, Spring Creek Capital, LLC assigned the KSP Convertible Note and the PIK note outstanding at that time to an affiliate, Wood River Capital, LLC. On May 5, 2022, the KSP Convertible Notes were amended to permit the issuance of the Glencore Unsecured Convertible Note and to amend certain investor consent related provisions. The KSP Convertible Notes were further amended on February 13, 2023 to clarify the conversion calculation

The principal and accrued interest owing under the KSP Convertible Notes may be converted at any time by the holder into the Company's common shares, at a per share price equal to \$13.43 (the "**Conversion Price**"). If the closing price per share of the Company's common shares on the New York Stock Exchange is above \$17.46 for 20 consecutive trading days, then the Company may elect to convert the principal and accrued interest owing under the KSP Convertible Notes, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the "**Make-Whole Amount**") into the Company's common shares at the Conversion Price.

The Company may redeem the KSP Convertible Notes at any time by payment in cash of an amount equal to 130% of the principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount.

The principal and accrued interest owing under the KSP Convertible Notes may be converted at any time by the holder into the Company's common shares at a per share price equal to \$13.43. If the closing price per share of the Company's common shares on the New York Stock Exchange is above \$17.46 for twenty consecutive trading days, the Company may elect to convert the principal and accrued interest owing under the KSP Convertible Notes, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the "Make-Whole Amount"), into the Company's common shares at the then applicable conversion price.

The Company may redeem the KSP Convertible Notes at any time by payment of an amount in cash equal to 130% of the principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount. Upon a change of control transaction, the Company will be required to redeem the KSP Convertible Notes by payment of an amount in cash equal to the outstanding principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount. The KSP Convertible Notes are subject to certain events of default, the occurrence of which would give the holder the right to require the Company to redeem the KSP Convertible Notes by payment of an amount in cash equal to the outstanding principal amount of the KSP Convertible Notes and all accrued interest owing under the KSP Convertible Notes, plus the Make-Whole Amount.

The obligations of the Company to make any payment on account of the principal of and interest on the KSP Convertible Notes are subordinated and junior in right of payment and upon liquidation to the Company's obligations to the holders of all current and future senior indebtedness of the Company. As at March 31, 2024, no conversions or redemptions of the KSP Convertible Notes have taken place.

A&R Glencore Convertible Notes

On May 31, 2022, the Company issued to Glencore an unsecured convertible note in the aggregate principal amount of \$200 million (the "**Glencore Unsecured Convertible Note**"), in a transaction exempt from registration under the U.S. Securities Act of 1933, as amended. The Glencore Unsecured Convertible Note matures five years from the date of issuance and interest on the Glencore Unsecured Convertible Note is payable on a semi-annual basis, either in cash or by PIK, at the Company's option. The Glencore Unsecured Convertible Note accrues interest from the date of issuance at the forward-looking term rate based on SOFR for a tenor comparable to the relevant interest payment period plus 0.42826% (the "**Floating Rate**") plus 5% per annum if interest is paid in cash and plus 6% per annum if interest is paid in PIK. The Floating Rate has a floor of 1% and a cap of 2%. The Company has elected to pay interest by PIK since the first interest payment date on the Glencore Unsecured Convertible Note of November 30, 2022. The Glencore Unsecured Convertible Note and the PIK notes issued thereunder are referred to collectively as the "**Glencore Unsecured Convertible Notes**".

The principal and accrued interest owing under the Glencore Unsecured Convertible Notes may be converted at any time by the holder into the Company's common shares at a per share price equal to \$9.95 (the "**Conversion Price**"), subject to adjustments. The Company may redeem the Glencore Unsecured Convertible Notes at any time by payment of an amount in cash equal to 100% of the outstanding principal amount of the Glencore Unsecured Convertible Notes and all accrued interest owing under the Glencore Unsecured Convertible Notes. In connection with any optional redemption and provided that the holder of the Glencore Unsecured Convertible Notes has not elected to convert the Glencore Unsecured Convertible Notes into common shares following receipt of an optional redemption notice, the Company must issue warrants (the "**Glencore Warrants**") to the holder of the Glencore Unsecured Convertible Notes on the optional redemption date that entitle the holder to acquire, until the maturity date of the Glencore Unsecured Convertible Notes, a number of common shares equal to the principal amount of the Glencore Unsecured Convertible Notes being redeemed divided by the then applicable Conversion Price. The initial exercise price of the Glencore Warrants will be equal to the Conversion Price as of the optional redemption date.

The obligations of the Company to make any payment on account of the principal of and interest on the Glencore Unsecured Convertible Notes are subordinated and junior in right of payment and upon liquidation to the Company's obligations to the holders of all current and future senior indebtedness of the Company. The Glencore Unsecured Convertible Notes were amended on February 13, 2023 to clarify the conversion calculation.

On March 25, 2024, Glencore and the Company amended and restated the terms of the Glencore Unsecured Convertible Notes, in two tranches (and such resulting two tranches of the amended and restated unsecured convertible note, the **"A&R Glencore Convertible Notes"**). Each A&R Glencore Convertible Notes includes an event-driven modification to the Glencore Unsecured Convertible Note, with the first such modification occurring on the date (the **"First Modification Date"**) that is the earlier of (a) the date that is one month after the effectiveness and initial funding, if any, of a project loan financing for the Company's Rochester Hub, and (b) December 31, 2024, and the second such modification occurring on the date (the **"Second Modification Date"**) with either the First Modification Date or the Second Modification Date referred to herein as a **"Modification Date"**) that is the earliest to occur of (a) the first commercial production from the Rochester Hub, (b) construction costs exceeding the construction budget set forth in the project loan financing, and (c) June 1, 2026. Upon the occurrence of each Modification Date, the terms of the applicable Glencore Unsecured Convertible Note shall mirror the following terms of the Glencore Senior Secured Convertible Note: the maturity will be amended to be five (5) years from the applicable Modification Date, the interest rate will be amended to match the interest rate applicable to the Glencore Senior Secured Convertible Note, mandatory redemption will be required (including, from the First Modification Date and the Second Modification Date, the amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company) in a pro rata amount across the A&R Glencore Convertible Notes (to the extent modified) and the Glencore Senior Secured Convertible Note), and the Company will provide guarantees and security for the A&R Glencore Convertible Notes consistent with the Glencore Senior Secured Convertible Note. In addition, at each Modification Date, the conversion price for the applicable tranche will be adjusted to be the lesser of (x) an amount determined on the basis of a 30-Day VWAP having a reference date equal to applicable Modification Date plus a 25% premium per share, and (y) \$9.95 per share (the current conversion price of the A&R Glencore Convertible Notes).

The Company elected to pay interest by PIK since the first interest payment on the A&R Glencore Convertible Notes on November 30, 2022. As at March 31, 2024, the A&R Glencore Convertible Notes comprised the following:

Note	Date Issued	Amount Issued
First A&R Glencore Note	March 25, 2024	\$ 116.6
Second A&R Glencore Note	March 25, 2024	114.6
Total		\$ 231.2

Glencore Senior Secured Convertible Note

On March 11, 2024, the Company entered into the Glencore Senior Secured Convertible Note Purchase Agreement to issue the Glencore Senior Secured Convertible Note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc. The issuance and sale of the Glencore Senior Secured Convertible Note was completed on March 25, 2024.

The Glencore Senior Secured Convertible Note matures on the fifth anniversary of the closing. Interest on the Glencore Senior Secured Convertible Note is payable either in cash or by payment-in-kind (**"PIK"**) at the Company's election, on a semi-annual basis from the date of issuance, and will be based on the secured overnight financing rate plus five percent (5%) per annum if interest is paid in cash and plus six percent (6%) per annum if interest is paid in PIK. In the case that an event of default has occurred and is continuing, the interest rate will be the rate stated above, plus one percent (1%) per annum (which additional 1% will be payable in cash).

The principal and accrued interest owing under the Glencore Senior Secured Convertible Note may be converted at any time by the holder into common shares in the capital of the Company at a conversion price of \$0.53 per share (the **"Glencore Senior Secured Convertible Note Conversion Price"**).

The Company may redeem all or any portion of the Glencore Senior Secured Convertible Note at any time by payment of an amount in cash equal to 100% of the principal amount of the portion of the Glencore Senior Secured Convertible Note being redeemed plus all accrued and unpaid interest thereon. Commencing with the delivery of financial statements for the fiscal year ending December 31, 2026, the Company will be required to redeem a portion of the

outstanding principal amount of the Glencore Senior Secured Convertible Note in an amount equal to a specified percentage of the excess cash flow generated by the Company and its subsidiaries for the applicable fiscal year (less certain deductions and subject to pro rata application to certain other debt of the Company). The Company is also required to redeem the Glencore Senior Secured Convertible Note for an amount in cash equal to the outstanding principal amount of the Glencore Senior Secured Convertible Note being redeemed and all accrued and unpaid interest thereon, plus a make-whole amount equal to the undiscounted interest payments that would have otherwise been payable through maturity (the **"Make-Whole Amount"**) in the event of: (1) certain events of default that are continuing, upon request by the holder, (2) certain bankruptcy-related events of default, and (3) upon a change of control transaction, unless, in each case, the Glencore Senior Secured Convertible Note is first converted by the holder.

In connection with any optional or mandatory redemption and provided that the holder of the Glencore Senior Secured Convertible Note has not elected to convert the Glencore Senior Secured Convertible Note into common shares following receipt of notice of such redemption, the Company shall issue a number of warrants (the **"Glencore Senior Secured Convertible Note Warrants"**) to the holder of the Glencore Senior Secured Convertible Note that entitle the holder to acquire a number of common shares equal to the principal amount of the Glencore Senior Secured Convertible Note being redeemed divided by the then applicable Glencore Senior Secured Convertible Note Conversion Price and expiring on the sixth anniversary of the issuance of the Glencore Senior Secured Convertible Note. The initial exercise price of the Glencore Senior Secured Convertible Note Warrants will be equal to the Glencore Senior Secured Convertible Note Conversion Price as of the redemption date.

The Glencore Senior Secured Convertible Note is subject to certain reporting and affirmative and negative operational covenants applicable to the Company and its subsidiaries (subject to customary baskets and exceptions to permit ordinary course transactions as set forth in the Glencore Senior Secured Convertible Note), including satisfaction of a minimum liquidity covenant, monthly, quarterly and annual financial reporting requirements, delivery of an annual operating budget and limitations on (a) the incurrence of indebtedness and liens, (b) dividends, distributions and repurchases or redemptions of capital stock, (c) certain payments in cash of indebtedness which is subordinated, junior lien or unsecured indebtedness, (d) acquisitions and other investments, (e) asset sales (including with respect to the Company's Spoke facilities), (f) affiliate transactions, and (g) capital expenditures that exceed the established budget by a specific threshold.

All obligations of the Company with respect to the Glencore Senior Secured Convertible Note are guaranteed by Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc., (the **"Issuance Date Note Guarantors"**). Following the issuance of the Glencore Senior Secured Convertible Note and within a certain time period, Li-Cycle Europe AG and Li-Cycle Germany GmbH (the **"Post-Closing Guarantors"**) and together with the Issuance Date Note Guarantors, the **"Note Guarantors"**) will execute joinders to the Note Guaranty Agreement and guaranty such obligations as Note Guarantors. Each Note Guarantor unconditionally and irrevocably waives any right to revoke or otherwise discharge or defer its guaranty, and agrees that the guaranty is continuing in nature. Each Note Guarantor's guaranty is subject to customary limitations under applicable law. Each Note Guarantor's guaranty may be subordinated or terminated in connection with the closing date under an applicable Project Financing (as defined in the Glencore Senior Secured Convertible Note), or terminated on full payment and satisfaction of all liabilities and obligations in respect of the Glencore Senior Secured Convertible Note.

The Company and the Issuance Date Note Guarantors have also granted perfected, first priority security interests (subject to customary exceptions and permitted liens) in all of their respective assets, including intellectual property and a pledge of the equity interests of each other Note Guarantor. Within a certain time period of closing of the Glencore Senior Secured Convertible Note investment, the Post-Closing Guarantors will grant perfected, first-priority security interests (subject to customary exceptions and permitted liens) in all intra-group receivables owing to them and over all bank accounts held by such entities in their respective jurisdictions of organization. Li-Cycle Europe AG will further pledge its equity interests in Li-Cycle Germany GmbH.

Contractual Obligations and Commitments

The following table summarizes Li-Cycle's contractual obligations and other commitments for cash expenditures as of March 31, 2024, and the years in which these obligations are due:

\$ millions, undiscounted

Contractual Obligations	Total	Payment due by period			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 157.0	\$ 157.0	\$ —	\$ —	\$ —
Lease liabilities	137.3	11.1	22.8	21.1	82.3
Restoration provisions	1.6	0.2	0.1	—	1.3
Convertible debt principal	375.0	—	100.0	275.0	—
Convertible debt interest	233.8	—	63.4	170.4	—
Total as of March 31, 2024	\$ 904.7	\$ 168.3	\$ 186.3	\$ 466.5	\$ 83.6

As of March 31, 2024, there were \$7.4 million in committed purchase orders or agreements for equipment and services, compared to \$8.3 million as of December 31, 2023.

Related Party Transactions

For information about Li-Cycle's related party transactions refer to Note 11 (Related party transactions) to the Consolidated Financial Statements and the section of the Annual Report on Form 10-K titled "Item 13. Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions."

Off-Balance Sheet Arrangements

During the periods presented, Li-Cycle did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements.

Material Accounting Policies and Critical Estimates

Li-Cycle's Consolidated Financial Statements have been prepared in accordance with U.S. GAAP. While our significant accounting policies are more fully described in Note 2 to our Consolidated Financial Statements, the following going concern accounting policy and significant accounting estimates and judgements involve a greater degree of judgment and complexity. Accordingly, these are the accounting policies that we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Going concern

The going concern basis of accounting assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. Based on its recurring losses from operations since inception, which included losses from operations of \$44.2 million for the quarter ended March 31, 2024 (\$39.1 million for the quarter ended March 31, 2023), negative cash flows from operating activities of \$29.1 million during the three months ended March 31, 2024 (\$22.4 million for the quarter ended March 31, 2023), and the pause on construction of the Rochester Hub project (all as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these Consolidated Financial Statements were issued.

To date, the Company has financed its operations primarily through proceeds received in connection with: (i) the Business Combination; (ii) the concurrent \$315.5 million private placement of common shares; (iii) private placements of other Company securities (including convertible notes and common shares).

On October 23, 2023, the Company announced that it was pausing construction work on its Rochester Hub project, pending completion of a comprehensive review of the go-forward strategy for the project. The pause in

construction was due to escalating costs and the expectation that, aggregate costs to complete the existing scope of the project would exceed the previously disclosed budget of \$560.0 million. The Company currently expects such aggregate costs to be approximately \$960.2 million. Prior to the construction pause, stages of commissioning of the Rochester Hub project had been expected to commence in late 2023. Refer to the section titled " -Update on Strategic Priorities and Business Outlook" above for further details.

On March 11, 2024, the Company entered into an agreement, which was subsequently amended and restated on March 25, 2024 (the "**Glencore Senior Secured Convertible Note Purchase Agreement**") to issue a senior secured convertible note in an aggregate principal amount of \$75.0 million to an affiliate of Glencore plc (the "**Glencore Senior Secured Convertible Note**"). This transaction closed on March 25, 2024. In addition to the Glencore Senior Secured Convertible Note investment, the Company is actively exploring external financing options but there can be no assurance that the Company will be able to secure additional funding, under reasonable commercial terms or at all. Furthermore, any additional financing, including the Glencore Senior Secured Convertible Note investment, may be insufficient to provide sufficient liquidity for ongoing operations, to fund the Company's future growth or capital projects, including the Rochester Hub, or otherwise satisfy any of the Company's funding needs and obligations, and additional financing may have restrictive covenants that significantly limit the Company's operating and financial flexibility or its ability to obtain future financing.

In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, secure reliable sources of component supply to meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business.

These factors, in addition to the continued rise in inflation, commodity and labor prices and other challenging macroeconomic conditions, have led the Company to implement mitigating initiatives available to it to strengthen its financial position, enhance liquidity and preserve cash flow, depending on how these uncertain circumstances unfold, including:

- On October 23, 2023, Li-Cycle announced that it had paused construction work on its Rochester Hub, pending completion of a comprehensive review of the go-forward strategy for the project.
- In connection with the comprehensive review of the go-forward strategy of the Rochester Hub project, the Board of Directors (the "**Board**") established a Special Committee comprised of independent directors (the "**Special Committee**") to, among other things, (1) oversee and supervise a strategic review of all or any of the Company's operations and capital projects including its sales, general and administration functions, and (2) consider financing and other strategic alternatives.
- The Special Committee selected Moelis & Company LLC ("**Moelis**") and other advisors to assist with exploring financing options to increase the liquidity of Li-Cycle and strategic alternatives, and to assist the Company with managing short-term liquidity and implementing liquidity generating initiatives.
- On November 1, 2023, the Company initiated the implementation of a cash preservation plan (the "**Cash Preservation Plan**") including reducing staffing in its corporate support functions, pausing production at its Ontario Spoke and implementing a plan to manage lower levels of BM&E production and otherwise slow down operations at its remaining operating Spoke locations. On March 25, 2024 and as part of the Cash Preservation Plan, the Board approved plans to reduce approximately 17% of the Company's workforce, primarily at the corporate level and the Company made the strategic decision to transition from its regional management structure to a centralized model, which resulted in certain leadership changes. The Cash Preservation Plan also involves reviewing existing plans for bringing on additional Spoke capacity and taking other steps to preserve the Company's available cash while pursuing funding alternatives for the Company and continuing to review the go-forward strategy for the Rochester Hub project.
- In addition, the Company is also pursuing additional funding alternatives, including working closely with the United States Department of Energy ("**DOE**") towards obtaining financing for the Rochester Hub. As noted above, there can be no assurance that the Company will be able to secure additional funding, under reasonable commercial terms or at all.

These factors represent material uncertainties that cast substantial doubt as to the Company's ability to continue as a going concern. These unaudited consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, adjustments may be necessary to the carrying value of assets and liabilities or reported expenses, and these adjustments could be material.

Revenue Recognition

The Company's principal activities generate revenues from the operation of lithium-ion battery recycling plants. The Company uses the following five step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company recognizes revenue from the following major sources:

- i. Sale of products including BM&E and shredded metal
- ii. Services for recycling LIB batteries which includes coordination of logistics and destruction of batteries

Revenue is measured based on the consideration to which the Company expects to be entitled under a contract with a customer. The Company recognizes revenue when it transfers control of a product or completes performance of a service to a customer as outlined in the contractual terms. There are no significant financing components associated with the Company's payment terms.

For sale of products, revenue is recognized when control of the goods has transferred, typically when the goods have been transferred to the customer. A receivable is recognized by the Company when the goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company estimates the amount of consideration to which it expects to be entitled under provisional pricing arrangements, which is based on the initial assay results and market prices of certain constituent metals on the date control is transferred to the customer. The final consideration for BM&E and shredded metal sales is based on the mathematical product of: (i) market prices of certain constituent metals at the date of settlement, (ii) product weight, and (iii) final assay results (ratio of the constituent metals based on the initial assay and subsequently tried up by customer confirmation). Certain adjustments to revenue including marketing fees, handling and refining charges are also made per contractual terms with customers. Product sales and the related trade accounts receivable are measured using provisional prices for the constituent metals on initial recognition and any unsettled sales are remeasured at the end of each reporting period using the market prices of the constituent metals at the estimated settlement dates. Upon settlement of a sale transaction, the Company will receive or pay the incremental amount to settle the final consideration based on the constituent metal prices on the settlement date. Changes in the fair value of the receivable or payable following the sale are recognized as an adjustment in revenue and the related accounts receivable or accounts payable. If a significant decline in metal prices occurs, or assay data results in a significant change in quantity between the provisional pricing date and the final settlement date, it is reasonably possible that the Company could be required to pay an incremental amount to settle the final consideration.

Depending on contract terms with customers, the payment of receivables may take up to 12 months from date of transfer of control. The Company has elected to use the practical expedient for financing components related to its sales contracts. The Company does not recognize interest expense on contracts for which the period between receipt of customer payments and sale to the customer is one year or less.

Recycling service revenue is recognized at a point in time either upon receipt of the batteries from the customers or upon completion of the services. The price for services is separately identifiable within each contract and services are not subject to provisional pricing.

Revenues are recorded net of estimated allowances and discounts based upon historical experience and current trends at the time revenue is recognized. These estimates are based on historical rates of customer returns and allowances. The actual amount of customer returns and allowances, which are inherently uncertain, may differ from the Company's estimates. The Company has elected to exclude sales tax from the transaction price.

In the ordinary course of business, the Company may have consideration payable to customers in relation to recycling services, which has been netted against revenue and the consideration receivable from the customers.

Convertible debt instruments

Convertible instruments are assessed to determine classification of the whole instrument and to determine how to account for any conversion features or non-equity derivative instruments. The host instrument (i.e., convertible note element of the outstanding instruments) is classified as a financial liability and recorded at the present value of the Company's obligation to make future interest payments in cash and settle the redemption value of the instrument in cash. The carrying value of the host instrument is accounted for at amortized cost and is therefore accreted to the original face value of the instrument, over the life, using the effective interest method. Where any embedded elements are noted, these elements are assessed for bifurcation in accordance with ASC 815 - *Derivatives and Hedging*. The conversion option components of convertible debt instruments issued by the Company are recorded as financial liabilities, in accordance with the substance of the contractual arrangements and the definitions of a financial liability. If any conversion options require bifurcation as embedded derivatives, such embedded derivative liabilities are initially recognized at fair value and classified as derivatives in the balance sheet. Changes in the fair value of the embedded derivative liabilities are subsequently accounted for directly through the unaudited condensed consolidated statements of operations and comprehensive income (loss) and are included in operating activities in the unaudited condensed consolidated statements of cash flows as non-cash adjustment.

The conversion options are valued using certain directly and indirectly observable inputs and are classified as Level 2 in the fair value hierarchy in accordance with ASC 820 - *Fair Value Measurement*. In determining the estimated fair value of the conversion options, the Company utilizes the most recent data available including risk-free interest rate, expected life of options, expected dividend yield, expected stock price volatility, and the Company's share price. The embedded derivatives are valued using the Binomial Option Pricing Model for the KSP Convertible Notes and Finite Difference Method for the Glencore Convertible Notes.

Impairment of long-lived assets

The Company reviews long-lived assets such as plant and equipment, intangible assets with finite useful lives and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. These events and circumstances may include significant decreases in the market price of an asset or asset group, significant changes in the extent or manner in which an asset or asset group is being used by the Company or in its physical condition, a significant change in legal factors or in the business climate, a history or forecast of future operating or cash flow losses, significant disposal activity, a significant decline in the Company's share price, a significant decline in revenue or adverse changes in the economic environment.

The long-lived asset impairment test requires the Company to identify its asset groups and test impairment of each asset group separately. Determining the Company's asset groups and related primary assets requires significant judgment by management. Different judgments could yield different results. The Company's determination of its asset groups, its primary asset and its remaining useful life, estimated cash flows, cost to complete the assets under construction and timing of the completion are significant factors in assessing the recoverability of the Company's assets for the purposes of long-lived asset impairment testing.

As of the quarter ended March 31, 2024, the Company had two separate asset groups: its integrated Spoke and future Hub network in North America, and the EMEA Spoke network.

When indicators of impairment exist, long-lived asset impairment is tested using a two-step process. The Company performs a cash flow recoverability test as the first step, which involves comparing the asset group's estimated undiscounted future cash flows to the carrying value of its net assets. If the net undiscounted cash flows of the asset group exceed the carrying value of its net assets, long-lived assets are not considered to be impaired. If the carrying value exceeds the net undiscounted cash flows, there is an indication of potential impairment and the second step of the long-lived asset impairment test is performed to measure the impairment amount. The second step involves determining the fair value of the asset group. Fair values are determined using valuation techniques that are in accordance with U.S. GAAP, including the income approach. If the carrying value of the asset group's net assets exceeds its fair value, then the excess represents the maximum amount of potential impairment that will be allocated to long-lived assets in the asset group, with the limitation that the carrying value of each separable asset cannot be reduced to a value lower than its individual fair value.

Management determined that the pause on the construction work on its Rochester Hub project pending completion of a comprehensive strategic review continues to be an indicator for potential impairment requiring it to perform a recoverability assessment. These actions represent a trigger requiring management to perform a recoverability test in line with Step 1 of the impairment assessment which compares the expected net undiscounted cash flows to be derived from the asset group for the remaining useful life of the asset group's primary asset compared to its carrying value. For the quarter ended March 31, 2024, the Company has not experienced impairment losses on its long-lived assets on the basis that the net undiscounted cash flows for the asset groups exceed their carrying values.

The determination of the future net undiscounted cash flows used in the recoverability test required significant judgment and estimate. The areas with the highest degree of judgment related to the North America asset group and included:

- The determination of the primary asset of the North America asset group being the combination of the ROU asset arising from the ground lease related to the Rochester Hub and the Rochester Hub buildings, due to the fact that they have the longest remaining useful life, the location of the land together with the buildings that are fundamental to the overall future operations of the Rochester Hub site and that the remainder of the equipment for this asset group would have not otherwise been acquired if not for this location and buildings.

- The life of the net undiscounted cash flow model was determined to be approximately 40 years, to address estimation uncertainty relative to the remaining useful life of 49 years for the primary asset and aligning with the renewal options for the ground lease related to the Rochester Hub. The Company considered that it is reasonably certain that it will exercise each renewal option beyond the initial term, up to the maximum of 49 years inclusive of the initial non-cancellable period. To maintain the assets in good working order to generate cash flows over the projected term, sustaining capital expenditures were included based on widely accepted industry guidance from engineering, procurement, construction management firms and institutions such as the Chemical Engineering Plant Cost Index. The total cash flows were reviewed over the 40 years relative to the asset carrying value and it was noted that the carrying value of the asset group could be supported by the cash flows stemming from approximately the first 16 years of the model.

- Significant cash inflows:

- Financing to complete the construction of the Rochester Hub is assumed to be available to Li-Cycle. The company is pursuing funding alternatives in the form of bridge financing, project financing, and additional long-term funding alternatives. Two separate models were considered in order to reflect the impact of potential financing in a binary situation. The model which assumed no funding included significantly lower undiscounted net cash flows, which do not exceed the carrying amount of the North America asset group. If over time Li-Cycle does not obtain financing, there could be an impairment. The model which assumed no funding received a remote weighting when determining the amount of undiscounted net cash flows, but nevertheless, was considered for completeness purposes. When sensitized to consider an equal weighting to the receipt of funding and lack thereof, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Revenues are driven by the sale of end products from the Rochester Hub in an MHP only scenario and do not include the construction costs of the process areas required to produce nickel sulphate and cobalt sulphate. The key end product outputs are lithium carbonate and a mixed hydroxide product containing nickel, cobalt, and manganese. End product revenues can be further broken into price and volume.

- The Company was required to estimate the commodity prices of the constituent metals of lithium-ion battery materials over the 40-year period included in the recoverability test. The Company benchmarked the commodity prices based on external industry publications. The most significant metal contributing to the value of net undiscounted cash flows is lithium. Additionally, the Company was required to estimate the percentage of metal payables that the Company would receive on MHP products being sold ("**MHP payables**"), which was benchmarked to historical actual and forecasts from offtake partners. The Company further sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices for the life of the model. Separately, the Company sensitized MHP payables increasing or decreasing by 10% for the life of the model. Under either sensitized assumption the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- End product volumes are based on the capacities of the Spoke network and Rochester Hub and further impacted by the Company's metal recoveries through the Spoke & Hub processes. When sensitized for the Hub recoveries increasing or decreasing by 5% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Significant cash outflows:

- Rochester Hub forecasted commissioning and operating costs which are primarily driven by the cost of reagents, labor, and utilities were developed through an internal engineering and technical report based on the Association for the Advancement of Cost Engineering to a Class 2 standard. When sensitized such that operating costs were to increase or decrease by 10% the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- The prices that Li-Cycle pays for battery feedstock for the Spoke network are generally tied to commodity prices for the metals contained in those battery feedstocks or products, notably nickel, cobalt. The company estimated forecasted commodity prices as discussed above. When sensitized for the price of commodities (including nickel, cobalt, and lithium) increasing or decreasing by 15% of the forecasted prices, the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

- Construction costs to complete the Rochester Hub were developed based on the technical report for an MHP process. While these construction costs are not significant to the overall model, as proven through the sensitivity exercise whereby an increase or decrease of 5% in either direction does not impact the overall conclusion that the undiscounted net cash flows are higher than the carrying value of the North America asset group, they are significant in determining the funding gap which is assumed to be secured as discussed above.

The Company has performed a sensitivity analysis to identify the impact of changes in its significant assumptions on the results of the recoverability test. As part of the sensitivity analysis, management stress tested the point in which a change in each significant assumption will cause the net undiscounted cash flows to no longer exceed the carrying amount of the asset group and then assessed whether such change is reasonable considering the nature of the assumption. Further details as to the sensitivity considered on the most critical inputs are noted above. It was determined that the recoverability test, including the considered impact of the sensitivities analysis shows that the undiscounted net cash flows were still higher than the carrying value of the North America asset group.

Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting standards, amendments to existing standards, and interpretations are issued by the FASB. Unless otherwise discussed, and as further highlighted in Note 2 to the condensed consolidated interim financial statements, Li-Cycle is in the process of assessing the impact of recently issued standards or amendments to existing standards that are not yet effective.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Li-Cycle is exposed to various risks in relation to financial instruments. The main types of risks are currency risk and interest rate risk. While Li-Cycle may enter into hedging contracts from time to time, any change in the fair value of the contracts could be offset by changes in the underlying value of the transactions being hedged. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Currency Risk

The Company is exposed to currency risk as its cash is mainly denominated in U.S. dollars, while its operations also require Canadian dollars and other currencies in addition to U.S. dollars. As at March 31, 2024, the impact of a 5% change in these respective currencies versus the U.S. dollar, would result in an immaterial impact. Furthermore, Li-Cycle does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is exposed to interest rate risk, as it has variable interest rate debt that includes an interest rate floor and cap. The Company does not expect changes in interest rates to have a material impact on its business and does not engage in interest rate hedging activities.

Credit and Liquidity Risks

Credit risks associated with cash are minimal as the Company deposits the majority of its cash with large Canadian and U.S. financial institutions above a minimum credit rating and with a cap on maximum deposits with any one institution. The Company's credit risks associated with receivables are managed through the use of long-term contracts and payment terms with customers and exposure to potential loss is also assessed as minimal.

The Company's revenue and accounts receivable primarily come from three key customers under long-term contracts. The Company manages this risk by engaging with reputable multi-national corporations in stable jurisdictions and performing a review of a potential customer's financial health prior to engaging in business.

Management is assessing its liquidity risk management framework for the management of the Company's short-term, medium and long-term funding and liquidity requirements.

Market Risks

The Company is exposed to commodity price movements for the inventory it holds and the products it produces. Commodity price risk management activities are currently limited to monitoring market prices. The Company's revenues are sensitive to the market prices of the constituent payable metals contained its products, notably cobalt and nickel. The Company does not engage in commodity price hedging activities.

The following table sets out the Company's exposure, as of March 31, 2024 and December 31, 2023, in relation to the impact of movements in the cobalt and nickel price for the provisionally invoiced sales volume of BM&E by metric tonne:

As at March 31, 2024		Cobalt	Nickel
Metric tonnes subject to fair value pricing adjustments		1,124.7	1,124.7
10% increase in prices	\$	0.1 \$	0.1
10% decrease in prices	\$	(0.1) \$	(0.1)
As at December 31, 2023		Cobalt	Nickel
Metric tonnes subject to fair value pricing adjustments		2,313.0	2,313.0
10% increase in prices	\$	0.2 \$	0.3
10% decrease in prices	\$	(0.2) \$	(0.3)

The following table sets out the period end commodity prices for cobalt and nickel as at March 31, 2024 and December 31, 2023:

As at March 31, 2024		Market price per tonne
Cobalt	\$	27,778
Nickel	\$	16,525
As at December 31, 2023		Market price per tonne
Cobalt	\$	28,660
Nickel	\$	16,250

Capital Risk Management

The Company's objective when managing its capital is to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net cash (cash and cash equivalents after deducting convertible debt) and equity of the Company (comprising issued share capital and other reserves). The Company is not subject to any externally imposed capital requirements as of March 31, 2024.

ITEM 4 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Li-Cycle's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures ("**DCP**") (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, its Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024, its disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting described below.

Changes in Internal Control Over Financial Reporting

Management is responsible for establishing, maintaining and assessing the effectiveness of internal control over financial reporting ("**ICFR**") as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Li-Cycle has identified material weaknesses in its ICFR. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's financial statements will not be prevented or detected on a timely basis.

As reported in Li-Cycle's Annual Report on Form 10-K, management has concluded ICFR was not effective due to the following material weaknesses:

- The Company did not maintain an effective control environment due to insufficient number of experienced personnel with the appropriate technical training to allow for a detailed review of transactions that would identify errors in a timely manner.
- The Company did not maintain an effective risk assessment process to identify all relevant risks of material misstatement and to evaluate the implications of relevant risks on its ICFR, resulting from the insufficient number of experienced personnel described above.
- The Company did not maintain effective information and communication processes, related to insufficient communication of internal control information and the operating ineffectiveness of its IT general controls to ensure the quality and timeliness of information used in control activities, including related to service organizations.
- As a consequence of the above, the Company had ineffective process-level and financial statement close controls, primarily due to a lack of sufficient documentation to provide evidence of the operating effectiveness of controls.

Plan for Remediation of Material Weaknesses

During the three months ended March 31, 2024, Li-Cycle continued to implement its remediation plan to address the material weaknesses and their underlying causes, and strengthen all elements of the Company's ICFR program, including:

- Building its internal competency in technical accounting, financial reporting and internal controls to enhance its ability to execute detailed review of transactions to identify errors in a timely manner.
- Enhancing the risk assessment process to allow for the timely identification of risks of material misstatement and the impact of changes in the business that impact financial reporting risks.
- Strengthening processes to communicate internal control information and addressing operating deficiencies in IT general controls.
- Improving the quality of internal control evidence documentation to demonstrate operating effectiveness in process-level and financial statement close controls.

Although Li-Cycle continues to advance its remediation plan, the Company will not be able to conclude that it has remediated the material weaknesses until all relevant controls are fully implemented and have operated effectively for a sufficient period of time. The Company will continue to provide updates as it progresses through its remediation plan.

Except for the steps taken to address the material weaknesses in the Company's ICFR as described above, no changes in the Company's ICFR occurred during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various litigation and regulatory proceedings arising in the normal course of business. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is both probable and estimable, we establish an accrual. We expect that we may not be able to predict with certainty the outcome of any litigation or the potential for future litigation. We expect to continuously monitor any proceedings as they develop and adjust any accrual or disclosure as needed. Regardless of the outcome, litigation could have an adverse impact on us due to defense costs, diversion of management resources, potential reputational harm and other factors, and it could have a material effect on our results of operations for a given reporting period.

Dispute with MasTec Regarding Rochester Hub Construction Contract

On April 9, 2024, Mastec Industrial Corp. ("**MasTec**") commenced (i) arbitration proceedings against the Company's subsidiary, Li-Cycle North America Hub, Inc., under the terms of the construction contract for the Rochester Hub project, and (ii) a foreclosure action in the Supreme Court, County of Monroe, New York. The arbitration proceedings are being conducted with the American Arbitration Association and seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub, plus interest, fees, costs and expenses. The Company is defending its interests and has made certain counter-claims against MasTec. The amount owed by Li-Cycle is expected to be determined in the arbitration, and the foreclosure action is expected to be stayed pending determination of the arbitration. The amount claimed in the arbitration proceedings has been reflected in the Company's accounts payable.

For a description of our other material pending legal proceedings, see Note 17 to the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q and the section titled "*Item 3. Legal Proceedings*" in our Annual Report on Form 10-K.

ITEM 1A RISK FACTORS

We describe our existing risk factors in "*Item 1A. Risk Factors*" of our Annual Report on Form 10-K. Other than as described below, there have been no material changes in our risk factors disclosed in "*Item 1A. Risk Factors*" in our Annual Report on Form 10-K.

There is substantial doubt about Li-Cycle's ability to continue as a going concern.

As of March 31, 2024, Li-Cycle's net loss and net cash used in operating activities amounted to \$136.7 million and \$29.1 million, respectively. Li-Cycle has also incurred significant losses since inception, expects to incur net losses in the future and has a declining cash balance. Li-Cycle expects to continue to have a net cash outflow from operations for the foreseeable future as it continues its comprehensive review of the Rochester Hub and go-forward strategy in addition to funding existing and remaining capital commitments related to its Rochester Hub and general business operations. Certain contractors, subcontractors, consultants and suppliers (together, the "**lienors**") have also filed purported mechanic's liens against the Company's interests in certain properties in New York State related to the Rochester Hub project, under New York Lien Law, given alleged delays in making payments to those lienors. As at May 1, 2024, there were liens on the Company's interests in the Rochester Hub property filed by contractors and suppliers to the Company of approximately \$68.0 million and filed by subcontractors to the Company's contractors of approximately \$29.7 million, as well as liens on the Company's interests in the warehouse and administrative building for the Rochester Hub filed by the Warehouse Landlord of approximately \$5.1 million and filed by contractors to the Warehouse Landlord of approximately \$8.6 million. Such liens may restrict the Company's ability to dispose of its interest in such properties or pledge its interests in such properties as collateral for future financing arrangements while they remain in place. In addition, the lienors may enforce their liens by court action and courts may cause the Company's interest in the applicable properties to be sold to satisfy such liens. There can be no assurances that any efforts by the Company to negotiate payment plans with the lienors will be successful, timely or on terms favorable to the Company. Further, the lienors could have priority over the Company's shareholders in the event of bankruptcy or similar proceedings and, as a result, the amount of distributions our shareholders could receive in such bankruptcy or a similar proceeding could be reduced. On April 9, 2024, one of the lienors, MasTec Industrial Corp. ("**MasTec**") commenced arbitration proceedings to seek recovery of \$48.7 million allegedly due under the construction contract for the Rochester Hub project, plus interest, fees, costs and expenses. Pending the results of the arbitration proceedings, MasTec is also seeking to enforce its lien through a foreclosure action. We are not able to predict with any reasonable degree of certainty the outcome of any such proceedings and regardless of the outcome of the arbitration or any future foreclosure action, such proceedings could result in substantial costs to the Company, divert management's attention and resources and harm our business, prospects, financial condition and results of operations. See "*Part II. Other Information - Item 1. Legal Proceedings*" in this Quarterly Report on Form 10-Q and Note 17 (*Commitments and contingencies*) to the Consolidated Financial Statements. In addition, there are inherent risks associated with the ability of the Company to execute its growth strategy and there can be no assurance that the Company will develop the manufacturing capabilities and processes, meet quality, engineering, design or production standards, or to meet the required production volumes to successfully grow into a viable, cash flow positive, business. Other circumstances such as a continued rise in inflation, commodity and labor prices and other challenging macroeconomic conditions may also arise, which could have a material and adverse effect on the Company's cash flow and anticipated cash needs, which in turn could result in significant additional funding needs. As a result, if Li-Cycle is unable to source additional short or long-term financing in the near term, it will not have sufficient cash and cash equivalents on hand to support current operations for the twelve months following the filing of this Quarterly Report on Form 10-Q. The Company will require a significant amount of financing in order to meet its funding needs. This casts substantial doubt upon the Company's ability to continue as a going concern without access to additional capital through financing transactions or otherwise. There are no assurances that Li-Cycle will be able to address its liquidity needs, including by raising sufficient capital when needed and may therefore need to significantly modify or terminate operations or dissolve and liquidate our assets under applicable bankruptcy laws or otherwise.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure, as well as disrupt our operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy, including coverage for director and officer liability, general liability, property liability, automobile liability, U.S. workers' compensation liability as well as coverage for our U.S. facilities. In addition, our operations (including any potential future operations such as our Rochester Hub, the Planned Portovesme Hub project and possible future additions to our Spoke network), notwithstanding the current pause on those projects and future expansion plans, are subject to risks inherent in the lithium-ion battery recycling industry and risks associated with the construction and development of new facilities, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage, some of which may not be insured or fully covered at any time by insurance. The availability of, and the ability to collect on, insurance coverage is subject to various factors some of which are beyond our control and is not guaranteed to cover any or all of our losses in every circumstance. Li-Cycle's insurance coverage at any time may also be inadequate to fully cover hazard risk exposures related to any such operational risks.

Li-Cycle has no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. Moreover, Li-Cycle may not be able to

maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements or at all. For example, Li-Cycle is currently in the process of extending and/or renewing its insurance policies and there can be no assurance that such policies will be extended and/or renewed on favorable terms or at all. In addition, if any of Li-Cycle's landlords for its Spoke facilities is unable to obtain insurance coverage, Li-Cycle may have to seek such coverage from its own insurance providers and there can be no assurance that such efforts will be successful. Any failure to obtain adequate insurance as well as the occurrence of a significant uninsured loss, or a loss in excess of the insurance coverage limits maintained by Li-Cycle, could materially adversely affect Li-Cycle's business, results of operations and financial condition.

Li-Cycle relies on a limited number of commercial partners to generate most of its current and expected revenue.

Li-Cycle relies on a limited number of customers from whom we generate most of our revenue. Li-Cycle has entered into two off-take agreements with Traxys covering: (i) 100% of its production of black mass from Li-Cycle's North American Spokes, other than such black mass as Li-Cycle has determined (in its sole discretion) is required for internal purposes at Li-Cycle's Hubs, and (ii) 100% of its production of certain end products from Li-Cycle's Rochester Hub, being lithium carbonate, nickel sulphate, cobalt sulphate, manganese carbonate and graphite concentrate. Li-Cycle has also entered into additional off-take agreements with Glencore, covering substantially all of its other Spoke and Hub products. Effective March 25, 2024, pursuant to the terms of the Allocation Agreement, Traxys has waived its rights over 50% of the volume of black mass and refined products that would otherwise have been sold to Traxys under the Company's existing commercial agreements with Traxys, and such material has been deemed to be Glencore-committed material under the terms of the Company's commercial agreements with Glencore. If we or our off-take partners are unwilling or unable to fulfill their respective contractual obligations to us, if either party fails to perform under the relevant contract, or if these off-take partners otherwise terminate such agreements prior to their expiration, our business could suffer and we may not be able to find a other off-take partners on similar or more favorable terms, which could have a material adverse effect on our business, results of operations and financial condition.

The Company also directly sells a portion of its products to third parties under short term contracts. The Company is also seeking to maximize the commercial value of its purchased battery cell manufacturing scrap by re-selling a portion of these materials, whether directly or after processing through the ancillary lines at its Spokes, directly to third parties, primarily in the Asia-Pacific region. In selling directly to third parties, the Company may assume additional risks, including heightened counterparty risk, credit risk, transportation risk and variation in pricing and sales terms, any of which could have a material adverse effect on the Company's business, results of operations and financial condition. Given that these third-party contracts are generally short-term commitments, there can be no assurances that the Company will continue to obtain or renew such contracts, on similarly favorable terms, which could have a material adverse effect on the Company's business, results of operation and financial condition.

Our commercial agreements with Glencore also provide for the procurement of feedstock for our Spoke facilities, and procurement of black mass for our future Hub facilities, to supplement the volumes we are currently either independently sourcing or producing. Although these agreements are not exclusive for either party, they also do not commit either party to a specific performance threshold, and therefore a substantial reduction in Glencore's supply of either product or an unwillingness or inability to fulfill its contractual obligations to us could have a material adverse effect on our business, results of operations and financial condition.

As part of the comprehensive review, the Company is examining the scope, expected capital cost, financing, timing of completion and go-forward construction strategy options for the Rochester Hub project. The Company has been conducting an internal technical and economic review of the Rochester Hub project to assess a possible change in the project development strategy. The Company has since focused its technical review on constructing, commissioning and operating only those process areas needed to produce two key products: lithium carbonate and MHP (the "**MHP scope**"). The construction, commissioning and operating costs for process areas associated with production of nickel sulphate and cobalt sulphate, as originally planned for the Rochester Hub, have not been included in the internal technical review, and there are no current plans that include production of nickel sulphate and cobalt sulphate. However, the areas dedicated to the production of nickel sulphate and cobalt sulphate would be left intact under the MHP scope, to allow for the potential construction, completion, and integration of these areas in the future, although no such plans are contemplated at this time. See the section titled "*Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Li-Cycle's Performance*".

Any change in product development strategy for the Rochester Hub could adversely affect our existing commercial agreements related to Hub products. For example, our commercial contracts with LG and LGES require the

supply of at least 20,000 tonnes of nickel contained in nickel sulphate over the period from 2025 to 2032, including approximately 5,500 tonnes of nickel contained in nickel sulphate (being approximately 25,000 tonnes of nickel sulphate) in 2025, and any failure to satisfy such volume commitments would trigger various remedies, including requiring Li-Cycle to indemnify LG and LGES for the difference between the price that it obtains from third parties for such material (expected to be based on a premium to the LME nickel price) and the price that it would have paid Li-Cycle (which is based on discounts of 5% to 6.5% of the LME nickel price), which in turn could have a material adverse effect on our business, results of operations and financial condition. In addition, the Company has no firm off-take or commercial arrangements for MHP, which would be considered a by-product under the terms of the Company's existing commercial arrangements with Glencore. For more information, see "Item 1. Business – Diversified In-Take and Off-Take Commercial Contracts – Off-Take Commercial Contracts for Black Mass and Battery Grade Materials – Glencore Strategic Global Commercial Arrangements" in the Annual Report on Form 10-K. There can be no assurances that the Company will be successful in entering into customer agreements for MHP on favorable terms or at all and any failure to secure or maintain customer relationships for the anticipated products of the Rochester Hub could have a material adverse effect on our business, results of operations and financial condition.

Li-Cycle's reliance on the experience and expertise of its senior management and key personnel may cause material adverse impacts on it if a senior management member or key employee departs.

Li-Cycle depends on key personnel for the success of its business. Li-Cycle's business may be severely disrupted if it loses the services of its key executives and employees or fails to add new senior and middle managers to its management.

Li-Cycle's future success is heavily dependent upon the continued service of its key executives. Li-Cycle also relies on a number of key technology and professional staff for its continued operation. Li-Cycle's future success is also dependent upon its ability to attract and retain qualified senior and middle managers to its management team. If one or more of its current or future key executives or employees are unable or unwilling to continue in their present positions, Li-Cycle may not be able to easily replace them, and its business may be severely disrupted. In addition, if any of these key executives or employees joins a competitor or forms a competing company, Li-Cycle could lose customers and suppliers and incur additional expenses to recruit and train personnel.

On March 25, 2024, as part of the previously disclosed ongoing comprehensive review and Cash Preservation Plan, the Company made the strategic decision to transition from its regional management structure to a centralized model, which resulted in certain leadership changes. Effective as of March 26, 2024, Tim Johnston ceased serving as the Company's Executive Chair and transitioned to the role of interim non-executive Chair of the Company's Board, Debbie Simpson ceased serving as the Chief Financial Officer of the Company and Richard Storrie ceased serving as the Company's Regional President, EMEA. In addition, Craig Cunningham was appointed as the interim Chief Financial Officer of the Company, Conor Spollen was appointed as the Chief Operating Officer of the Company and Dawei Li was appointed as the Chief Commercial Officer of the Company. There can be no assurances that the Company's transition to a centralized management model, including the related leadership changes, will result in efficiencies or will positively impact the Company.

On October 31, 2023, the Board authorized a reduction in workforce plan across Li-Cycle and on March 25, 2024, the Board approved additional plans to reduce approximately 17% of the Company's global workforce. In addition, it is expected that additional steps will be taken based on our go-forward strategic objectives and the Cash Preservation Plan to right-size and right-shape our organization. Li-Cycle cannot provide any assurance that it will be able to retain adequate staffing levels among its remaining workforce or retain key employees who would not otherwise be subject to a workforce reduction. If employees who were not affected by any reduction in force seek alternative employment, this could require us to seek contractor support at unplanned additional expense or otherwise harm our productivity. Furthermore, the inability to retain highly skilled employees could adversely affect its business.

Li-Cycle has identified material weaknesses in its internal control over financial reporting. If its remediation of such material weaknesses is not effective, or if it fails to develop and maintain a proper and effective internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

Prior to August 10, 2021, Li-Cycle Holdings Corp. was a private company and we addressed our internal control over financial reporting with internal accounting and financial reporting personnel and other resources.

In the course of preparing for the Business Combination with Peridot Acquisition Corp., Li-Cycle identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Li-Cycle's annual or interim consolidated financial statements may not be prevented or detected on a timely basis.

As of December 31, 2023, Li-Cycle's management assessed the effectiveness of the Company's internal control over financial reporting and concluded that the Company did not maintain effective internal control over financial reporting as of that date. Management has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2024, and concluded that, as of that date, the Company's disclosure controls and procedures were not effective, due to the material weaknesses in the Company's internal control over financial reporting.

In preparing its financial results for the quarter ended March 31, 2023, the Company identified a non-cash accounting error in the unaudited financial results for the transition period of November 1, 2022 through December 31, 2022 and filed restated unaudited condensed consolidated financial statements for the transition period in April 2023. In February 2024, the Company filed a Notification of Late Filing on Form 12b-25 with the SEC to extend the time for delivery of this Annual Report on Form 10-K.

While we have taken steps to address these material weaknesses and expect to continue to implement a remediation plan to address the underlying causes, any gaps or deficiencies in our internal control over financial reporting may result in us being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information. We have slowed certain aspects of the remediation plan, including during the three months ended March 31, 2024, in view of resource constraints, including in relation to the Cash Preservation Plan and recent workforce reductions as well as our focus in completing our transition from being a foreign private issuer to a U.S. domestic issuer as of January 1, 2024, including the restatement of our financial statements for past periods from IFRS to U.S. GAAP. In addition, there can be no assurance that these measures will remediate the material weaknesses in our internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. For more information, see "*Part II. Other Information - Item 4. Controls and Procedures*".

In addition, on March 28, 2024, KPMG LLP ("**KPMG**"), the independent registered public accounting firm of the Company, notified the Company that it has decided to decline to stand for re-appointment as the Company's independent registered public accounting firm to serve as independent auditor. However, KPMG has advised the Company that it will remain the Company's independent registered public accounting firm until completion of its review of the consolidated interim financial statements of the Company and subsidiaries as of and for the three months ended March 31, 2024 and, if requested by the Company, as of and for the three and six months ended June 30, 2024. The process for engaging and onboarding a new independent auditor can be time consuming and costly and there can be no assurance as to when the Company will be able to appoint a new independent auditor, which may in turn adversely affect our ability to provide required financial information in a timely manner and cause delays to our SEC filings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Trading Arrangements and Policies

During the three months ended March 31, 2024, neither the Company nor any of its directors or officers adopted or terminated any 10b5-1 trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q or are incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description
2.1††	<u>Business Combination Agreement, dated as of February 15, 2021, by and among Peridot Acquisition Corp., Li-Cycle Corp. and the Company (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).</u>**
3.1	<u>Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's annual report on Form 10-K (File No. 333-40733) filed with the SEC on March 15, 2024).</u>**
3.2	<u>Articles of Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 1.2 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).</u>**
3.3	<u>Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 1.3 to the Company's shell company report on Form 20-F (File No. 001-40733) filed with the SEC on August 16, 2021).</u>**
4.1	<u>Specimen Common Share Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form F-4 (File No. 333-254843) filed with the SEC on July 6, 2021).</u>**
4.2	<u>Rights Agreement dated as of October 31, 2023, by and between the Company and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on November 1, 2023).</u>**
4.3	<u>Amendment No. 1 to the Rights Agreement, dated as of March 11, 2024, by and between Li-Cycle Holdings Corp. and Continental Stock Transfer & Trust Company as rights agent (incorporated by reference to Exhibit 4.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).</u>**
4.4	<u>Convertible Note, dated September 29, 2021, issued by Li-Cycle Holdings Corp. to Spring Creek Capital, LLC (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form F-1 (File No. 333-259895) filed with the SEC on September 30, 2021).</u>**
4.5	<u>Consent to New Debt and Amendment to Convertible Note, dated May 5, 2022, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.38 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).</u>**
4.6	<u>Amendment No. 2 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.39 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).</u>**
4.7	<u>Amendment No. 3 to Convertible Note dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Wood River Capital, LLC (incorporated by reference to Exhibit 4.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
4.8	<u>Convertible Note, dated May 31, 2022, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.1 to the Company's Form 6-K (File No. 001-40733) filed with the SEC on June 2, 2022).</u>**
4.9	<u>Amendment No. 1 to Convertible Note, dated February 13, 2023, by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 4.40 to the Company's annual report on Form 20-F (File No. 001-40733) filed with the SEC on March 30, 2023).</u>**f
4.10	<u>Senior Secured Convertible Note dated March 25, 2024 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
4.11	<u>Note Guaranty dated March 25, 2024 by and among Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
4.12	<u>Amended and Restated Convertible Note No. 1 dated March 25, 2024 (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**

4.13	<u>Amended and Restated Convertible Note No. 2 dated March 25, 2024 (incorporated by reference to Exhibit 4.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.1††	<u>Note Purchase Agreement, dated March 11, 2024, by and between Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 12, 2024).</u>**
10.2††	<u>Amended and Restated Note Purchase Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.8 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.3††	<u>U.S. Pledge and Security Agreement dated March 25, 2024 by and among Li-Cycle U.S. Inc., Li-Cycle Inc., Li-Cycle North America Hub, Inc. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.4††	<u>U.S. Stock Pledge Agreement dated March 25, 2024 by and between Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.5††	<u>Canadian General Security Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.6††	<u>Canadian Pledge Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp. and Glencore Canada Corporation as Collateral Agent (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.7	<u>Amended and Restated Registration Rights Agreement dated March 25, 2024 by and between Li-Cycle Holdings Corp. and Glencore Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.8	<u>Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore plc (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.9†††	<u>North America Black Mass and Refined Products Allocation Agreement dated March 25, 2024 by and among Li-Cycle Holdings Corp. and certain of its affiliates, Traxys North America LLC and Glencore Ltd. (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.10	<u>Indemnification Side Letter dated March 25, 2024 by and among Li-Cycle Holdings Corp., Glencore Ltd. and Glencore Canada Corporation (incorporated by reference to Exhibit 10.9 to the Company's Form 8-K (File No. 001-40733) filed with the SEC on March 25, 2024).</u>**
10.11†, †††	<u>Executive Employment Agreement, dated March 26, 2024, by and between Li-Cycle Corp. and Conor Spollen,</u>
10.12†	<u>Separation Agreement, dated March 26, 2024, as amended April 24, 2024, by and between Li-Cycle Corp. and Debbie Simpson.</u>
31.1	<u>Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
31.2	<u>Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
32.1#	<u>Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350.</u>
32.2#	<u>Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350.</u>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
104 Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101).

** Previously filed.

† Indicates management contract or compensatory plan or arrangement.

†† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

††† Pursuant to Item 601(b)(10)(iv) of Regulation S-K, portions of this exhibit have been omitted because Li-Cycle Corp. customarily and actually treats the omitted portions as private or confidential, and such portions are not material and would likely cause it competitive harm if publicly disclosed. Li-Cycle Holdings Corp. will supplementally provide an unredacted copy of this exhibit to the SEC or its staff upon request.

This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

LI-CYCLE HOLDINGS CORP.

By: /s/ Ajay Kochhar
Name: Ajay Kochhar
Title: Co-Founder, President & CEO and Executive Director

By: /s/ Craig Cunningham
Name: Craig Cunningham
Title: Interim Chief Financial Officer (Principal Financial and Accounting Officer)

Date: May 10, 2024

Tab N

This is Exhibit "N" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N



April 28, 2025

Li-Cycle Holdings Corp.
207 Queens Quay West
Suite 590
Toronto, ON M5J 1A7

Attention: Jacqueline Dedo, Independent Board Chair

Dear Ms. Dedo:

This letter agreement ("**Agreement**") sets out the terms and conditions upon which Li-Cycle Holdings Corp. ("**Li-Cycle**") hereby engages BlueTree Advisors Inc. ("**BlueTree**") as an independent contractor to provide the services below (the "**Services**") to Li-Cycle and its direct and indirect subsidiaries (collectively, the "**Li-Cycle Group**").

BlueTree agrees that the Services will be provided by William E. Aziz ("**Aziz**") and that BlueTree may not provide the services of any person other than Aziz without the prior written approval of Li-Cycle as provided for below. BlueTree represents that Aziz has the capacity to spend the time required to effectively discharge the mandate under this Agreement, acting as the Chief Restructuring Officer (subject to the approval of the Board), foreign representative and Advisor to the Board of Directors of Li-Cycle (the "**Board**") during the scope and term of this Agreement.

Services

The Services to be provided by BlueTree shall include, but are not limited to:

- consulting with management and the Board and their advisors on matters with respect to the business and operations of the Li-Cycle Group;
- providing such advice and assistance regarding the financial operations of the Li-Cycle Group as may be requested by the Board and in particular, monitoring the liquidity of the Li-Cycle Group while Li-Cycle and other members of the the Li-Cycle Group undertake any insolvency filing such as proceedings in respect of Li-Cycle and its North American subsidiaries ("**Li-Cycle NA**") pursuant to the *Companies' Creditors Arrangement Act*

(Canada (“**CCAA**”) and Chapter 15 of the United States Bankruptcy Code (collectively, the “**Insolvency Proceedings**”);

- assisting with any plan of arrangement and/or restructuring or refinancing or recapitalization restructuring and/or orderly liquidation in respect of the business and assets of the Li-Cycle Group, including the completion of any sale or sales under the CCAA and related Chapter 15 proceedings, and completion of steps to address all remaining assets and complete the CCAA process and any related processes on terms satisfactory to the Li-Cycle Group (the “**Restructuring**”);
- signing for or on behalf of the Li-Cycle Group, such documents, instruments, certificates or affidavits as may be required or requested to commence, prosecute, defend or implement a Restructuring or any legal proceeding involving the Li-Cycle Group, including acting as foreign representative in a Chapter 15 proceeding;
- consulting with and assisting any financial advisors to the Li-Cycle Group, the Li-Cycle Group’s legal counsel, and the special committee of the Board or such other committee of the Board as may be designated (the “**Special Committee**”), in the implementation of a Restructuring and steps related thereto, including consideration of any Key Employee Retention Plans;
- providing updates to, managing and engaging in discussions with, other senior members of management of the Li-Cycle Group, the Special Committee, and the various stakeholders of the Li-Cycle Group as may be required or requested;
- attending court hearings and providing affidavits and declarations and court testimony, as appropriate, in the Insolvency Proceedings, and providing direction in relation to issues as and when necessary in the Insolvency Proceedings; and
- providing such other related recapitalization, restructuring, financial and operational assistance as may be required or requested.

Representations and Warranties

Information. The Li-Cycle Group represents and warrants to BlueTree, and will use its reasonable best efforts to ensure that all information (the “**Information**”) provided to BlueTree, directly or indirectly, orally or in writing, in connection with the BlueTree engagement hereunder will be accurate and complete in all material respects, will not be

misleading in any material way and will not omit to state any fact or information which might reasonably be considered material to BlueTree performing its services hereunder. BlueTree will rely on the Information and shall be under no obligation to verify independently the accuracy or completeness of the Information provided to or otherwise obtained by it. BlueTree shall also be under no obligation to determine whether there have been any changes in such information or to investigate any change in such information occurring after the date any of the same were provided to or obtained by BlueTree.

Competence. BlueTree represents and warrants that Aziz has the necessary knowledge, experience and skill to carry out all contractual obligations under this Agreement and that it and Aziz shall do so honestly, in good faith and in a professional, competent and diligent manner. BlueTree and Aziz shall, at all times, act in the best interests of the Li-Cycle Group.

Fees and Expenses

BlueTree's compensation for Services (the “**Fees**”) provided herein will be as follows:

- a work fee of USD \$75,000 per month (the “**Work Fee**”) payable monthly in advance by Li-Cycle NA commencing on the Start Date, or where this day falls on a non-business day, on the first business day thereafter. BlueTree shall be entitled to a Work Fee for a minimum period of three months from the Start Date, even if this Agreement is terminated by the Li-Cycle Group (other than as a result of a material breach of this Agreement by BlueTree or Aziz);
- a fee equal to the greater of (x) 5% of the gross proceeds to Li-Cycle NA of a Restructuring completed during the term of this Agreement or within six (6) months thereafter, or (y) USD \$500,000 (the “**Restructuring Fee**”), which, subject to Court approval, shall be payable in cash by Li-Cycle NA on the completion of all aspects of the Restructuring; provided that to the extent the Restructuring includes a credit bid, the Restructuring Fee attributable to the aggregate of all credit bid purchase price amounts shall not exceed \$500,000 USD, and provided further that for greater certainty only one Restructuring Fee shall be payable;

Notwithstanding the foregoing, the Restructuring Fee will not be payable if the Li-Cycle Group terminates this engagement as a result of a material breach of this Agreement by BlueTree or Aziz, or if BlueTree terminates this Agreement for a reason other than the Li-Cycle Group’s material breach.

BlueTree is responsible for any day to day expenses necessary for BlueTree or Aziz to provide the Services under this Agreement and such day to day expenses shall not be invoiced to the Li-Cycle Group. Notwithstanding the foregoing, Li-Cycle NA shall reimburse BlueTree for its reasonable out-of-pocket expenses including, but not limited to, legal fees (except as otherwise provided for in the indemnity below), travel and communications expenses, courier charges and accommodation expenses. Such reimbursable expenses will be payable on receipt of BlueTree's invoices by Li-Cycle NA.

BlueTree may be required to charge and remit taxes in respect of the Fees including Harmonized Sales Tax (“HST”). Where such tax is applicable, an additional amount equal to the amount of tax owing thereon will be charged to and payable by Li-Cycle NA, in addition to the Fees. BlueTree shall provide its HST registration number in writing to Li-Cycle NA promptly upon execution of this Agreement.

All payments made by Li-Cycle NA to BlueTree shall be made without statutory deductions in respect of, but not limited to, the *Income Tax Act*, *Canada Pension Plan Act*, or *Employment Insurance Act*. Any other remittances in respect of, but not limited to, the *Workplace Safety and Insurance Act, 1997* and *Employer Health Tax* are the sole responsibility of BlueTree. BlueTree acknowledges responsibility for arranging and paying all applicable payments, contributions, premiums, and/or penalties under any federal or provincial legislation with respect to the services provided under this Agreement.

In the event the Li-Cycle Group is found liable to remit statutory deductions or remittances owing by, on account of, or in connection with the services provided pursuant to this Agreement, BlueTree agrees to indemnify the Li-Cycle Group and hold the Li-Cycle Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Li-Cycle Group may become subject by reason of, or arising out of any failure to remit those statutory deductions or remittances, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands. Further, BlueTree shall indemnify and save the Li-Cycle Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Li-Cycle Group may become subject arising from any claim that that Aziz is an employee of the Li-Cycle Group or any part of the Li-Cycle Group and not an independent contractor, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands.

Fees will be paid by Li-Cycle NA upon receipt of a properly prepared invoice from BlueTree.

Other Services

If BlueTree is required to perform services in addition to those described above or to provide services of other individuals aside from Aziz, then the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services will be in addition to the fees payable hereunder and will be negotiated separately and in good faith. Any agreement for other services must be pre-approved in writing by the Li-Cycle Group.

Indemnity

Li-Cycle NA has represented that it has officer insurance coverage and has provided a copy of same to Aziz. Li-Cycle NA will maintain, to the extent possible or practicable, the officer insurance coverage that was in place as at the date of execution of this Agreement, or coverage substantially comparable to that insurance that includes confirmation, in writing, from the underwriters that Aziz is fully covered by the insurance as an officer of Li-Cycle NA.

Subject to section 136 of the Ontario *Business Corporations Act* and the regulations thereunder), except in respect of an action by or on behalf of Li-Cycle or Another Body Corporate to procure a judgement in its favour, Li-Cycle NA shall indemnify BlueTree and Aziz (the “**Blue Tree Group**”), and the heirs and legal representatives of such Blue Tree Group member, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such Blue Tree Group member in respect of any civil, criminal or administrative proceeding to which such Blue Tree Group member is made a party by reason of being or having been an officer of Li-Cycle or Another Body Corporate, as the case may be, if: (a) such Blue Tree Group member acted honestly and in good faith with a view to the best interests of Li-Cycle or Another Body Corporate, for which such Blue Tree Group member acted as an officer or in a similar capacity at the request of the Li-Cycle Group, as the case may be; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such Blue Tree Group member had reasonable grounds for believing that the conduct was lawful.

BlueTree and Aziz may retain counsel to separately represent it or him in the defence of a claim, which shall be at Li-Cycle NA's expense if (i) the Li-Cycle Group does not assume the defence of a claim within 20 business days of receipt of an Indemnification Notice, (ii) the Li-Cycle Group agrees to separate representation or (iii) BlueTree and/or Aziz is advised by independent legal counsel that there is an actual or potential conflict in the Li-Cycle Group's and BlueTree's and/or Aziz's respective interests .

Promptly after receiving notice of any action, suit, proceeding or claim against either of BlueTree or Aziz or receipt of notice of the commencement of any investigation which is

based, directly or indirectly, upon any matter in respect of which indemnification may be sought in accordance with the terms of this Agreement from the Li-Cycle Group, BlueTree and/or Aziz shall notify the Li-Cycle Group in writing of the particulars thereof (an “**Indemnification Notice**”), and provide the Li-Cycle Group an opportunity to reasonably defend or settle the claim, failing which the above indemnity will not apply.

In connection with this Agreement, BlueTree and Aziz agree to indemnify the Li-Cycle Group, and the successors and legal representatives of such person, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of BlueTree or Aziz having failed to act honestly and in good faith with a view to the best interests of the Li-Cycle Group or Another Body Corporate; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person having no reasonable grounds for believing that the conduct was lawful.

“Another Body Corporate” as used herein means a body corporate of which Li-Cycle was a shareholder or creditor.

Security for Fees and Indemnity

In the event that Li-Cycle or any member of Li-Cycle NA seeks a court order granting an administrative charge to secure the fees and disbursements owing to Li-Cycle NA or the Li-Cycle Group’s advisors, Li-Cycle and/or Li-Cycle NA agrees to request that such charge secure the Fees payable to BlueTree. In the event that Li-Cycle NA seeks a court order securing the indemnity granted to its directors and officers, Li-Cycle NA agrees to request that such charge secure the indemnity granted to BlueTree and Aziz hereunder.

Survival of Terms and Termination

This engagement shall take effect upon the execution of this Agreement and may be terminated by a written notice to that effect:

- (a) by the Li-Cycle Group; or
- (c) by BlueTree;

in each case upon not less than 10 days' written notice to that effect to the other party (the “**Termination Date**”).

Upon the termination of this Agreement for any reason,

- a) BlueTree and Aziz shall immediately deliver to Li-Cycle all property of the Li-Cycle Group that is in the possession of BlueTree or Aziz at the

time of termination of this Agreement. BlueTree and Aziz shall take measures to ensure that it retains no copies of the Li-Cycle Group records, electronic or otherwise, following the return of the Li-Cycle Group property, and any debts that may be owing to the Li-Cycle Group;

- b) the obligations of either party to indemnify the other, to pay any amounts due to the other pursuant to this Agreement, including fees, expenses and tax, the representations and warranties contained herein in connection with this Agreement, the Confidentiality and Non-Solicitation Agreement set out herein, and the obligations arising from the “Other Matters” section, below, will survive.

Confidentiality and Non-Solicitation

As a condition of this Agreement, Li-Cycle acknowledges that BlueTree and Aziz have signed the Mutual Non-Disclosure Agreement attached as Schedule “A”.

Other Activities

The Li-Cycle Group acknowledges that Aziz serves as a director of a number of other corporations which are not directly competitive with the Li-Cycle Group and its affiliates and that BlueTree provides services to other clients. BlueTree covenants that, on a go-forward basis, these other activities will not interfere with BlueTree's ability to provide the services contemplated by this Agreement and that it will ensure that Aziz devotes his time, as required, to the services contemplated by this Agreement.

Relationship of Parties

Li-Cycle and BlueTree acknowledge that BlueTree is an independent contractor. Nothing in this Agreement shall constitute or shall be construed to constitute a partnership, joint venture, franchise, agency or employment relationship between the Li-Cycle Group (or any member of it) and BlueTree or Aziz. This Agreement shall constitute and shall at all times be construed to constitute an independent contractual relationship between Li-Cycle, the members of the Li-Cycle Group, and BlueTree. Without limiting the generality of the foregoing, BlueTree and Aziz acknowledge and agree that Aziz is not (and will not be by operation of this Agreement or otherwise) an employee of the Li-Cycle Group (or any member of it).

BlueTree and Aziz will provide, at their own risk and expense, all equipment, supplies and tools which may be required to perform the Services, and will be solely responsible for obtaining all necessary licenses and permits and for complying with all applicable laws in connection with the provision of the Services.

Mediation and Arbitration

In the event of any dispute, claim, question or difference arising out of or relating to this Agreement or the provision of services by BlueTree as contemplated by this Agreement (including, without limitation, any issue relating to the formation, existence, validity, enforceability, performance, interpretation or termination of this Agreement or the respective rights and obligations of the parties pursuant to this Agreement) (the “Dispute”), upon notice by any party to the other party specifying particulars of the Dispute, the parties shall use their best efforts to settle such Disputes, by consulting and negotiating with each other, in good faith and understanding of their mutual interests, to reach a just and equitable resolution satisfactory to each of the parties promptly.

If the parties do not reach resolution of the dispute within seven (7) days thereafter, any party may deliver notice (the “Arbitration Notice”) to the other party requiring resolution of the Dispute by arbitration, in which case the Dispute shall be finally resolved by arbitration by a sole arbitrator (the “Arbitrator”) in accordance with the Arbitration Act, 1991 (Ontario)) in Toronto, Ontario at ADR Chambers under the ADR Chambers Arbitration Rules. If the Parties cannot agree upon an arbitrator within 10 days of delivery of written notice of a dispute then the parties agree that ADR Chambers shall act as the appointing authority. The parties to this Agreement and to any arbitration conducted hereunder, including those adhering by way of consolidation, integration, joinder or intervention, shall be bound by, recognize and comply with the award of the Arbitrator.

Other Matters

This Agreement will enure to the benefit of and be binding upon the parties hereto. This Agreement shall be governed by and construed in accordance the laws of the Province of Ontario and the federal laws of Canada applicable therein. All financial references in this Agreement are to United States dollars. If any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof. Headings are used for convenience of reference only and shall not affect the interpretation hereof. This Agreement is the entire agreement between the parties and replaces all prior agreements or understandings; there is no term, condition, warranty or representation, collateral or otherwise, that exists between the parties, other than those contained in this Agreement, including any schedules. Any modifications or amendments to this Agreement shall be made in writing and signed by both parties.

Notices

All notices or other communications under this letter shall be in writing and e-mailed or faxed or delivered by personal delivery, if to Li-Cycle at:

Li-Cycle Holdings Corp.
207 Queens Quay West
Suite 590
Toronto, ON M5J 1A7
Attention: Jacqueline Dedo, Independent Board Chair
Email: Jacqui.Dedo@li-cycle.com

with a copy to: Heather Meredith hmeredith@mccarthy.ca

and if to BlueTree:

BlueTree Advisors Inc.
32 Shorewood Place
Oakville, ON L6K 3Y4

Attention: William Aziz
Fax: 905.849.4248
Email: baziz@bluetreadvisors.com

or as each party may specify in written notice to the other party. Its notices and communications shall be effective when e-mailed or delivered as the case may be or, if such day is not a business day, on the first business day thereafter.

Please confirm that the foregoing is in accordance with your understanding by signing and returning the attached duplicate copy of this Agreement which will thereupon become a binding agreement. This Agreement will be executed in counterparts.

(signatures on the next page – remaining left blank)

Yours very truly,

BLUETREE ADVISORS INC.

by:

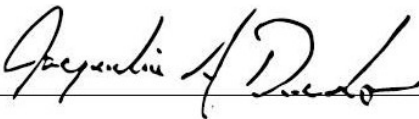


William E. Aziz

I have the authority to bind the Corporation

Accepted and agreed to as of April 28, 2025

LI-CYCLE HOLDINGS CORP.

by: 

Jacqueline Dedo

I have the authority to bind the Corporation

Tab O

This is Exhibit "O" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena Alnajar".

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N



April 28, 2025

PRIVATE AND CONFIDENTIAL

Li-Cycle Holdings Corp.
207 Queens Quay West
Suite 590
Toronto, Ontario
M5J 1A7

Attention: Ms. Jacqueline Dedo, Independent Board Chair

Dear Ms. Dedo:

It was a pleasure meeting you and Ajay Kochhar yesterday to discuss your current needs as it relates to the operations and restructuring of Li-Cycle Holdings Corp.

I am attaching to this letter my proposal for the scope of services to be provided by me, as an independent contractor, including timelines and fees. The Standard Terms and Conditions also form part of this proposal. Please review the attached and if you are in agreement, please sign one copy in the space provided and return it to me at your earliest convenience.

If you have any questions, do not hesitate to contact me. I look forward to working with you and your team.

Sincerely,

/s/ Michelle T. Faysal

Michelle T. Faysal, FCPA, FCA
Managing Director

On behalf of Li-Cycle Holdings Corp., I agree to the terms and conditions as set out in the attached proposal.

/s/ Jacqueline Dedo

Jacqueline Dedo
Independent Board Chair

May 1, 2025

Date



Project Proposal—Li-Cycle Holdings Corp.

Project Objective

The primary objective of this project in my capacity as an independent consultant is to act as Interim CFO to Li-Cycle Holdings Corp., and its subsidiaries and related entities (collectively “Li-Cycle”) and to work with the Chief Restructuring Officer (“CRO”) in the restructuring of the business.

Services to be Provided

Based on our discussion we agree at this time that the following are the areas with which you require specific assistance:

- Work with the Finance team of Li-Cycle to provide all necessary financial reporting required for both statutory, legal and other reporting obligations.
- Work with the CRO to ensure all financial information required for any potential sale of the business is provided as requested.
- Support the Special Committee of the Board of Directors as needed.

In my capacity as advisory accountant, I will provide advice on the application of accounting principles; however, this engagement does not contemplate giving any opinion on the application of accounting principles, written or otherwise. The ultimate responsibility for the decision on the appropriate application of US generally accepted accounting principles (“US GAAP”) rests with the Board of Directors in consultation with your auditors. For financial reporting matters where I provide assistance, I offer no guarantee, express or implied that your auditors will agree with the conclusions reached by management on the application of generally accepted accounting principles under US GAAP.

I acknowledge that one or more members of the Li-Cycle group may undertake in the near term an insolvency filing such as proceedings pursuant to the Companies’ Creditors Arrangement Act (Canada (“CCAA”) and Chapter 15 of the United States Bankruptcy Code (collectively, the “Insolvency Proceedings”).

Scope

The scope of this work will be limited to the Services outlined above.

The role of Michelle T. Faysal, Managing Director of **management me effectiveness** (collectively “me”) is to assist you by providing advice and experience. You retain complete and final control of all decisions that may be made as a result of the work noted above being carried out.


All documents created as part of this work will be provided to you in draft form for review and approval prior to being finalized or distributed.





Timing







The project is to commence **May 1st, 2025 (the “Start Date”)** for a minimum of three months and will terminate upon satisfactory completion of the work of the CRO or at the request of the Special Committee of the Board of Directors.




Fees



My fee is based on a billing rate of **\$50,000 per month** (plus applicable taxes), payable monthly in advance by Li-Cycle commencing on the Start Date, or where this day falls on a non-business day, on the first business day thereafter. The fees will be paid for a minimum period of three months from the Start Date, even if this Agreement is terminated by the Li-Cycle Group (other than as a result of a material breach of this Agreement by **management**  effectiveness).

Indemnity

Li-Cycle has represented that it has officer insurance coverage and has provided a copy of same to . Li-Cycle will maintain, to the extent possible or practicable, the officer insurance coverage that was in place as at the date of execution of this Agreement, or coverage substantially comparable to that insurance that includes confirmation, in writing, from the underwriters that  is fully covered by the insurance as an officer of Li-Cycle.

Subject to section 136 of the Ontario *Business Corporations Act* and the regulations thereunder), except in respect of an action by or on behalf of Li-Cycle or Another Body Corporate to procure a judgement in its favour, Li-Cycle shall indemnify , and the heirs and legal representatives of such  member, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such  member in respect of any civil, criminal or administrative proceeding to which such member is made a party by reason of being or having been an officer of Li-Cycle or Another Body Corporate, as the case may be, if: (a) such  member acted honestly and in good faith with a view to the best interests of Li-Cycle or Another Body Corporate, for which such  member acted as an officer or in a similar capacity at the request of Li-Cycle, as the case may be; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such  member had reasonable grounds for believing that the conduct was lawful.

 may retain counsel to separately represent it or her in the defense of a claim, which shall be at Li-Cycle's expense if (i) Li-Cycle does not assume the defense of a claim within 20 business days of receipt of an Indemnification Notice, (ii) Li-Cycle agrees to separate representation or (iii)  is advised by independent legal counsel that there is an actual or potential conflict in Li-Cycle and  respective interests .

Promptly after receiving notice of any action, suit, proceeding or claim against either of  or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought in accordance with the terms of this Agreement from Li-Cycle,  shall notify Li-Cycle in writing of the particulars thereof (an “**Indemnification Notice**”), and provide Li-Cycle an opportunity to reasonably defend or settle the claim, failing which the above indemnity will not apply.



In connection with this Agreement, m@ agrees to indemnify Li-Cycle, and the successors and legal representatives of such person, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of m@ having failed to act honestly and in good faith with a view to the best interests of Li-Cycle or Another Body Corporate; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person having no reasonable grounds for believing that the conduct was lawful.

“Another Body Corporate” as used herein means a body corporate of which Li-Cycle was a shareholder or creditor.

Security for Fees and Indemnity

In the event that Li-Cycle or any member of Li-Cycle seeks a court order granting an administrative charge to secure the fees and disbursements owing to Li-Cycle or Li-Cycle advisors, Li-Cycle agrees to request that such charge secure the Fees payable to m@. In the event that Li-Cycle seeks a court order securing the indemnity granted to its directors and officers, Li-Cycle agrees to request that such charge secure the indemnity granted to m@ hereunder.

Other

The following Standard Terms and Conditions form part of this agreement.

Proposal to Li-Cycle Holdings Corp.

April, 2025



STANDARD TERMS AND CONDITIONS

Relationship with you

1. **management me effectiveness** (“me”) will perform the Services in accordance with applicable professional standards.
2. me will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor me have any right, power or authority to bind the other.
3. me will not assume any of your management responsibilities in connection with the Services. me will not be responsible for the use or implementation of the output of the Services, although me may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

4. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
5. You shall provide (or cause others to provide) to me, promptly, the information, resources and assistance (including access to records, systems, premises and people) that I reasonably require to perform the Services.
6. To the best of your knowledge, all information provided by you or on your behalf (“**Client Information**”) will be accurate and complete in all material respects. The provision of Client Information to me will not infringe any copyright or other third-party rights.
7. me will rely on Client Information made available to me and, unless me expressly agrees otherwise, will have no responsibility to evaluate or verify it.
8. You shall be responsible for your personnel’s compliance with your obligations under this Agreement.

Reports

9. Any information, advice, recommendations or other content of any reports, presentations or other communications provided under this Agreement (“**Reports**”), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
10. You may not disclose a Report (or any portion or summary of a Report) externally or refer to me in connection with the Services, except, notwithstanding anything herein to the contrary: (a) to your lawyers (subject to these disclosure restrictions), who may use it only to give you advice relating to the Services, (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify me), (c) to other persons, with my prior written consent, who have executed an access letter substantially in the form prescribed by the applicable Project Proposal, and who may use it only as I have specified in my consent, (d) to the extent it contains Tax Advice, as set forth in Section 11 (e) to external accountants and auditors who require any reports as part of their audit work or (f) as may be required or advisable in connection with any Insolvency Proceedings.
11. You may disclose to your own tax advisors a Report (or a portion thereof) solely to the extent that it relates to your obtaining their advice on tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate (“**Tax Advice**”).



12. You may incorporate into documents that you intend to disclose externally summaries, calculations or tables based on Client Information contained in a Report, but not my recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to me in connection with them. This provision does not affect your ability to circulate Reports internally.
13. You may not rely on any draft Report. me shall not be required to update any final Report for circumstances of which I become aware, or events occurring, after its delivery.

Limitations

14. You (and any others for whom Services are provided) may not recover from me, in contract or tort (including negligence), under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
15. You (and any others for whom Services are provided) may not recover from me, in contract or tort (including negligence), under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by my fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
16. If me is liable to you (or to any others for whom Services are provided) under this Agreement or otherwise in connection with the Services, for loss or damage to which any other persons have also contributed, my liability to you shall be several and not joint and several, solidary or *in solidum*, with such others, and shall be limited to our fair share of that total loss or damage, based on my contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of my proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
17. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services (and the parties agree that the limitation periods established by the *Limitations Act, 2002* (Ontario) or any other applicable legislation shall be varied and/or excluded accordingly). This limitation will not apply to the extent prohibited by applicable law or professional regulations.

Indemnity

18. In addition to the specific section related to Indemnity, set out above as part of the Project Proposal, to the fullest extent permitted by applicable law and professional regulations, you shall indemnify me, against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the third parties' use of or reliance on any Report (including Tax Advice) disclosed to it by or through you or at your request.



Intellectual property rights

19. me may use data, software, designs, utilities, tools, models, systems and other methodologies and knowhow (“**Materials**”) that I own or license in performing the Services. Notwithstanding the delivery of any Reports, me retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
20. Upon payment for particular Services, you may use any Materials included in the Reports relating to those Services, as well as the Reports themselves as permitted by this Agreement.

Confidentiality

21. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it: (a) is or becomes public other than through a breach of this Agreement, (b) is subsequently received by the recipient from a third party who, to the recipient’s knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (c) was known to the recipient at the time of disclosure or is thereafter created independently, (d) is disclosed as necessary to enforce the recipient’s rights under this Agreement, or (e) must be disclosed under applicable law, legal process or professional regulations.
22. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.

Data protection

23. me may collect, use, transfer, store or otherwise process (collectively, “**Process**”) Client Information that can be linked to specific individuals (“**Personal Data**”). me may Process Personal Data in various jurisdictions in which me operates. me will Process Personal Data in accordance with applicable law, professional regulations and my privacy policy. me will require any service provider that Processes Personal Data on my behalf to adhere to such requirements.
24. You warrant that you have the authority to provide the Personal Data to me in connection with the performance of the Services and that the Personal Data provided to me has been processed in accordance with applicable law.

Fees and expenses generally

25. You shall pay my professional fees and specific pre-approved expenses in connection with the Services as detailed in the applicable Project Proposal. You shall also reimburse me for other reasonable expenses incurred in performing the Services. My fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally).



26. me may charge additional professional fees if events beyond my control (including your acts or omissions) affect my ability to perform the Services as originally planned or if you ask me to perform additional tasks. Such fees will be approved in advance of time being incurred.

Force majeure

27. Neither you nor me shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or my reasonable control.

Term and termination

28. This Agreement applies to all Services performed at any time (including before the date of this Agreement).
29. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In addition, me may terminate this Agreement, or any particular Services, immediately upon written notice to you if I reasonably determine that I can no longer provide the Services in accordance with applicable law or professional obligations.
30. You shall pay me for all work-in-progress, services already performed, and expenses incurred by me up to and including the effective date of the termination of this Agreement. Payment is due within 7 days following receipt of my invoice for these amounts.
31. The provisions of this Agreement, including Section 12 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement, including our respective confidentiality obligations (other than those relating to Reports or under Section 12).

Governing law and dispute resolution

32. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. Any dispute, claim or other matter arising out of or relating to this Agreement or the Services shall be subject to the exclusive jurisdiction of the Ontario courts, to which each of us agrees to submit for these purposes.

Miscellaneous

33. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered.
34. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Project Proposal hereunder.
35. You represent that the person signing this Agreement and any Project Proposal hereunder on your behalf is expressly authorized to execute it and to bind you and any of your affiliates or others for whom Services are performed to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your External Advisors.



36. You agree that me may, subject to professional obligations, act for other clients, except for your direct competitors.
37. Neither of us may assign any of our rights, obligations or claims under this Agreement.
38. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
39. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Project Proposal and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
40. me may use your name publicly to identify you as a client, but me may refer to you in connection with the Services only if it is a matter of public knowledge that me is providing them (or has provided them).

Tab P

This is Exhibit "P" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N



207 Queens Quay W – Suite 590
Toronto, ON M5J 1A7, Canada
Tel. +1 877 LI-CYCLE • www.li-cycle.com

May 1, 2025

Li-Cycle Holdings Corp.
207 Queens Quay West
Suite 590
Toronto, ON M5J 1A7

Attention: Jacqueline Dedo, Independent Board Chair

Dear Ms. Dedo:

This letter agreement ("**Agreement**") sets out the terms and conditions upon which Li-Cycle Holdings Corp. ("**Li-Cycle**") hereby engages Maplebriar Holdings Inc. ("**Maplebriar**") as an independent contractor to provide the services below (the "**Services**") to Li-Cycle and its direct and indirect subsidiaries (collectively, the "**Li-Cycle Group**").

Maplebriar agrees that the Services will be provided by Ajay Kochhar ("**Kochhar**") and that Maplebriar may not provide the services of any person other than Kochhar without the prior written approval of Li-Cycle as provided for below. This Agreement is the consulting services agreement referred to in the mutual separation agreement (the "**Separation Agreement**") dated April 30, 2025 between Li-Cycle and Kochhar. Maplebriar represents that Kochhar has the capacity to spend the time required to effectively discharge the mandate under this Agreement, acting as Advisor to the Board of Directors of Li-Cycle (the "**Board**") during the scope and term of this Agreement.

Services

The Services to be provided by Maplebriar shall include, but are not limited to:

- working closely with the CRO, management, the Board and any banking or financial advisory firm advising management, the Board or any committee of the Board, to pursue a sale of the assets of the Li-Cycle Group, as part of insolvency filings in respect of Li-Cycle and its North American subsidiaries ("**Li-Cycle NA**") pursuant to the *Companies' Creditors Arrangement Act* (Canada ("**CCAA**") and Chapter 15 of the United States Bankruptcy Code (collectively, the "**Insolvency Proceedings**");
- assisting with any plan of arrangement and/or restructuring or refinancing or recapitalization restructuring and/or orderly liquidation in respect of the business and assets of the Li-Cycle Group, including the completion of any sale or sales under the CCAA and related Chapter 15 proceedings, and completion of steps to address all remaining assets and complete the CCAA process and any related processes on terms satisfactory to the Li-Cycle Group (the "**Restructuring**"); and
- consulting with management, the Board and any committee thereof and their respective advisors on matters with respect to the business and operations of the Li-Cycle Group.

Representations and Warranties

Competence. Maplebriar represents and warrants that Kochhar has the necessary knowledge, experience and skill to carry out all contractual obligations under this Agreement and that it and Kochhar shall do so honestly, in good faith and in a professional, competent and diligent manner. Maplebriar and Kochhar shall, at all times, act in the best interests of the Li-Cycle Group.

Fees and Expenses

Maplebriar's compensation for Services (the "**Fees**") provided herein will be as follows:

- a work fee of USD \$50,000 per month (the "**Work Fee**") payable monthly in advance by Li-Cycle NA commencing on the date Kochhar ceases to be the Chief Executive Officer of Li-Cycle (the "**Start Date**"). Maplebriar shall be entitled to a Work Fee for a minimum period of three months from the Start Date, even if this agreement is terminated by the Li-Cycle Group (other than as a result of a material breach of this Agreement by Maplebriar or Kochhar);
- a fee equal to USD \$200,000 (the "**Credit Bid Restructuring Fee**"), which, subject to Court approval, shall be payable in cash by Li-Cycle NA on the completion of all aspects of the Restructuring if the Restructuring includes a credit bid; and
- a fee equal to USD \$500,000 (the "**Going Concern Restructuring Fee**", and together with the Credit Bid Restructuring Fee, the "**Restructuring Fees**"), which, subject to Court approval, shall be payable in cash by Li-Cycle NA on the completion of all aspects of the Restructuring if the Restructuring results in net cash proceeds to the Li-Cycle Group of at least USD \$10,000,000 and is not primarily a liquidation of assets.

Notwithstanding the foregoing, (i) only one of the Credit Bid Restructuring Fee or the Going Concern Restructuring Fee will be payable, (ii) all payments will be subject to approval by the Court in the Insolvency Proceedings, (iii) no Restructuring Fee will be payable if the Li-Cycle Group terminates this engagement as a result of a material breach of this Agreement or the Separation Agreement by Maplebriar or Kochhar, or if Maplebriar terminates this Agreement for a reason other than the Li-Cycle Group's material breach, and (iv) no Restructuring Fees shall be payable if Kochhar participates in the Restructuring in any way (including as an investor, employee or advisor to any third party), other than through the provision of the Services.

Maplebriar is responsible for any day-to-day expenses necessary for Maplebriar or Kochhar to provide the Services under this Agreement and such day-to-day expenses shall not be invoiced to the Li-Cycle Group. Notwithstanding the foregoing, Li-Cycle NA shall reimburse Maplebriar for its reasonable out-of-pocket expenses including, but not limited to, legal fees (except as otherwise provided for in the indemnity below), travel and communications expenses, courier charges and accommodation expenses. Such reimbursable expenses will be payable on receipt of Maplebriar's invoices by Li-Cycle NA.

Maplebiar may be required to charge and remit taxes in respect of the Fees including Harmonized Sales Tax (“HST”). Where such tax is applicable, an additional amount equal to the amount of tax owing thereon will be charged to and payable by Li-Cycle NA, in addition to the Fees. As applicable, Maplebiar shall provide its HST registration number in writing to Li-Cycle NA promptly upon execution of this Agreement.

All payments made by Li-Cycle NA to Maplebiar shall be made without all applicable statutory deductions in respect of, but not limited to, the *Income Tax Act*, *Canada Pension Plan Act*, or *Employment Insurance Act*. Any other remittances in respect to, but not limited to, the *Workplace Safety and Insurance Act*, 1997 and *Employer Health Tax* are the sole responsibility of Maplebiar. Maplebiar acknowledges responsibility for arranging and paying all applicable payments, contributions, premiums and/or penalties under any federal or provincial legislation with respect to the services provided under this Agreement.

In the event the Li-Cycle Group is found liable to remit statutory deductions or remittances owing by, on account of, or in connection with the services provided pursuant to this Agreement, Maplebiar agrees to indemnify the Li-Cycle Group and hold the Li-Cycle Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Li-Cycle Group may become subject by reason of, or arising out of any failure to remit those statutory deductions or remittances, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands. Further, Maplebiar shall indemnify and save the Li-Cycle Group harmless from and against any and all liabilities, losses, claims, actions, damages, costs, and expenses to which the Li-Cycle Group may become subject arising from any claim that that Kochhar is an employee of the Li-Cycle Group or any part of the Li-Cycle Group and not an independent contractor, including penalties and interest as well as any costs or expenses incurred in defending such claims or demands.

Fees will be paid by Li-Cycle NA upon receipt of a properly prepared invoice from Maplebiar.

Other Services

If Maplebiar is required to perform services in addition to those described above or to provide services of other individuals aside from Kochhar, then the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services will be in addition to the fees payable hereunder and will be negotiated separately and in good faith. Any agreement for other services must be pre-approved in writing.

Indemnity

Li-Cycle NA shall indemnify Maplebiar against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by Maplebiar in respect of any civil, criminal or administrative proceeding to which Maplebiar is made a party by reason of Kochhar’s provision of the Services, on the same basis and to the extent that Kochhar has a right existing at such time to be so indemnified by Li-Cycle NA.

Security for Fees

In the event that Li-Cycle or any member of Li-Cycle NA seeks a court order granting a charge relating to key employee retention matters to secure the fees and disbursements owing to Li-Cycle NA or the Li-Cycle Group’s advisors, Li-Cycle and/or Li-Cycle NA agrees to request that such charge secure the Fees payable to Maplebiar on substantially the same basis.

Survival of Terms and Termination

This engagement shall take effect upon the Start Date and may be terminated by a written notice to that effect:

- (a) by the Li-Cycle Group; or
- (c) by Maplebriar;

in each case upon not less than 10 days' written notice to that effect to the other party (the "**Termination Date**").

Upon the termination of this Agreement for any reason,

- a) Maplebriar and Kochhar shall immediately deliver to Li-Cycle all property of the Li-Cycle Group that is in the possession of Maplebriar or Kochhar at the time of termination of this Agreement. Maplebriar and Kochhar shall take measures to ensure that it retains no copies of the Li-Cycle Group records, electronic or otherwise, following the return of the Li-Cycle Group property, and pay any debts that may be owing to the Li-Cycle Group;
- b) the obligations of either party to indemnify the other, to pay any amounts then due to the other pursuant to this Agreement, including fees, expenses and tax, the representations and warranties contained herein in connection with this Agreement, the Confidentiality and Non-Solicitation Agreement set out herein, and the obligations arising from the "Other Matters" section, below, will survive.

Other Activities

Maplebriar covenants that, on a go-forward basis, any other activities that Kochhar may pursue (e.g. directorships of other corporations) will not interfere with Maplebriar's ability to provide the services contemplated by this Agreement and that it will ensure that Kochhar devotes his time, as required, to the services contemplated by this Agreement. Without limiting the foregoing, Maplebriar agrees that Kochhar will not, without the prior written consent of the Board, participate in any way (including as an investor, employee or advisor to any third party) in any potential purchase of the assets or business of Li-Cycle or any member of the Li-Cycle Group under a Restructuring.

Relationship of Parties

Li-Cycle and Maplebriar acknowledge that Maplebriar is an independent contractor. Nothing in this Agreement shall constitute or shall be construed to constitute a partnership, joint venture, franchise, agency or employment relationship between the Li-Cycle Group (or any member of it) and Maplebriar or Kochhar. This Agreement shall constitute and shall at all times be construed to constitute an independent contractual relationship between Li-Cycle, the members of the Li-Cycle Group, and Maplebriar. Without limiting the generality of the foregoing, Maplebriar and Kochhar acknowledge and agree that Kochhar is not (and will not be by operation of this Agreement or otherwise) an employee of the Li-Cycle Group (or any member of it).

Maplebriar and Kochhar will provide, at their own risk and expense, all equipment, supplies and tools which may be required to perform the Services, and will be solely responsible for obtaining all necessary licenses and permits and for complying with all applicable laws in connection with the provision of the Services.

Mediation and Arbitration

In the event of any dispute, claim, question or difference arising out of or relating to this Agreement or the provision of services by Maplebriar as contemplated by this Agreement (including, without limitation, any issue relating to the formation, existence, validity, enforceability, performance, interpretation or termination of this Agreement or the respective rights and obligations of the parties pursuant to this Agreement) (the “Dispute”), upon notice by any party to the other party specifying particulars of the Dispute, the parties shall use their best efforts to settle such Disputes, by consulting and negotiating with each other, in good faith and understanding of their mutual interests, to reach a just and equitable resolution satisfactory to each of the parties promptly.

If the parties do not reach resolution of the dispute within seven (7) days thereafter, any party may deliver notice (the “**Arbitration Notice**”) to the other party requiring resolution of the Dispute by arbitration, in which case the Dispute shall be finally resolved by arbitration by a sole arbitrator (the “**Arbitrator**”) in accordance with the *Arbitration Act, 1991* (Ontario)) in Toronto, Ontario at ADR Chambers under the ADR Chambers Arbitration Rules. If the Parties cannot agree upon an arbitrator within 10 days of delivery of written notice of a dispute then the parties agree that ADR Chambers shall act as the appointing authority. The parties to this Agreement and to any arbitration conducted hereunder, including those adhering by way of consolidation, integration, joinder or intervention, shall be bound by, recognize and comply with the award of the Arbitrator.

Other Matters

This Agreement will enure to the benefit of and be binding upon the parties hereto. This Agreement shall be governed by and construed in accordance the laws of the Province of Ontario and the federal laws of Canada applicable therein. All financial references in this Agreement are to United States dollars. If any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof. Headings are used for convenience of reference only and shall not affect the interpretation hereof. This Agreement is the entire agreement between the parties relating to the Services and replaces all prior agreements or understandings other than as expressly set out in the Separation Agreement; there is no term, condition, warranty or representation, collateral or otherwise, that exists between the parties, other than those contained in this Agreement or the Separation Agreement, including any schedules. Any modifications or amendments to this Agreement shall be made in writing and signed by both parties.

Notices

All notices or other communications under this letter shall be in writing and e-mailed or faxed or delivered by personal delivery, if to Li-Cycle at:

Li-Cycle Holdings Corp.
207 Queens Quay West
Suite 590
Toronto, ON M5J 1A7

Attention: Jacqueline Dedo, Independent Board Chair

with a copy to: Heather Meredith

and if to Maplebriar:

Maplebriar Holdings Inc.
2351 Royal Windsor Dr, Unit 10
Mississauga, ON L5J 1K5

Attention: Ajay Kochhar

or as each party may specify in written notice to the other party. Its notices and communications shall be effective when e-mailed or delivered as the case may be or, if such day is not a business day, on the first business day thereafter.

Please confirm that the foregoing is in accordance with your understanding by signing and returning the attached duplicate copy of this Agreement which will thereupon become a binding agreement. This Agreement will be executed in counterparts.

(signatures on the next page – remaining left blank)



207 Queens Quay W – Suite 590
Toronto, ON M5J 1A7, Canada
Tel. +1 877 LI-CYCLE • www.li-cycle.com

Yours very truly,

MAPLEBRIAR HOLDINGS INC.

by: /s/ Ajay Kochhar

Ajay Kochhar

I have the authority to bind the Corporation

Accepted and agreed to as of May 1, 2025

LI-CYCLE HOLDINGS CORP.

by: /s/ Jacqueline Dedo

Jacqueline Dedo

I have the authority to bind the Corporation

Tab Q

This is Exhibit "Q" referred to in the
Affidavit of **Ajay Kochhar**,
sworn before me on May 12, 2025

A handwritten signature in cursive script, appearing to read "Meena", followed by a stylized flourish or initial.

A Commissioner for taking Affidavits (or as may be)
Meena Alnajar LSO #: 89626N



May 8, 2025

Li-Cycle Holdings Corp.
207 Queens Quay W Suite 590,
Toronto, ON
M5J 1A7

Attention: Ajay Kochhar, President & CEO

Dear Mr. Kochhar,

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal Canada Securities ULC ("A&M") and Li-Cycle Holdings Corp., its subsidiaries, respective assigns and successors (jointly and severally, the "Company") including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below, this letter will constitute an agreement between the Company and A&M (the "Agreement").

1. Description of Engagement and Services.

The Company hereby engages A&M as its financial advisor with respect to evaluating and pursuing one or more potential sale transaction(s) (each a "Transaction"). As part of our engagement, A&M will, if appropriate and requested perform the following services:

- i. Prepare, in collaboration with the Company on an expedited basis, a short-form confidential information memorandum or similar document ("Confidential Information Memorandum") and other relevant informational materials;
- ii. Identify and contact prospective purchasers and solicit and assist in evaluating indications of interest and proposals among prospective purchasers;
- iii. Coordinate potential purchasers' due diligence;
- iv. Assist in structuring and negotiating the sale and the terms of the consideration;
- v. Assist in matters associated with closing a Transaction generally provided by financial advisors; and
- vi. Provide any other investment banking and financial advisory services reasonably necessary to accomplish the foregoing and consummate a Transaction as requested by the Company and agreed to by A&M from time to time.

It is understood and agreed that nothing contained herein shall constitute an expressed or implied commitment by A&M to underwrite, place, or purchase any financing or

securities. The scope of A&M services shall not include delivery of a fairness opinion with respect to any transaction.

The Company authorizes A&M to provide the Confidential Information Memorandum, as approved by the Company, and other relevant information to prospective purchasers who have signed an appropriate non-disclosure agreement acceptable to the Company.

The Company shall have the right, in its sole discretion, to accept or reject any Transaction offer or any prospective purchasers. The Company shall also have the right to approve prospective purchasers, in what manner they are to be contacted and at what point in time such contact may be made with each such prospective purchaser.

The Company agrees to promptly inform A&M of any inquiry it receives regarding a Transaction so that A&M can evaluate such party and its interest in a Transaction.

The Company understands that the services to be rendered by A&M may include providing the Company with assistance in the preparation of projections and other forward-looking statements regarding the Company and / or its businesses, subsidiaries or affiliates, and numerous factors can affect the actual results of the Company and / or its businesses, subsidiaries or affiliates, which may materially and adversely differ from those projections.

A&M makes no representation whatsoever that an appropriate Transaction can or will be formulated, that any Transaction in general or that any Transaction in particular is the best course of action for the Company. Further A&M assumes no responsibility for the selection and approval of any Transaction presented to the Company, this determination shall rest strictly with the Company.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law.

The Company will be solely responsible for the contents of the Confidential Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any prospective purchasers and/or any other party in connection with a potential Transaction. The Company represents and warrants that the Confidential Information Memorandum and such other communications will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. If an event occurs as a result of which the Confidential Information Memorandum (or any other distributed materials) would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly notify A&M and A&M will suspend solicitations of prospective purchasers until such time as the Company prepares a supplement or amendment to the Confidential Information Memorandum (or otherwise) that corrects such statement(s) and/or omission(s).

In connection with A&M's engagement, the Company will furnish A&M with all information concerning the Company which A&M reasonably deems appropriate and

will provide A&M with access to the Company's officers, directors, employees, accountants, counsel and other representatives (collectively, the "Representatives"). It is understood that A&M will rely solely upon the information supplied by the Company and its Representatives without assuming any responsibility for independent investigation or verification thereof. The Company represents and warrants that any financial projections provided to A&M have been, or will be, prepared on a basis reflecting the best currently available estimates and judgments of the future financial results and condition of the Company. The Company will, in writing, promptly notify A&M of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to A&M or any interested party. The Company authorizes A&M to contact the Company's professional advisors, which in A&M's discretion are deemed appropriate in connection with this engagement.

In rendering its services to the Company, A&M will report directly to the Company's President and Chief Executive Officer or Chief Restructuring Officer (together, the "Responsible Officers") and will make recommendations to and consult with the Responsible Officers or such senior officers as a Responsible Officer directs.

Hugh Rowan-Legg, a Managing Director of A&M, will be responsible for the overall engagement and will be assisted by other A&M personnel, as appropriate. A&M personnel providing services to the Company may also work with other A&M clients in conjunction with unrelated matters. In connection with the services to be provided hereunder, from time-to-time A&M may utilize the services of employees of its affiliates (as defined below). Such affiliates are wholly owned by A&M's parent company and A&M's employees.

For the purposes of this Agreement, "affiliate" means, with respect to any specified person, any other person directly or indirectly controlling, controlled by or under common control with such specified person. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, or the power to elect at least 50% of the directors, managers, general partners, or persons exercising similar authority with respect to such person.

The Company understands that A&M is not undertaking to provide any legal, regulatory, accounting, insurance, tax or similar professional advice. It is further understood and agreed that A&M's services will not include the preparation of a due diligence report, presentation or otherwise for the Company, and that A&M's services will not include the rendering of a fairness opinion. If you should request additional services not otherwise contemplated by this Agreement, the Company and A&M will enter into an additional letter agreement which will set forth the nature and scope of the services, appropriate compensation and other customary matters, as mutually agreed upon by the Company and A&M.

2. Compensation.

As compensation for our services hereunder, A&M will be paid by Li-Cycle Holdings Corp. as follows:

- (a) A&M will receive fees based on the following hourly rates (in \$CAD):

Managing Director	\$910-1,250
Directors & Snr. Director	\$575-880
Analysts/Associates/Snr. Associates	\$375-575

Such rates shall be subject to applicable taxes and adjustment annually at such time as A&M adjusts its rates generally.

A&M understands that the Company is seeking a Transaction on an expedited timeline.

A&M estimates that hourly fees through the first six weeks of an engagement would be approximately CAD600,000 + HST if applicable.

- (b) In addition, A&M will be reimbursed by Li-Cycle Holdings Corp. for its reasonable out-of-pocket expenses incurred in connection with this assignment, such as travel, lodging, meals, messenger and wireless charges. All fees and expenses will be billed on a weekly basis or, at A&M's discretion, more frequently. Invoices are payable upon receipt.

- (c) To the extent GST/HST is payable by the Company, A&M shall provide documentation to the Company that contains the information required under subsection 169(4) of the Excise Tax Act (Canada). The parties agree to provide assistance to each other as may be reasonably requested with respect to mitigating, reducing or eliminating the quantum of GST/HST payable to the extent allowable under applicable law.

3. Term.

- (a) This Agreement will apply from the commencement of the services referred to in Section 1 and may be terminated with immediate effect by either party without cause by written notice to the other party.
- (b) A&M normally does not withdraw from an engagement unless the Company misrepresents or fails to disclose material facts, fails to pay fees or expenses, or makes it unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause exists ("Cause").
- (c) On termination of the Agreement, unless A&M has unilaterally terminated this Agreement without Cause, any fees and expenses accrued and due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but are invoiced subsequent to such termination).

- (d) The provisions of this Agreement that give the parties rights or obligations beyond its termination shall survive and continue to bind the parties.

4. Relationship of the Parties.

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or agents is to be considered an employee or agent of the Company and the personnel and agents of A&M are not entitled to any of the benefits that the Company provides for the Company employees. The Company acknowledges and agrees that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to generally accepted accounting principles or the rules of any provincial, territorial or national professional or regulatory body.

5. No Third-Party Beneficiary.

The Company acknowledges that all advice (written or oral) provided by A&M to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law.

6. Conflicts.

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware. Because A&M and its affiliates and subsidiaries comprise a consulting firm (the "Firm") that serves clients on a global basis in numerous cases, both in and out of court, it is possible that the Firm may have rendered or will render services to or have business associations with other entities or people which had or have or may have relationships with the Company, including creditors of the Company. The Firm will not be prevented or restricted by virtue of providing the services under this Agreement from providing services to other entities or individuals, including entities or individuals whose interests may be in competition or conflict with the Company's, provided the Firm makes appropriate arrangements to ensure that the confidentiality of information is maintained. Each of the entities comprising the definition of Company (each, a "Company Entity") acknowledges and agrees that the services being provided hereunder are being provided on behalf of each of them and each of them hereby waives any and all conflicts of interest that may arise on account of the services being provided on behalf of any other Company Entity.

7. Confidentiality / Non-Solicitation.

A&M shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as requested by the Company or its legal counsel; or (ii) as required by legal proceedings, provided that A&M shall, where permitted by law, provide prior written notice of any such disclosure required by legal proceedings and reasonably cooperate with the Company (at the Company's expense) in obtaining a protective order or similar relief or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. The Company, on behalf of itself and its subsidiaries and affiliates agrees that, until two (2) years subsequent to the termination of this engagement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or any of its affiliates who worked on this engagement while employed by A&M or its affiliates ("Solicited Person"). Should the Company, including any of its respective affiliates or any person who acquires all or substantially all of their respective assets, extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the Company equal to the Solicited Person's hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior Director and 2,000 hours for any other A&M employee. The fee shall be payable at the time of the Solicited Person's acceptance of employment or engagement.

8. Indemnification and Limitations on Liability.

The attached indemnification and limitation on liability agreement is incorporated herein by reference and shall be executed upon the acceptance of this Agreement. Termination of this engagement shall not affect these indemnification and limitation on liability provisions, which shall remain in full force and effect.

As to the services the Company has requested and A&M has agreed to provide as set forth in this Agreement, the total aggregate liability of A&M under this Agreement to the Company and its successors and assigns, shall be limited to the actual damages incurred by the Company or its successors or assigns, respectively. In no event will A&M be liable to the Company or their successors or assigns for consequential, special or punitive damages, including loss of profit, data, business or goodwill. In no event shall the total aggregate liability of A&M relating to the services provided hereunder or otherwise arising under this Agreement to the Company and their successors and assigns exceed the total amount of fees received and retained by A&M hereunder. In no event shall A&M's affiliates and A&M's and its affiliates' respective shareholders, members, managers, employees, agents, representatives and subcontractors have any liability to the Company for any matters arising under this Agreement or relating to the services provided by A&M hereunder.

9. Joint and Several Liability.

Each Company Entity hereby acknowledges and agrees that they are each jointly and severally liable to A&M and its affiliates for all of the Company's representations, warranties, covenants, liabilities and obligations set forth in the Agreement. Any beneficiary of this agreement may seek to enforce any of its rights and remedies hereunder against any or all Company Entities in any order at any time in its sole discretion.

10. Privacy and Data Protection.

In the provision of Services under this Agreement, A&M may Process certain Company Personal Data. Capitalized terms used herein but not otherwise defined in the Agreement or in paragraph (b), below, shall have the meanings ascribed in paragraph (e), below.

(a) Mutual Obligations. A&M and Company shall each comply with Data Protection Laws applicable to their respective Processing of Company Personal Data.

(b) A&M Obligations. (i) A&M shall Process Company Personal Data on behalf of Company as reasonably necessary to providing the Services, which Company acknowledges consist of the services described in the Agreement. (ii) A&M shall implement and maintain appropriate physical, technical, and organizational safeguards reasonably designed to protect the confidentiality and security of Company Personal Data, and to protect Company Personal Data against a Personal Data Breach. (iii) For purposes of this clause (iii), the terms “consumer”, “business”, “business purpose”, “commercial purpose”, “sell”, and “share” shall have the meanings ascribed under the California Consumer Protection Act of 2018, as amended by the California Privacy Rights Act of 2020 (“CCPA”) and, where applicable, other relevant Data Protection Laws. A&M shall not: (A) sell or share Company Personal Data; (B) retain, use, or disclose Company Personal Data for any purpose other than for providing the Services; (C) retain, use, or disclose Company Personal Data for a commercial purpose other than for providing the Services, or as otherwise permitted under Data Protection Laws; (D) retain, use, or disclose Company Personal Data outside of the direct business relationship between Company and A&M, except as otherwise permitted under Data Protection Laws; or (E) combine Company Personal Data it receives from, or on behalf of, Company with Personal Data that it receives from, or on behalf of, another person or persons, or collects from its own interaction with the consumer, except as otherwise provided under Data Protection Laws. A&M shall provide the same level of privacy protection to Company Personal Data as required of businesses under applicable Data Protection Laws and will notify Company if it determines that it can no longer meet its obligations under applicable Data Protection Laws. A&M and Company shall promptly notify and reasonably assist the other if it receives a request from a consumer seeking to exercise individual rights (e.g., access, deletion) with respect to Company Personal Data, including by providing all information necessary to enable the other to comply with the request. Company shall have the right to take reasonable and appropriate steps to ensure that A&M Processes Company Personal Data in a manner that is consistent with Company’s obligations under applicable Data Protection Laws; specifically, Company shall have the right to monitor A&M’s compliance with its privacy and data protection obligations herein through written questionnaires once every 12 months. Company shall

have the right, upon no less than ten (10) business days' written notice, to request documentation from A&M demonstrating A&M's compliance with its privacy and data protection obligations herein, and to take other reasonable and appropriate steps to stop and remediate any unauthorized use of Company Personal Data by A&M. (iv) Notwithstanding anything in this paragraph (b) to the contrary, Company acknowledges and agrees: (A) A&M may disclose Company Personal Data to A&M's affiliates to assist A&M in Processing Company Personal Data as reasonably necessary to providing the Services; (B) A&M has Company's general authorization for the engagement of sub-processors to assist A&M in Processing Company Personal Data as reasonably necessary to providing the Services; provided, each sub-processor shall be subject to written agreement that complies with applicable Data Protection Law and is no less protective than as set forth herein; and (C) where reasonably necessary to provide the Services or as instructed by Company, A&M may disclose Company Personal Data to Company's other advisors, constituents, and/or counterparties in the matter for which Company engaged A&M to provide the Services.

(c) Company Obligations. (i) Company shall not do or permit anything to be done, through any act or omission, in providing or making available to A&M any Company Personal Data, that would cause A&M or any of its affiliates to contravene or incur any liability under any Data Protection Laws. (ii) Company shall use its reasonable efforts, where practicable, to limit the Personal Data that it provides or makes available to A&M to information that is necessary and relevant for A&M's performance of the Services, and to notify A&M in advance regarding categories, types and volume of Personal Data that it will provide or make available so that the parties can implement appropriate data transmission, handling and storage safeguards.

(d) Deidentified Data. To the extent A&M is permitted under the Agreement to deidentify, anonymize and/or aggregate Company Personal Data ("**Deidentified Data**"), Company acknowledges that A&M undertakes such actions in connection with and for the purpose of performing the Services, and Deidentified Data shall not be considered Company Personal Data.

(e) Definitions. (i) "**Data Protection Laws**" means all laws, rules and regulations pertaining to the privacy and security of Personal Data, including but not limited to CCPA and GDPR; (ii) "**Personal Data**" means all "personal data", "personal information", "personally identifiable information", "special categories of data", "sensitive personal information", and similarly defined terms under Data Protection Laws; (iii) "**Company Personal Data**" means any Personal Data that Company provides or makes available to A&M, or that A&M collects directly from individuals, in connection with A&M's performance of the Services (but excluding contact details about Company's personnel that A&M processes to manage the business relationship with Company); (iv) "**Process**" has the meaning under applicable Data Protection Laws, and in all events means to collect, access, analyze, use, store, transfer (including by remote access), or disclose by transmission; and (v) "**Personal Data Breach**" has the meaning under applicable Data Protection Laws, and in all events means any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Data.

11. CCAA and/or Bankruptcy Matters

A&M understands that certain of the services contemplated hereunder may be provided, and a Transaction may occur, in a CCAA Matter and/or Recognition Proceedings (defined below), or other matter commenced under similar bankruptcy and insolvency legislation. The Company and A&M agree that: (i) to the extent the services are provided in the context of a proceeding under the Companies' Creditors Arrangement Act (Canada) or any other similar proceeding commenced under any other bankruptcy and insolvency legislation (collectively, the "CCAA Matter") and other related matters in other jurisdictions for the recognition and enforcement of the CCAA Matter, including in Germany and the United States (the "Recognition Proceedings"), the services may, as necessary and to the extent the Company seeks to consummate a Transaction in the context of the CCAA Matter and Recognition Proceedings, A&M, may, as part of the services, (A) assist with the preparation of motion materials related to a Transaction, (B) consult with other retained parties, lenders, creditors, and other parties-in-interest, (C) participate in court proceedings, hearings and provide evidence in connection with a Transaction, (D) assist the Company in preparing and conducting a sale and investment solicitation process, and (E) perform such other tasks as appropriate and as may reasonably be requested by the Company's management or its counsel and agreed to by A&M.

No later than ten days after commencement of the CCAA Matter, the Company will seek approval of the court supervising the CCAA Matter (the "CCAA Court") to retain A&M on terms that are materially consistent with those set forth herein and of this Agreement (including all fees provided for hereunder), *nunc pro tunc* pursuant to an order of the CCAA Court in form and substance acceptable to A&M (the "Retention Order").

The Parties expressly acknowledge and agree that the continued effectiveness of this Agreement after the date of the hearing for approval of the Retention Order in the CCAA Matter is subject to the issuance of the Retention Order and that should the Retention Order not be obtained after the Company's motion on such date or any applicable postponement date, this Agreement shall be considered terminated in accordance with its terms as of such date. For greater certainty, if the Retention Order is not obtained after Company's application on the date of the hearing (or postponement thereof) for approval of the Retention Order, from such date A&M shall not be obligated to perform any services hereunder and the Company shall not be obligated to pay any fees that accrue from such date.


12. Miscellaneous.

This Agreement (together with the attached indemnity provisions), and all claims, proceedings or causes of action (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement or the services provided hereunder (the "Related Matters"), shall be governed and construed in accordance with the laws of the Province of Ontario applicable therein, without regard to principles of conflict of law that would defer to the laws of another jurisdiction.

This Agreement shall be binding upon A&M and the Company, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of A&M's or the Company's respective businesses and/or assets. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Company and A&M. The Company agrees that A&M may aggregate information provided by or on behalf of the Company during this engagement with information provided by or on behalf of others and use and disclose that information in de-identified form as part of research and advice, including, without limitation, benchmarking services. Notwithstanding anything herein to the contrary, A&M may reference or list the Company's name and/or logo and/or a general description of the services in A&M's marketing materials, including, without limitation, on A&M's website.

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,
Alvarez & Marsal Canada Securities
ULC

By: 

Hugh Rowan-Legg
Managing Director

Accepted and agreed:

Li-Cycle Holdings Corp.,
on behalf of itself and its subsidiaries

By: 

Ajay Kochhar
President & Chief Executive Officer

EXHIBIT A

INDEMNIFICATION AND LIMITATION ON LIABILITY AGREEMENT

This indemnification and limitation on liability agreement is made part of an agreement, dated May 8, 2025 (which together with any renewals, modifications or extensions thereof, is herein referred to as the "Agreement"), by and between A&M and the Company for services to be rendered to the Company by A&M.


- A. The Company agrees to indemnify and hold harmless each of A&M, its affiliates and their respective shareholders, members, managers, employees, agents, representatives and subcontractors (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and reasonable expenses, including the reasonable costs for counsel or accountants or other required experts in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or non-performance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees that (a) no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent that any such liability for losses, claims, damages, liabilities or expenses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct and (b) in no event will any Indemnified Party have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of an Indemnified Party, which consent shall not be unreasonably withheld, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.
- B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or A&M's and its personnel's role under the Agreement, A&M or any Indemnified Party is required to produce any of its personnel (including former employees) for examination, deposition or other written, recorded or oral presentation, or A&M or any of its personnel (including former employees) or any other

Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant to a subpoena or other legal (including administrative) process, the Company will reimburse the Indemnified Party for its out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.

- C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. The Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by counsel reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will not be liable for any settlement of any claim against an Indemnified Party made without the Company's written consent, which consent shall not be unreasonably withheld.
- D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable

for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.¹


- E. In the event the Company and A&M seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which A&M would continue to be engaged by the Company, the Company shall promptly pay expenses reasonably incurred by the Indemnified Parties, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Indemnified Parties for any expenses reasonably incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a postpetition claim.
- F. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition under the Companies' Creditors Arrangement Act or Bankruptcy and Insolvency Act (Canada) (nor the conversion of an existing case to a different form of proceeding, including receivership) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.
- G. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or bylaws of the Company, any other agreements, any vote of stockholders or disinterested directors of the Company, any applicable law or otherwise.

By: 

Hugh Rowan-Legg
Title: Managing Director

Accepted and agreed:

Li-Cycle Holdings Corp.
on behalf of itself and its subsidiaries

By: 

Name: Ajay Kochhar
Title: President & Chief Executive Officer

¹ NTD: We do not believe paragraph E is applicable. If it is, appropriate terms of reimbursement/indemnity can be established at the relevant time.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**AFFIDAVIT OF AJAY KOCHHAR
(Sworn May 12, 2025)**

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Lawyers for the Applicants

Tab 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC., AND LI-CYCLE NORTH AMERICA HUB, INC.

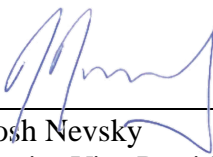
Applicants

CONSENT

ALVAREZ & MARSAL CANADA INC. hereby consents to act as the Court-appointed monitor in respect of Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc. and Li-Cycle North America Hub, Inc., in their proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, pursuant to the terms of an initial order, substantially in the form to be filed in such proceedings, should such order be granted by the Court.

DATED at Toronto this 12th day of May, 2025.

ALVAREZ & MARSAL CANADA INC.

Per: 
Josh Nevsky
Senior Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

CONSENT

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Tab 4

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 14TH DAY
)	
JUSTICE)	OF MAY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicants for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) was heard this day by judicial videoconference.

ON READING the affidavit of Ajay Kochhar sworn May 12, 2025 and the Exhibits thereto (the “**Kochhar Affidavit**”), the consent of Alvarez & Marsal Canada Inc. (“**A&M**”) to act as the Monitor (in such capacity, the “**Monitor**”), and the Pre-Filing Report of A&M in its capacity as the proposed Monitor, and on hearing the submissions of counsel for the Applicants, A&M and such other parties as listed on the counsel slip.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected

creditor under any plan of compromise or arrangement (a “**Plan**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) statutory deductions in the United States, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable

lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and
- (b) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If any of the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease

pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claims to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including May 22, 2025 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their respective employees, advisors or representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

14. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of any of the Applicants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended for a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in

accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET OFF

18. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, in each case without the consent of the Applicants and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers, the CRO (as defined below) and the CFO (as defined below) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants, the CRO and the CFO shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of USD \$450,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 47 and 49 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants’ directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) review and approve Intercompany Advances (as defined below);
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever located, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order, such other orders of the Court, or as otherwise required by this Court from time to time.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or

relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CRO AND CFO ENGAGEMENTS

30. **THIS COURT ORDERS** that the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged BlueTree Advisors Inc. (“**BlueTree**”) to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Applicants (“**CRO**”) and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit “N” to the Kochhar Affidavit (the “**CRO Engagement Letter**”), the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged Michelle Faysal as interim Chief Financial Officer of the Applicants (“**CFO**”), a copy of which is attached as Exhibit “O” to the Kochhar Affidavit (the “**CFO Engagement Letter**”), the execution of the CRO Engagement Letter and the CFO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO and the CFO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fee” (as defined in the CRO Engagement Letter).

31. **THIS COURT ORDERS** that the CRO and the CFO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

32. **THIS COURT ORDERS** that neither BlueTree, the CRO nor the CFO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter or CFO Engagement Letter, as applicable, be deemed to be in Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, however, if BlueTree, the CRO or the CFO are nevertheless later found to be in Possession of any Property, then BlueTree, the CRO or the CFO, as applicable, shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the BlueTree, the CRO or the CFO from any duty to report or make disclosure imposed by applicable Environmental Legislation.

33. **THIS COURT ORDERS** that BlueTree, the CRO and the CFO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any

Person from and after the dated of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO or CFO.

34. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of BlueTree, the CRO or the CFO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or the CFO, as applicable, or with leave of this Court on notice to the Applicant, the Monitor, the CRO and the CFO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the CRO and the CFO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

35. **THIS COURT ORDERS** that the obligations of the Applicants to BlueTree and the CRO and the CFO pursuant to the CRO Engagement Letter and the CFO Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) or the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended (the “**US Bankruptcy Code**”) in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR AND MAPLEBRIAR ENGAGEMENTS

36. **THIS COURT ORDERS** that the agreement dated as of May 8, 2025 pursuant to which the Applicants have engaged Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “Q” to the Kochhar Affidavit (the “**Financial Advisor Engagement Letter**”), the agreement dated as of May 1, 2025 pursuant to which the Applicants have engaged Maplebriar Holdings Inc. (“**Maplebriar**”) to provide the services of Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “P” to the Kochhar Affidavit (the “**Maplebriar Engagement Letter**”), and the execution of the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter by the Applicants, *nunc pro tunc*, is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fees” (as defined in the Maplebriar Engagement Letter).

37. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

38. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor or Maplebriar, as applicable.

39. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor or Maplebriar, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or Maplebriar, as applicable, or with leave of this Court on notice to the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

40. **THIS COURT ORDERS** that the obligations of the Applicants to the Financial Advisor and Maplebriar pursuant to the Financial Advisor Engagement Letter and Maplebriar Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants.

ADMINISTRATION CHARGE

41. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor in Canada and the United States (collectively, the “**Monitor Counsel**”), the CRO, the CFO, the Financial Advisor, Maplebriar, and counsel to the Applicants in Canada and the United States (collectively, the “**Applicants Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement

Letter, and in the case of Maplebriar in accordance with the Maplebriar Engagement Letter, whether incurred prior to, on, or after the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, the Monitor Counsel, the Financial Advisor and the Applicants Counsel on a weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, the Monitor Counsel, and the Applicants Counsel, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

42. **THIS COURT ORDERS** that the Monitor and its Canadian legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its Canadian legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

43. **THIS COURT ORDERS** that the Monitor, the Monitor Counsel, the CRO (solely for the “Work Fee” as defined and set out in the CRO Engagement Letter), the Financial Advisor, the CFO and the Applicants Counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$2 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 47 and 49 hereof.

INTERCOMPANY FINANCING

44. **THIS COURT ORDERS** that each of the Applicants (each, an “**Intercompany Lender**”) is authorized to loan to each of the other Applicants (each, an “**Intercompany Borrower**”), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the “**Intercompany Advances**”) up to an aggregate of USD \$1 million (subject to increase in accordance with further Order of this Court), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

45. **THIS COURT ORDERS** that each Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Intercompany Charge**”) on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the date of this Order. The Intercompany Charge shall have the priority set out in paragraphs 47 and 49 hereof.

46. **THIS COURT ORDERS AND DECLARES** that each Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any Intercompany Advances made on or after the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

47. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors’ Charge, and the Intercompany Charge (collectively, the “**Charges**”), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of \$2 million);

Second – Directors’ Charge (to the maximum amount of USD \$450,000); and

Third – Intercompany Charge (to the maximum amount of USD \$1 million).

48. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

49. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application.

50. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

51. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

52. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

53. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (collectively, the "**Securities Filings**") that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of an over the counter market, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, and the rules of OTCQX and the Financial Industry Regulatory Authority and other rules, regulations and policies of OTCQX (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or over the counter market from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

54. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the CRO (and its directors, officers, employees and representatives), the CFO or the Monitor (and its directors, officers, employees and representatives), shall have any personal liability for any failure by the Applicants to make any

Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator, stock exchange or over the counter market from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

SERVICE AND NOTICE

55. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claim amounts, names and addresses of any individuals who are creditors publicly available.

56. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

57. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.alvarezandmarsal.com/LiCycle.

58. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

CHAPTER 15 PROCEEDINGS

59. **THIS COURT ORDERS** that the CRO is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the “**Foreign Representative**”) in respect of the within proceedings for the purpose of having these proceedings recognized and approved in any jurisdiction outside of Canada.

60. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada including, without limitation, the United States Bankruptcy Court for the Southern District of New York (the “**Foreign Bankruptcy Court**”) pursuant to Chapter 15 of the US Bankruptcy Code. The Foreign Representative is authorized to apply for recognition and enforcement of this Order and any subsequent Orders of this Court in the United States

including, without limitation, paragraphs 13, 15, 16, 17 and 20 with respect to any Proceeding taking place in the United States, any Business or Property of the Applicants located or being conducted within the United States, and any Person located or acting within the United States, as applicable. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to the Foreign Representative, the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

GENERAL

61. **THIS COURT ORDERS** that the comeback motion shall be heard on May 22, 2025.

62. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation or application of this Order.

63. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

64. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CRO in any foreign proceeding, or to assist the Foreign Representative, the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

65. **THIS COURT ORDERS** that each of the Foreign Representative, the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

66. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, and is enforceable without any need for entry and filing.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

Tab 5

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	THURSDAY, THE 22ND DAY
)	
JUSTICE)	OF MAY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Cmpanies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order amending and restating the Initial Order (the “**Initial Order**”) issued on May 14, 2025 (the “**Initial Filing Date**”) and extending the stay of proceedings provided for therein was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Ajay Kochhar sworn May 12, 2025 and the Exhibits thereto (the “**Kochhar Affidavit**”), the affidavit of William E. Aziz sworn May ●, 2025 and the Exhibits thereto (the “**Aziz Affidavit**”), the consent of Alvarez & Marsal Canada Inc. (“**A&M**”) to act as the Monitor (in such capacity, the “**Monitor**”), the Pre-Filing Report of A&M in its capacity as the proposed Monitor dated May ●, 2025, and the First Report of the Monitor dated May ●, 2025 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Monitor and such other parties as listed on the counsel slip, no other party

appearing although duly served as appears from the Affidavit of Service of ● sworn May ●, 2025.

AMENDING AND RESTATING INITIAL ORDER

1. **THIS COURT ORDERS** that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they

deem reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing Date:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers, if, in the opinion of the Applicants following consultation with the Monitor, the third party supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) statutory deductions in the United States, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the Initial Filing Date twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and
- (c) pursue all avenues of refinancing, restructuring, selling or reorganizing their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Applicants and/or the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If any of the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claims to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that from the Initial Filing Date until and including ●, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their respective employees, advisors or representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of any of the Applicants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended for a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET OFF

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, in each case without the consent of the Applicants and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

21. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers, the CRO (as defined below) and the CFO (as defined below) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants, the CRO and the CFO shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of USD \$450,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 64 and 66 herein.

25. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. **THIS COURT ORDERS** that A&M is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) review and approve Intercompany Advances (as defined below);
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (e) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be

used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (f) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (g) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (i) assist the Applicants and the Financial Advisor, to the extent required by the Applicants and the Financial Advisor, in connection with any sale and realization process conducted by the Applicants and the Financial Advisor;
- (j) receiving, holding and making payments of KERP Funds (defined below) as set out in the KERP (defined below);
- (k) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever located, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (l) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (m) perform such other duties as are required by this Order, such other orders of the Court, or as otherwise required by this Court from time to time.

28. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the

Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree. Nothing in this paragraph shall derogate or limit the DIP Lender’s rights to request or receive information under the DIP Facility.

31. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing

in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CRO AND CFO ENGAGEMENTS

32. **THIS COURT ORDERS** that the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged BlueTree Advisors Inc. (“**BlueTree**”) to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Applicants (“**CRO**”) and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit “N” to the Kochhar Affidavit (the “**CRO Engagement Letter**”), the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged Michelle Faysal as interim Chief Financial Officer of the Applicants (“**CFO**”), a copy of which is attached as Exhibit “O” to the Kochhar Affidavit (the “**CFO Engagement Letter**”), the execution of the CRO Engagement Letter and the CFO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO and the CFO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fee” (as defined in the CRO Engagement Letter).

33. **THIS COURT ORDERS** that the CRO and the CFO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

34. **THIS COURT ORDERS** that neither BlueTree, the CRO nor the CFO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter or CFO Engagement Letter, as applicable, be deemed to be in Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, however, if BlueTree, the CRO or the CFO are nevertheless later found to be in Possession of any Property, then BlueTree, the CRO or the CFO, as applicable, shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the BlueTree, the CRO or the CFO from any duty to report or make disclosure imposed by applicable Environmental Legislation.

35. **THIS COURT ORDERS** that BlueTree, the CRO and the CFO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO or CFO.

36. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of BlueTree, the CRO or the CFO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or the CFO, as applicable, or with leave of this Court on notice to the Applicant, the Monitor, the CRO and the CFO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the CRO and the CFO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

37. **THIS COURT ORDERS** that the obligations of the Applicants to BlueTree and the CRO and the CFO pursuant to the CRO Engagement Letter and the CFO Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) or the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended (the “**US Bankruptcy Code**”) in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR AND MAPLEBRIAR ENGAGEMENTS

38. **THIS COURT ORDERS** that the agreement dated as of May 8, 2025 pursuant to which the Applicants have engaged Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “Q” to the Kochhar Affidavit (the “**Financial Advisor Engagement Letter**”), the agreement dated as of May 1, 2025 pursuant to which the Applicants have engaged Maplebriar Holdings Inc. (“**Maplebriar**”) to provide the services of Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “P” to the Kochhar Affidavit (the “**Maplebriar Engagement Letter**”), and the execution of the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter by the Applicants, *nunc pro tunc*, is hereby approved, including, without

limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fees” (as defined in the Maplebriar Engagement Letter).

39. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

40. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor or Maplebriar, as applicable.

41. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor or Maplebriar, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or Maplebriar, as applicable, or with leave of this Court on notice to the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

42. **THIS COURT ORDERS** that the obligations of the Applicants to the Financial Advisor and Maplebriar pursuant to the Financial Advisor Engagement Letter and Maplebriar Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants.

ADMINISTRATION CHARGE

43. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor in Canada and the United States (collectively, the “**Monitor Counsel**”), the CRO, the CFO, the Financial Advisor, Maplebriar, and counsel to the Applicants in Canada and the United States (collectively, the “**Applicants Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO

Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of Maplebriar in accordance with the Maplebriar Engagement Letter, whether incurred prior to, on or after the Initial Filing Date, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, the Monitor Counsel, the Financial Advisor and the Applicants Counsel on a weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, the Monitor Counsel, and the Applicants Counsel, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

44. **THIS COURT ORDERS** that the Monitor and its Canadian legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its Canadian legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

45. **THIS COURT ORDERS** that the Monitor, the Monitor Counsel, the CRO (solely for the “Work Fee” as defined and set out in the CRO Engagement Letter), the Financial Advisor, the CFO and the Applicants Counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$2.5 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 64 and 66 hereof.

DIP FINANCING

46. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the “**DIP Facility**”) from • (the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate

purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.

47. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of ● (the "**DIP Term Sheet**"), filed.

48. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

49. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for all of the Applicants' obligations owing to the DIP Lender under the DIP Term Sheet (including, without limitation, in respect of any principal, interest, fees and similar amounts thereunder), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 64 and 66 hereof.

50. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge, the DIP Term Sheet or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon two business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including, without

limitation, to: (i) terminate the commitments under the DIP Term Sheet; (ii) cease making advances to the Applicants; (iii) set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge; (iv) accelerate, and/or make a demand for immediate payment of, any or all obligations outstanding thereunder; (v) give any other notices that the DIP Lender considers necessary or desirable; and/or (vi) apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

51. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any advances made under the Definitive Documents.

52. **THIS COURT ORDERS** that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge are subsequently stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Term Sheet or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Term Sheet and the Definitive Documents.

53. **THIS COURT ORDERS** that the formal valuation and minority approval requirements contained in sections 5.4 and 5.6 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions need not be complied with in connection with the DIP Facility.

TRANSACTION FEE CHARGE

54. **THIS COURT ORDERS** that the CRO (as security for the fees and expenses other than the “Work Fee” as defined and set out in the CRO Engagement Letter) and Maplebriar (as security for the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter) shall be entitled to the benefit of and are hereby granted a charge (the “**Transaction Fee Charge**”) on the Property, which charge shall not exceed an aggregate amount of USD \$1 million. The Transaction Fee Charge shall have the priority set out in paragraphs 64 and 66 hereof.

KERP APPROVAL AND KERP CHARGE

55. **THIS COURT ORDERS** that the key employee retention plan (the “**KERP**”) described in the Aziz Affidavit and attached to the Aziz Affidavit is hereby approved and the Applicants are authorized to enter into the KERP *nunc pro tunc* and the Applicants are authorized to make payments in accordance with the terms thereof, including the amounts of CAD \$869,973.92 and USD \$672,075.46 to paid by the Applicants to the Monitor and held by the Monitor for the benefit of the KERP Employees (as defined in the KERP) pursuant to the KERP (the “**KERP Employee Funds**”).

56. **THIS COURT ORDERS** that the Applicants are authorized to pay the amount of USD \$150,000 to the Monitor to be held as security for the “Work Fee” of Maplebriar (as set out in the Maplebriar Engagement Letter) (the “**Maplebriar Work Fee Funds**”, and collectively with the KERP Employee Funds, the “**KERP Funds**”). The Applicants are authorized to make payments of the Maplebriar Work Fee Funds in accordance with the Maplebriar Engagement Letter.

57. **THIS COURT ORDERS** that upon receipt by the Monitor of the KERP Funds, the KERP Funds shall be held by the Monitor for the benefit of the beneficiaries of the KERP, being each of the KERP Employees (as defined in the KERP) and Maplebriar (the “**KERP Beneficiaries**”). The Monitor shall be permitted to distribute the KERP Funds to the Applicants for payment to the applicable KERP Beneficiaries as and when required by the KERP, and, when in the hands of the Applicants or any payment processor, such KERP Funds shall be held for and on the behalf of the applicable KERP Beneficiaries.

58. **THIS COURT ORDERS** that payments made by the Applicants pursuant to the KERP and Maplebriar Engagement Letter do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

59. **THIS COURT ORDERS** that Applicants are authorized to deliver such documents as may be necessary to give effect to the KERP, subject to prior approval of the Monitor, or as may be ordered by this Court.

60. **THIS COURT ORDERS** that each of the KERP Beneficiaries shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the KERP Funds as security for the obligations of the Applicants under the KERP and the Maplebriar Engagement Letter (other than for the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter). The KERP Charge shall have the priority set out in paragraphs 64 and 66 hereof.

INTERCOMPANY FINANCING

61. **THIS COURT ORDERS** that each of the Applicants (each, an “**Intercompany Lender**”) is authorized to loan to each of the other Applicants (each, an “**Intercompany Borrower**”), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the “**Intercompany Advances**”), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

62. **THIS COURT ORDERS** that each Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Intercompany Charge**”) on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing Date. The Intercompany Charge shall have the priority set out in paragraphs 64 and 66 hereof.

63. **THIS COURT ORDERS AND DECLARES** that each Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any Intercompany Advances made on or after the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

64. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the Transaction Fee Charge and the Intercompany Charge (collectively, the "**Charges**"), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of \$2.5 million);

Second – Directors' Charge (to the maximum amount of USD \$450,000);

Third – KERP Charge (solely as against the KERP Funds);

Fourth – DIP Lender's Charge (to the maximum amount of USD \$●);

Fifth – Transaction Fee Charge (to the maximum amount of USD \$1 million); and

Sixth – Intercompany Charge.

65. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

66. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property to which they apply and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

67. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any

Property to which the Charges apply that rank in priority to, or *pari passu* with, any of the applicable Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the applicable Charges, or further Order of this Court.

68. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder, including, for greater certainty, the DIP Lender (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

69. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

70. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of an over the counter market, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, and the rules of OTCQX and the Financial Industry Regulatory Authority and other rules, regulations and policies of OTCQX (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or over the counter market from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

71. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the CRO (and its directors, officers, employees and representatives), the CFO or the Monitor (and its directors, officers, employees and representatives), shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator, stock exchange or over the counter market from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

SEALING

72. **THIS COURT ORDERS** that Confidential Exhibit “●” to the Aziz Affidavit shall be sealed, kept confidential and shall not form part of the public record pending further Order of the court.

SERVICE AND NOTICE

73. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claim amounts, names and addresses of any individuals who are creditors publicly available.

74. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

75. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court

further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.alvarezandmarsal.com/LiCycle.

76. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

CHAPTER 15 PROCEEDINGS

77. **THIS COURT ORDERS** that the CRO is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in any jurisdiction outside of Canada.

78. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada, including, without limitation, the United States Bankruptcy Court for the Southern District of New York (the "**Foreign Bankruptcy Court**") pursuant to Chapter 15 of the US Bankruptcy Code. The Foreign Representative is authorized to apply for recognition and enforcement of this Order and any subsequent Orders of this Court in the United States including, without limitation, paragraphs 15, 17, 18, 19 and 22 with respect to any Proceeding taking place in the United States, any Business or Property of the Applicants located or being conducted within the United States, and any Person located or acting within the United States, as applicable. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to the Foreign Representative, the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

GENERAL

79. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation or application of this Order.

80. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

81. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Foreign Representative, the Monitor, the DIP Lender and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants, the DIP Lender and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CRO in any foreign proceeding, or to assist the Foreign Representative, the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

82. **THIS COURT ORDERS** that each of the Foreign Representative, the Applicants, the DIP Lender and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

83. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, and is enforceable without any need for entry and filing.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

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Lawyers for the Applicants

Tab 6

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEEKDAY~~ WEDNESDAY, THE #
)
JUSTICE) 14TH DAY ~~OF MONTH, 20YR~~
)
OF MAY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO ~~F~~ [APPLICANT'S NAME]
(the "Applicant")
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicant~~s~~ for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by judicial videoconference.

ON READING the affidavit of ~~[NAME]~~ Ajay Kochhar sworn ~~[DATE]~~ May 12, 2025 and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice~~ (the "Kochhar Affidavit"), the consent of Alvarez & Marsal Canada Inc. ("A&M") to act as the Monitor (in such capacity, the "Monitor"), and the Pre-Filing Report of A&M in its capacity as the proposed Monitor, and on

hearing the submissions of counsel for [NAMES], ~~no one appearing for [NAME]¹ although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor,~~ the Applicants, A&M and such other parties as listed on the counsel slip.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants ~~is a~~ are companyies to which the CCAA applies.

~~PLAN OF ARRANGEMENT~~

~~3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ **THIS COURT ORDERS** that the Applicants~~is~~ shall remain in possession and control of ~~its~~ their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants~~is~~ shall continue to carry on business in a manner

¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

consistent with the preservation of ~~its~~their businesses (the "~~Business~~") and Property. The Applicants ~~is~~are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively "~~Assistants~~") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it~~they deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

4. ~~5.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE] or~~or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~any plan of compromise or arrangement (a "Plan") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}

5. ~~6.~~ **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the date

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; ~~and~~
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) ~~(b)~~ payment for goods or services actually supplied to the Applicants following the date of this Order.

7. ~~8.~~ **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) ~~Quebec Pension Plan, and~~ (iv) income taxes; income taxes, and (iv) statutory deductions in the United States, and all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ ~~resiliated~~⁴ in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants ~~is~~ are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of ~~its~~ their creditors as of this date; (b) to grant no security interests, trust, liens, charges or

⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that the Applicants~~s~~ shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

~~(a) permanently or temporarily cease, downsize or shut down any of its business or operations, [and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]~~⁵

(a) ~~(b)~~ ~~terminate the employment of such of its~~their employees or temporarily lay off such of ~~its~~their employees as it deems appropriate~~;~~ and

(b) ~~(c)~~ pursue all avenues of refinancing ~~of its~~or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants~~s~~ to proceed with an orderly restructuring of the Business (the “Restructuring”).

11. ~~12.~~ **THIS COURT ORDERS** that the Applicants~~s~~ shall provide each of the relevant landlords with notice of the Applicant~~s~~' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant~~s~~' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants~~s~~, or by further Order of this Court upon application by the Applicants~~s~~ on at least two (2) days notice to such

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

landlord and any such secured creditors. If any of the Applicants disclaims ~~for resiliates~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for resiliation~~ of the lease shall be without prejudice to the Applicant's claims to the fixtures in dispute.

12. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~for resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~for resiliation~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS S OR THE PROPERTY

13. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE—MAX. 30 DAYS]~~, May 22, 2025 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their respective employees, advisors or representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

14. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of any of the Applicants that is stayed pursuant to

this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended for a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants ~~is~~are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers,

internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants^s in accordance with normal payment practices of the Applicants^s or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants^s and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET OFF

18. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, in each case without the consent of the Applicants and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

19. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased^d or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants^s. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a ~~compromise or arrangement~~ Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. ~~20.~~ **THIS COURT ORDERS** that the Applicants shall indemnify ~~its~~ their current and future directors and officers, the CRO (as defined below) and the CFO (as defined below) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. ~~21.~~ **THIS COURT ORDERS** that the current and future directors and officers of the Applicants, the CRO and the CFO shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of USD \$450,000, as security for the indemnity provided in paragraph ~~{20}~~21 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~47 and ~~{40}~~49 herein.

23. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's⁹ directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~21 of this Order.

APPOINTMENT OF MONITOR

24. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicantss with the powers and obligations set out in the CCAA or set forth herein and that the Applicantss and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicantss pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) review and approve Intercompany Advances (as defined below);
- (c) ~~(b)~~ report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- ~~(c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (d) advise the Applicantss in ~~its~~the preparation of the Applicants' cash flow statements ~~and reporting required by the DIP Lender~~, which information shall be reviewed with the Monitor ~~and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~

~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan;~~

~~(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

(e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever located, to the extent that is necessary to adequately assess the Applicant's' business and financial affairs or to perform its duties arising under this Order;

(f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) ~~(i)~~ perform such other duties as are required by this Order ~~or, such other orders of the Court, or as otherwise required~~ by this Court from time to time.

26. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in

pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. ~~27.~~ **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the Applicants ~~and the DIP Lender~~ with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CRO AND CFO ENGAGEMENTS

30. **THIS COURT ORDERS** that the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged BlueTree Advisors Inc. (“BlueTree”) to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Applicants (“CRO”) and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit “N” to the Kochhar Affidavit (the “CRO Engagement Letter”), the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged Michelle Faysal as interim Chief Financial Officer of the Applicants (“CFO”), a copy of which is attached as Exhibit “O” to the Kochhar Affidavit (the “CFO Engagement Letter”), the execution of the CRO Engagement Letter and the CFO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO and the CFO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fee” (as defined in the CRO Engagement Letter).

31. **THIS COURT ORDERS** that the CRO and the CFO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

32. **THIS COURT ORDERS** that neither BlueTree, the CRO nor the CFO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter or CFO Engagement Letter, as applicable, be deemed to be in Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, however, if BlueTree, the CRO or the CFO are nevertheless later found to be in Possession of any Property, then BlueTree, the CRO or the CFO, as applicable, shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the BlueTree, the CRO or the CFO from any duty to report or make disclosure imposed by applicable Environmental Legislation.

33. **THIS COURT ORDERS** that BlueTree, the CRO and the CFO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any

Person from and after the dated of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO or CFO.

34. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of BlueTree, the CRO or the CFO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or the CFO, as applicable, or with leave of this Court on notice to the Applicant, the Monitor, the CRO and the CFO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the CRO and the CFO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

35. **THIS COURT ORDERS** that the obligations of the Applicants to BlueTree and the CRO and the CFO pursuant to the CRO Engagement Letter and the CFO Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) or the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended (the “**US Bankruptcy Code**”) in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR AND MAPLEBRIAR ENGAGEMENTS

36. **THIS COURT ORDERS** that the agreement dated as of May 8, 2025 pursuant to which the Applicants have engaged Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “Q” to the Kochhar Affidavit (the “**Financial Advisor Engagement Letter**”), the agreement dated as of May 1, 2025 pursuant to which the Applicants have engaged Maplebriar Holdings Inc. (“**Maplebriar**”) to provide the services of Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “P” to the Kochhar Affidavit (the “**Maplebriar Engagement Letter**”), and the execution of the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter by the Applicants, *nunc pro tunc*, is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fees” (as defined in the Maplebriar Engagement Letter).

37. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

38. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor or Maplebriar, as applicable.

39. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor or Maplebriar, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or Maplebriar, as applicable, or with leave of this Court on notice to the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

40. **THIS COURT ORDERS** that the obligations of the Applicants to the Financial Advisor and Maplebriar pursuant to the Financial Advisor Engagement Letter and Maplebriar Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants.

ADMINISTRATION CHARGE

41. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor in Canada and the United States (collectively, the “**Monitor Counsel**”), the CRO, the CFO, the Financial Advisor, Maplebriar, and counsel to the Applicants in Canada and the United States (collectively, the “**Applicants Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement

Letter, and in the case of Maplebriar in accordance with the Maplebriar Engagement Letter, whether incurred prior to, on, or after the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants ~~is~~are hereby authorized and directed to pay the accounts of the Monitor, ~~counsel for the Monitor and e~~Counsel for the ~~Applicant on a [TIME INTERVAL] basis~~Financial Advisor and the Applicants Counsel on a weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Applicants ~~is~~are hereby authorized to pay to the Monitor, ~~counsel to the Monitor~~Counsel, and ~~counsel to the Applicants Counsel~~, retainers ~~in the amount[s] of \$●[-, respectively, nunc pro tunc,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

42. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its Canadian legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its Canadian legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

43. ~~31.~~ **THIS COURT ORDERS** that the Monitor, ~~counsel to the Monitor, if any,~~ Counsel, the CRO (solely for the “Work Fee” as defined and set out in the CRO Engagement Letter), the Financial Advisor, the CFO and the Applicant²s ~~e~~Counsel shall be entitled to the benefit of and are hereby granted a charge (the **“Administration Charge”**) on the Property, which charge shall not exceed an aggregate amount of \$●2 million, as security for their professional fees and disbursements incurred at ~~the~~their standard rates and charges ~~of the Monitor and such counsel,~~ and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}~~47 and ~~{40}~~49 hereof.

~~DIP~~INTERCOMPANY FINANCING

44. ~~32.~~ THIS COURT ORDERS that each of the Applicants ~~is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by~~ (each, an "Intercompany Lender") is authorized to loan to each of the other Applicants (each, an "Intercompany Borrower"), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the "Intercompany Advances") up to an aggregate of USD \$1 million (subject to increase in accordance with further Order of this Court), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

45. ~~35.~~ THIS COURT ORDERS that ~~the DIP~~ each Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "~~DIP Lender's~~ "Intercompany Charge"") on all of the Property, ~~which DIP Lender's of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany~~ Charge shall not secure an obligation that exists before the date of this Order ~~is made~~. The ~~DIP~~

~~Lender's~~Intercompany Charge shall have the priority set out in paragraphs ~~[38]~~47 and ~~[40]~~49 hereof.

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

- ~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- ~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~●~~ days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~
- ~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

46. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that ~~the DIP~~each Intercompany Lender shall be treated as unaffected and may not be compromised in any ~~p~~Plan of arrangement or compromise filed by the Applicant or in any other proceeding commenced under the CCAA, ~~or any proposal filed by the Applicant under the~~the BIA or the US Bankruptcy ~~and Insolvency Act of Canada (the "BIA")~~Code in respect of the Applicants, with respect to any Intercompany ~~a~~Advances made under the Definitive Documents on or after the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

47. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the Administration Charge and the DIP Lender's Intercompany Charge (collectively, the "Charges"), as among them with respect to any Property to which they apply, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$~~●~~2 million);

Second – ~~DIP Lender's~~Directors' Charge (to the maximum amount of USD \$450,000); and

Third – ~~Directors'~~Intercompany Charge (to the maximum amount of USD \$~~●~~1 million).

48. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

49. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges ~~and~~, encumbrances; and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, provided that the Charges

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application.

50. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicants also obtains the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charges and the Administration Charge~~, or further Order of this Court.

51. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall~~ shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents~~; and

- (c) the payments made by the Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents,~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

52. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's¹ interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

53. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of an over the counter market, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, and the rules of OTCQX and the Financial Industry Regulatory Authority and other rules, regulations and policies of OTCQX (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or over the counter market from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

54. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the CRO (and its directors, officers, employees and representatives), the CFO or the Monitor (and its directors, officers, employees and representatives), shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator, stock exchange or over the counter market from taking any action or exercising any discretion that it may have against the

directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “Regulators”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

SERVICE AND NOTICE

55. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than ~~\$1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claim amounts, names and addresses of any individuals who are creditors publicly available.

56. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

57. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-~~

~~protocol/~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~“@”~~: www.alvarezandmarsal.com/LiCycle.

58. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

CHAPTER 15 PROCEEDINGS

59. **THIS COURT ORDERS** that the CRO is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the “**Foreign Representative**”) in respect of the within proceedings for the purpose of having these proceedings recognized and approved in any jurisdiction outside of Canada.

60. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada including, without limitation, the United States Bankruptcy Court for the Southern District of New York (the “**Foreign Bankruptcy Court**”) pursuant to Chapter 15 of the US Bankruptcy Code. The Foreign Representative is authorized to apply for recognition and enforcement of this Order and any subsequent Orders of this Court in the United States including, without limitation, paragraphs 13, 15, 16, 17 and 20 with respect to any Proceeding taking place in the United States, any Business or Property of the Applicants located or being conducted within the United States, and any Person located or acting within the United States, as

applicable. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to the Foreign Representative, the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

GENERAL

61. **THIS COURT ORDERS** that the comeback motion shall be heard on May 22, 2025.

62. ~~47.~~ **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of ~~its~~their powers and duties hereunder or in the interpretation or application of this Order.

63. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

64. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the ~~Monitor~~CRO in any foreign proceeding, or to assist the Foreign Representative, the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

65. ~~50.~~ **THIS COURT ORDERS** that each of the Foreign Representative, the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, ~~and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.~~

~~51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

66. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, and is enforceable without any need for entry and filing.

Revised: January 21, 2014

<u>IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.</u>	<u>Court File No.</u>
	<u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u> <u>Proceeding Commenced at Toronto</u>
	<u>INITIAL ORDER</u>
	<u>McCarthy Tétrault LLP</u> <u>Suite 5300, TD Bank Tower</u> <u>66 Wellington Street West</u> <u>Toronto, ON M5K 1E6</u> <u>Heather Meredith LSO#: 48354R</u> <u>Tel: 416-601-8342</u> <u>E-mail: hmeredith@mccarthy.ca</u> <u>Trevor Courtis LSO#: 67715A</u> <u>Tel: 416-601-7643</u> <u>E-mail: tcourtis@mccarthy.ca</u> <u>Sameea Tanvir LSO#: 77838T</u> <u>Tel : 416-601-8181</u> <u>E-mail: stanvir@mccarthy.ca</u> <u>Meena Alnajar LSO#: 89626N</u> <u>Tel: 416-601-8116</u> <u>E-mail: malnajar@mccarthy.ca</u> <u>Lawyers for the Applicants</u>

Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 05/12/25 9:19:33 PM	
Style name: MT Style	
Intelligent Table Comparison: Active	
Original filename: intital-order-CCAA-EN.doc	
Modified DMS: iw://mccarthy.cloudimanage.com/MTDOCS/60864506/12	
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Delete	289
Move From	6
<u>Move To</u>	6
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	703

Tab 7

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEEKDAY~~ THURSDAY, THE #
)
JUSTICE) 22ND DAY ~~OF MONTH, 20YR~~
)
OF MAY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO ~~F~~ [APPLICANT'S NAME]
(the "Applicant")
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants ~~s~~ pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "~~"CCAA"~~") for an order amending and restating the Initial Order (the "Initial Order") issued on May 14, 2025 (the "Initial Filing Date") and extending the stay of proceedings provided for therein was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Ajay Kochhar sworn ~~[DATE]~~ May 12, 2025 and the Exhibits thereto ~~;~~ (the "Kochhar Affidavit"), the affidavit of William E. Aziz sworn May 12, 2025 and the Exhibits thereto (the "Aziz Affidavit"), the consent of Alvarez & Marsal Canada Inc. ("A&M") to act as the Monitor (in such capacity, the "Monitor"), the Pre-Filing Report of A&M in its capacity as the proposed Monitor dated May 12, 2025, and the First Report of the Monitor dated May 12, 2025 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of

counsel for ~~[NAMES], no one appearing for [NAME]~~¹ the Applicants, the Monitor and such other parties as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service of ~~[NAME]~~² sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor May ●, 2025.

AMENDING AND RESTATING INITIAL ORDER

1. THIS COURT ORDERS that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. 1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. 2. **THIS COURT ORDERS AND DECLARES** that the Applicants is are companyies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. 3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court aone or more plans of compromise or arrangement (hereinafter referred to as the "Plan").

¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **"Property"**). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their businesses (the **"Business"**) and Property. The Applicants ~~is~~are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively **"Assistants"**) currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it~~they deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. ~~5.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE] or~~or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the **"Cash Management System"**) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. }

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

7. ~~6.~~ **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after ~~this Order~~ the Initial Filing Date:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing Date ~~of this Order~~, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers, if, in the opinion of the Applicants following consultation with the Monitor, the third party supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

8. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after ~~this Order~~ the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; ~~and~~
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) ~~(b)~~ payment for goods or services actually supplied to the Applicants following the Initial Filing Date ~~of this Order~~.

9. ~~8.~~ **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) ~~Quebec Pension Plan, and~~ (iv) income taxes, and (iv) statutory deductions in the United States, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date ~~of this Order~~, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date ~~of this Order~~ but not required to be remitted until on or after the Initial Filing Date ~~of this Order~~; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ **resiliated**⁴ in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord

⁴ ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

under the lease) or as otherwise may be negotiated between the Applicants^s and the landlord from time to time ("Rent"), for the period commencing from and including the Initial Filing d~~Date of this Order~~, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing d~~Date of this Order~~ shall also be paid.

11. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants ~~is~~are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants^s to any of ~~its~~their creditors as of ~~this~~the Initial Filing d~~Date~~; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. ~~11.~~ **THIS COURT ORDERS** that the Applicants^s shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their businesses or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$~~500,000~~500,000 in any one transaction or \$~~1,000,000~~1,000,000 in the aggregate⁵;
- (b) ~~terminate~~ the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as it deems appropriate~~;~~ and

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

- (c) pursue all avenues of refinancing ~~of its~~, restructuring, selling or reorganizing their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Applicants and/or the Business (the "Restructuring").

13. ~~12.~~ **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If any of the Applicants disclaims ~~for or resiliates~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for resiliation~~ of the lease shall be without prejudice to the Applicant's claims to the fixtures in dispute.

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~for or resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for or resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~for or resiliation~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that from the Initial Filing Date until and including ~~[DATE—MAX. 30 DAYS]~~, or such later date as this Court may order (the **“Stay Period”**), no proceeding or enforcement process in any court or tribunal (each, a **“Proceeding”**) shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their respective employees, advisors or representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of any of the Applicants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended for a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being **“Persons”** and each being a **“Person”**) against or in respect of the Applicants or the Monitor, or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants ~~is~~are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing ~~and Date of this Order~~ are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET OFF

20. **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, in each case without the consent of the Applicants and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

21. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing d~~Date of this Order~~, nor shall any Person be under any obligation on or after the Initial Filing d~~Date of this Order~~ to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing d~~Date hereof~~ and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a ~~compromise or arrangement~~Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. ~~20.~~ **THIS COURT ORDERS** that the Applicants shall indemnify ~~its~~their current and future directors and officers, the CRO (as defined below) and the CFO (as defined below) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. ~~21.~~ **THIS COURT ORDERS** that the current and future directors and officers of the Applicants, the CRO and the CFO shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of USD \$450,000, as security for the indemnity provided in paragraph ~~120~~23 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~138~~64 and ~~140~~66 herein.

25. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~120~~23 of this Order.

APPOINTMENT OF MONITOR

26. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME] is hereby~~ A&M is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

- (a) monitor the Applicant's receipts and disbursements;
- (b) review and approve Intercompany Advances (as defined below);
- (c) ~~(b)~~ report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (e) ~~(e)~~ assist the Applicants, to the extent required by the Applicants, in ~~its~~ their dissemination, to the DIP Lender and its counsel on a ~~[TIME INTERVAL]~~ weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (f) ~~(d)~~ advise the Applicants in ~~its~~ their preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than ~~[TIME INTERVAL]~~ weekly, or as otherwise agreed to by the DIP Lender;
- (g) ~~(e)~~ advise the Applicants in its development of the Plan and any amendments to the Plan;
- (h) ~~(f)~~ assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' ~~or shareholders'~~ meetings for voting on the Plan;
- (i) assist the Applicants and the Financial Advisor, to the extent required by the Applicants and the Financial Advisor, in connection with any sale and realization process conducted by the Applicants and the Financial Advisor;
- (j) receiving, holding and making payments of KERP Funds (defined below) as set out in the KERP (defined below);

- (k) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever located, to the extent that is necessary to adequately assess the Applicant's¹ business and financial affairs or to perform its duties arising under this Order;
- (l) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (m) ~~(i)~~ perform such other duties as are required by this Order ~~or~~, such other orders of the Court, or as otherwise required by this Court from time to time.

28. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's² duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. ~~27.~~ **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the Applicants ~~and, including~~ the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree. Nothing in this paragraph shall derogate or limit the DIP Lender's rights to request or receive information under the DIP Facility.

31. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CRO AND CFO ENGAGEMENTS

32. **THIS COURT ORDERS** that the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged BlueTree Advisors Inc. (“BlueTree”) to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Applicants (“CRO”) and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit “N” to the Kochhar Affidavit (the “CRO Engagement Letter”), the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged Michelle Faysal as interim Chief Financial Officer of the Applicants (“CFO”), a copy of which is attached as Exhibit “O” to the Kochhar Affidavit (the “CFO Engagement Letter”), the execution of the CRO Engagement Letter and the CFO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO and the CFO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fee” (as defined in the CRO Engagement Letter).

33. **THIS COURT ORDERS** that the CRO and the CFO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

34. **THIS COURT ORDERS** that neither BlueTree, the CRO nor the CFO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter or CFO Engagement Letter, as applicable, be deemed to be in Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, however, if BlueTree, the CRO or the CFO are nevertheless later found to be in Possession of any Property, then BlueTree, the CRO or the CFO, as applicable, shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the BlueTree, the CRO or the CFO from any duty to report or make disclosure imposed by applicable Environmental Legislation.

35. **THIS COURT ORDERS** that BlueTree, the CRO and the CFO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any

Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO or CFO.

36. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of BlueTree, the CRO or the CFO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or the CFO, as applicable, or with leave of this Court on notice to the Applicant, the Monitor, the CRO and the CFO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the CRO and the CFO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

37. **THIS COURT ORDERS** that the obligations of the Applicants to BlueTree and the CRO and the CFO pursuant to the CRO Engagement Letter and the CFO Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) or the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended (the “**US Bankruptcy Code**”) in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR AND MAPLEBRIAR ENGAGEMENTS

38. **THIS COURT ORDERS** that the agreement dated as of May 8, 2025 pursuant to which the Applicants have engaged Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “Q” to the Kochhar Affidavit (the “**Financial Advisor Engagement Letter**”), the agreement dated as of May 1, 2025 pursuant to which the Applicants have engaged Maplebriar Holdings Inc. (“**Maplebriar**”) to provide the services of Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “P” to the Kochhar Affidavit (the “**Maplebriar Engagement Letter**”), and the execution of the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter by the Applicants, *nunc pro tunc*, is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fees” (as defined in the Maplebriar Engagement Letter).

39. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

40. **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor or Maplebriar, as applicable.

41. **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor or Maplebriar, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or Maplebriar, as applicable, or with leave of this Court on notice to the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

42. **THIS COURT ORDERS** that the obligations of the Applicants to the Financial Advisor and Maplebriar pursuant to the Financial Advisor Engagement Letter and Maplebriar Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants.

ADMINISTRATION CHARGE

43. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor in Canada and the United States (collectively, the “**Monitor Counsel**”), the CRO, the CFO, the Financial Advisor, Maplebriar, and counsel to the Applicants in Canada and the United States (collectively, the “**Applicants Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement

Letter, and in the case of Maplebriar in accordance with the Maplebriar Engagement Letter, whether incurred prior to, on or after the Initial Filing Date, by the Applicants isare hereby authorized and directed to pay the accounts of the Monitor, ~~counsel for the Monitor and e~~Counsel for the Applicant on a [TIME INTERVAL] basisFinancial Advisor and the Applicants Counsel on a weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Applicants isare hereby authorized to pay to the Monitor, ~~counsel to the Monitor~~ Counsel, and ~~counsel to the Applicants Counsel~~, retainers ~~in the amount[s] of \$●[-, respectively, nunc pro tunc,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

44. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its Canadian legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its Canadian legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

45. ~~31.~~ **THIS COURT ORDERS** that the Monitor, ~~counsel to the Monitor, if any,~~ Counsel, the CRO (solely for the "Work Fee" as defined and set out in the CRO Engagement Letter), the Financial Advisor, the CFO and the Applicant's ~~e~~Counsel shall be entitled to the benefit of and are hereby granted a charge (the **"Administration Charge"**) on the Property, which charge shall not exceed an aggregate amount of \$●2.5 million, as security for their professional fees and disbursements incurred at ~~the~~their standard rates and charges ~~of the Monitor and such counsel,~~ and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}~~64 and ~~{40}~~66 hereof.

DIP FINANCING

46. ~~32.~~ **THIS COURT ORDERS** that the Applicants isare hereby authorized and empowered to obtain and borrow under a credit facility ~~from [(the "DIP LENDER'S NAME)]~~Facility") from ● (the "DIP Lender") in order to finance the Applicant's' working capital requirements and other general corporate purposes and capital expenditures, provided that

borrowings under such credit facility shall not exceed \$~~●~~● unless permitted by further Order of this Court.

47. ~~33.~~ **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~DIP Term Sheet between the Applicants~~s~~ and the DIP Lender dated as of ~~{DATE}~~● (the "~~Commitment Letter~~DIP Term Sheet"), filed.

48. ~~34.~~ **THIS COURT ORDERS** that the Applicants ~~is~~are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "~~Definitive Documents~~"), as are contemplated by the ~~Commitment Letter~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants ~~is~~are hereby authorized and directed to pay and perform all of ~~its~~their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

49. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for all of the Applicants' obligations owing to the DIP Lender under the DIP Term Sheet (including, without limitation, in respect of any principal, interest, fees and similar amounts thereunder), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~{38}~~64 and ~~{40}~~66 hereof.

50. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge, the DIP Term Sheet or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~●~~two business days notice to the Applicants~~s~~ and the Monitor, may exercise any and all of its rights and remedies against the Applicants~~s~~ or the Property under or pursuant to the ~~Commitment~~

- ~~Letter~~DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including, without limitation, to: (i) terminate the commitments under the DIP Term Sheet; (ii) cease making advances to the Applicants~~s~~; and; (iii) set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge,~~to make demand;~~ (iv) accelerate, and/or make a demand for immediate payment ~~and of, any or all obligations outstanding thereunder;~~ (v) give any other notices,~~or to that the DIP Lender considers necessary or desirable;~~ and/or (vi) apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

51. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected and may not be compromised in any ~~p~~Plan of arrangement or compromise filed by the Applicant or in any other proceeding commenced under the CCAA, ~~or any proposal filed by the Applicant under the~~ the BIA or the US Bankruptcy ~~and Insolvency Act of Canada (the "BIA")~~Code in respect of the Applicants, with respect to any advances made under the Definitive Documents.

52. **THIS COURT ORDERS** that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge are subsequently stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Term Sheet or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Term Sheet and the Definitive Documents.

53. **THIS COURT ORDERS** that the formal valuation and minority approval requirements contained in sections 5.4 and 5.6 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions need not be complied with in connection with the DIP Facility.

TRANSACTION FEE CHARGE

54. **THIS COURT ORDERS** that the CRO (as security for the fees and expenses other than the “Work Fee” as defined and set out in the CRO Engagement Letter) and Maplebriar (as security for the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter) shall be entitled to the benefit of and are hereby granted a charge (the “**Transaction Fee Charge**”) on the Property, which charge shall not exceed an aggregate amount of USD \$1 million. The Transaction Fee Charge shall have the priority set out in paragraphs 64 and 66 hereof.

KERP APPROVAL AND KERP CHARGE

55. **THIS COURT ORDERS** that the key employee retention plan (the “**KERP**”) described in the Aziz Affidavit and attached to the Aziz Affidavit is hereby approved and the Applicants are authorized to enter into the KERP *nunc pro tunc* and the Applicants are authorized to make payments in accordance with the terms thereof, including the amounts of CAD \$869,973.92 and USD \$672,075.46 to paid by the Applicants to the Monitor and held by the Monitor for the benefit of the KERP Employees (as defined in the KERP) pursuant to the KERP (the “**KERP Employee Funds**”).

56. **THIS COURT ORDERS** that the Applicants are authorized to pay the amount of USD \$150,000 to the Monitor to be held as security for the “Work Fee” of Maplebriar (as set out in the Maplebriar Engagement Letter) (the “**Maplebriar Work Fee Funds**”, and collectively with the KERP Employee Funds, the “**KERP Funds**”). The Applicants are authorized to make payments of the Maplebriar Work Fee Funds in accordance with the Maplebriar Engagement Letter.

57. **THIS COURT ORDERS** that upon receipt by the Monitor of the KERP Funds, the KERP Funds shall be held by the Monitor for the benefit of the beneficiaries of the KERP, being each of the KERP Employees (as defined in the KERP) and Maplebriar (the “**KERP**

Beneficiaries”). The Monitor shall be permitted to distribute the KERP Funds to the Applicants for payment to the applicable KERP Beneficiaries as and when required by the KERP, and, when in the hands of the Applicants or any payment processor, such KERP Funds shall be held for and on the behalf of the applicable KERP Beneficiaries.

58. **THIS COURT ORDERS** that payments made by the Applicants pursuant to the KERP and Maplebriar Engagement Letter do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

59. **THIS COURT ORDERS** that Applicants are authorized to deliver such documents as may be necessary to give effect to the KERP, subject to prior approval of the Monitor, or as may be ordered by this Court.

60. **THIS COURT ORDERS** that each of the KERP Beneficiaries shall be entitled to the benefit of and are hereby granted a charge (the “KERP Charge”) on the KERP Funds as security for the obligations of the Applicants under the KERP and the Maplebriar Engagement Letter (other than for the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter). The KERP Charge shall have the priority set out in paragraphs 64 and 66 hereof.

INTERCOMPANY FINANCING

61. **THIS COURT ORDERS** that each of the Applicants (each, an “Intercompany Lender”) is authorized to loan to each of the other Applicants (each, an “Intercompany Borrower”), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the “Intercompany Advances”), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

62. **THIS COURT ORDERS** that each Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the “Intercompany Charge”) on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany

Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing Date. The Intercompany Charge shall have the priority set out in paragraphs 64 and 66 hereof.

63. THIS COURT ORDERS AND DECLARES that each Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any Intercompany Advances made on or after the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

64. ~~38.~~ THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge, the ~~Administration~~KERP Charge ~~and~~, the DIP Lender's Charge, the Transaction Fee Charge and the Intercompany Charge (collectively, the "Charges"), as among them with respect to any Property to which they apply, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$●~~2.5 million~~);

~~Second – DIP Lender's Charge; and~~

~~Third~~Second – Directors' Charge (to the maximum amount of USD \$●~~450,000~~);

Third – KERP Charge (solely as against the KERP Funds);

Fourth – DIP Lender's Charge (to the maximum amount of USD \$●);

Fifth – Transaction Fee Charge (to the maximum amount of USD \$1 million); and

Sixth – Intercompany Charge.

⁹~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

65. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

66. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute a charge on the Property to which they apply and such Charges shall rank in priority to all other security interests, trusts, liens, charges ~~and~~, encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

67. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property to which the Charges apply that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ applicable Charges, unless the Applicants also obtains the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' applicable Charges and the Administration Charge~~, or further Order of this Court.

68. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder, including, for greater certainty, the DIP Lender (collectively, the "Chargees") ~~and/or the DIP Lender thereunder~~ shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an

"Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall~~ shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the~~ creation of the Charges, ~~or the execution, delivery or performance of the Definitive Documents~~; and
- (c) the payments made by the Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

69. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

70. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (collectively, the **"Securities Filings"**) that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of an over the counter market, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, and the rules of OTCQX and the Financial Industry Regulatory Authority and other rules, regulations and policies of OTCQX (collectively, the **"Securities Provisions"**), is hereby authorized, provided that nothing in this

paragraph shall prohibit any securities regulator or over the counter market from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

71. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the CRO (and its directors, officers, employees and representatives), the CFO or the Monitor (and its directors, officers, employees and representatives), shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator, stock exchange or over the counter market from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

SEALING

72. **THIS COURT ORDERS** that Confidential Exhibit “●” to the Aziz Affidavit shall be sealed, kept confidential and shall not form part of the public record pending further Order of the court.

SERVICE AND NOTICE

73. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown

on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claim amounts, names and addresses of any individuals who are creditors publicly available.

74. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

75. ~~45.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/~~https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~‘@’~~: www.alvarezandmarsal.com/LiCycle.

76. ~~46.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant’s creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be

deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

CHAPTER 15 PROCEEDINGS

77. THIS COURT ORDERS that the CRO is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the “Foreign Representative”) in respect of the within proceedings for the purpose of having these proceedings recognized and approved in any jurisdiction outside of Canada.

78. THIS COURT ORDERS that the Foreign Representative is hereby authorized to apply for recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada, including, without limitation, the United States Bankruptcy Court for the Southern District of New York (the “Foreign Bankruptcy Court”) pursuant to Chapter 15 of the US Bankruptcy Code. The Foreign Representative is authorized to apply for recognition and enforcement of this Order and any subsequent Orders of this Court in the United States including, without limitation, paragraphs 15, 17, 18, 19 and 22 with respect to any Proceeding taking place in the United States, any Business or Property of the Applicants located or being conducted within the United States, and any Person located or acting within the United States, as applicable. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to the Foreign Representative, the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

GENERAL

79. ~~47.~~ THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of ~~its~~their powers and duties hereunder or in the interpretation or application of this Order.

80. ~~48.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

81. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Foreign Representative, the Monitor, the DIP Lender and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants, the DIP Lender and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the ~~Monitor~~CRO in any foreign proceeding, or to assist the Foreign Representative, the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

82. ~~50.~~ **THIS COURT ORDERS** that each of the Foreign Representative, the Applicants, the DIP Lender and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, ~~and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.~~

~~51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

83. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, and is enforceable without any need for entry and filing.

<u>IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.</u>	<u>Court File No.</u>
	<u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u> <u>Proceeding Commenced at Toronto</u>
	<u>AMENDED AND RESTATED</u> <u>INITIAL ORDER</u>
	<u>McCarthy Tétrault LLP</u> <u>Suite 5300, TD Bank Tower</u> <u>66 Wellington Street West</u> <u>Toronto, ON M5K 1E6</u> <u>Heather Meredith LSO#: 48354R</u> <u>Tel: 416-601-8342</u> <u>E-mail: hmeredith@mccarthy.ca</u> <u>Trevor Courtis LSO#: 67715A</u> <u>Tel: 416-601-7643</u> <u>E-mail: tcourtis@mccarthy.ca</u> <u>Sameea Tanvir LSO#: 77838T</u> <u>Tel : 416-601-8181</u> <u>E-mail: stanvir@mccarthy.ca</u> <u>Meena Alnajar LSO#: 89626N</u> <u>Tel: 416-601-8116</u> <u>E-mail: malnajar@mccarthy.ca</u> <u>Lawyers for the Applicants</u>

Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 05/12/25 9:23:16 PM	
Style name: MT Style	
Intelligent Table Comparison: Active	
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Delete	336
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<u>Move To</u>	3
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Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	905

Tab 8

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEDNESDAY~~THURSDAY, THE
JUSTICE) ~~14TH~~22ND DAY
OF MAY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants ~~for an initial order~~ pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the Initial Order (the "Initial Order") issued on May 14, 2025 (the "Initial Filing Date") and extending the stay of proceedings provided for therein was heard this day ~~by judicial videoconference~~ at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Ajay Kochhar sworn May 12, 2025 and the Exhibits thereto (the "**Kochhar Affidavit**"), the affidavit of William E. Aziz sworn May 12, 2025 and the Exhibits thereto (the "Aziz Affidavit"), the consent of Alvarez & Marsal Canada Inc. ("**A&M**") to act as the Monitor (in such capacity, the "**Monitor**"), ~~and~~ the Pre-Filing Report of A&M in its capacity as the proposed Monitor dated May 12, 2025, and the First Report of the Monitor dated May 12, 2025 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, ~~A&M~~ the Monitor and such other parties as listed on the counsel slip, no other party

appearing although duly served as appears from the Affidavit of Service of • sworn May •, 2025.

AMENDING AND RESTATING INITIAL ORDER

1. THIS COURT ORDERS that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

2. ~~1.~~ THIS COURT ORDERS that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

3. ~~2.~~ THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the “Plan”).

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~3.~~ THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, advisors, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such

further Assistants as they deem reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. ~~4.~~ **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~any plan of compromise or arrangement (a "the Plan")~~ with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. ~~5.~~ **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing d~~Date of this Order~~:

- (a) all outstanding and future wages, salaries, contract amounts, employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing d~~Date of this Order~~, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; ~~and~~
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers, if, in the opinion of the Applicants following consultation with the Monitor, the third

party supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

8. ~~6.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after ~~this Order~~ the Initial Filing Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) payment for goods or services actually supplied to the Applicants following the Initial Filing ~~and Date of this Order~~.

9. ~~7.~~ **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) statutory deductions in the United States, and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing ~~and Date of this Order~~ pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected

after the Initial Filing d~~Date of this Order~~, or where such Sales Taxes were accrued or collected prior to the Initial Filing d~~Date of this Order~~ but not required to be remitted until on or after the Initial Filing d~~Date of this Order~~; and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. ~~8.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the Initial Filing d~~Date of this Order~~, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing d~~Date of this Order~~ shall also be paid.

11. ~~9.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of ~~this~~ the Initial Filing d~~Date~~; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. ~~10.~~ **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) ~~(a)~~ terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and
- (c) ~~(b)~~ pursue all avenues of refinancing ~~or, restructuring,~~ selling or reorganizing their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing ~~or, restructuring,~~ sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Applicants and/or the Business (the “**Restructuring**”).

13. ~~11.~~ **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If any of the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claims to the fixtures in dispute.

14. ~~12.~~ **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights

such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. ~~13.~~ **THIS COURT ORDERS** that from the Initial Filing Date until and including ~~May 22nd, 2025~~, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their respective employees, advisors or representatives acting in such capacities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

16. ~~14.~~ **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of any of the Applicants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended for a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or their respective employees, advisors or representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions,

suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence authorization or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing d~~Date of this Order~~ are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NO PRE-FILING VS POST-FILING SET OFF

20. ~~18.~~ **THIS COURT ORDERS** that no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any

amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order, in each case without the consent of the Applicants and the Monitor, or with leave of this Court.

NON-DEROGATION OF RIGHTS

21. ~~19.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing d~~Date of this Order~~, nor shall any Person be under any obligation on or after the Initial Filing d~~Date of this Order~~ to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. ~~20.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing d~~Date hereof~~ and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. ~~21.~~ **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers, the CRO (as defined below) and the CFO (as defined below) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director¹~~'s~~ or officer¹~~'s~~ gross negligence or wilful misconduct.

24. ~~22.~~ **THIS COURT ORDERS** that the current and future directors and officers of the Applicants, the CRO and the CFO shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of USD \$450,000, as security for the indemnity provided in paragraph ~~21~~23 of this Order. The Directors’ Charge shall have the priority set out in paragraphs ~~47~~64 and ~~49~~66 herein.

25. ~~23.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’’ Charge, and (b) the Applicants’ directors and officers shall only be entitled to the benefit of the Directors’’ Charge to the extent that they do not have coverage under any directors’’ and officers’’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~21~~23 of this Order.

APPOINTMENT OF MONITOR

26. ~~24.~~ **THIS COURT ORDERS** that A&M is ~~hereby,~~ as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’’s functions.

27. ~~25.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants’ receipts and disbursements;
- (b) review and approve Intercompany Advances (as defined below);
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (e) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (f) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (g) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (h) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (i) assist the Applicants and the Financial Advisor, to the extent required by the Applicants and the Financial Advisor, in connection with any sale and realization process conducted by the Applicants and the Financial Advisor;
- (j) receiving, holding and making payments of KERP Funds (defined below) as set out in the KERP (defined below);
- (k) ~~(e)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, wherever located, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (l) ~~(f)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(m) ~~(g)~~ perform such other duties as are required by this Order, such other orders of the Court, or as otherwise required by this Court from time to time.

28. ~~26.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. ~~27.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. ~~28.~~ **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, including the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree. Nothing in this paragraph shall derogate or limit the DIP Lender’s rights to request or receive information under the DIP Facility.

31. ~~29.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CRO AND CFO ENGAGEMENTS

32. ~~30.~~ **THIS COURT ORDERS** that the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged BlueTree Advisors Inc. (“**BlueTree**”) to provide the services of William E. Aziz to act as Chief Restructuring Officer of the Applicants (“**CRO**”) and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit “N” to the Kochhar Affidavit (the “**CRO Engagement Letter**”), the agreement dated as of April 28, 2025 pursuant to which the Applicants have engaged Michelle Faysal as interim Chief Financial Officer of the Applicants (“**CFO**”), a copy of which is attached as Exhibit “O” to the Kochhar Affidavit (the “**CFO Engagement Letter**”), the execution of the CRO Engagement Letter and the CFO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO and the CFO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fee” (as defined in the CRO Engagement Letter).

33. ~~31.~~ **THIS COURT ORDERS** that the CRO and the CFO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

34. ~~32.~~ **THIS COURT ORDERS** that neither BlueTree, the CRO nor the CFO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter or CFO Engagement Letter, as applicable, be deemed to be in Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to the Environmental Legislation, however, if BlueTree, the CRO or the CFO are nevertheless later found to be in Possession of any Property, then BlueTree, the CRO or the CFO, as applicable, shall be entitled to the benefits and protections in relation to the

Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the BlueTree, the CRO or the CFO from any duty to report or make disclosure imposed by applicable Environmental Legislation.

35. ~~33.~~ **THIS COURT ORDERS** that BlueTree, the CRO and the CFO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the ~~dated of this Order~~ Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO or CFO.

36. ~~34.~~ **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of BlueTree, the CRO or the CFO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or the CFO, as applicable, or with leave of this Court on notice to the Applicant, the Monitor, the CRO and the CFO, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the CRO and the CFO, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

37. ~~35.~~ **THIS COURT ORDERS** that the obligations of the Applicants to BlueTree and the CRO and the CFO pursuant to the CRO Engagement Letter and the CFO Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) or the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended (the “**US Bankruptcy Code**”) in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR AND MAPLEBRIAR ENGAGEMENTS

38. ~~36.~~ **THIS COURT ORDERS** that the agreement dated as of May 8, 2025 pursuant to which the Applicants have engaged Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) to assist the Applicants in evaluating and pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “Q” to the Kochhar Affidavit (the “**Financial Advisor Engagement Letter**”), the agreement dated as of May 1, 2025 pursuant to which the Applicants have engaged Maplebriar Holdings Inc. (“**Maplebriar**”) to provide the services of

Ajay Kochhar to assist the Applicants in pursuing one or more potential sale transactions, a copy of which is attached as Exhibit “P” to the Kochhar Affidavit (the “**Maplebriar Engagement Letter**”), and the execution of the Financial Advisor Engagement Letter and the Maplebriar Engagement Letter by the Applicants, *nunc pro tunc*, is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby including, for the avoidance of doubt, the “Restructuring Fees” (as defined in the Maplebriar Engagement Letter).

39. ~~37.~~ **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not be or be deemed to be a director, *de facto* director or employee of the Applicants or any of their respective subsidiaries or affiliates.

40. ~~38.~~ **THIS COURT ORDERS** that the Financial Advisor and Maplebriar shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing ~~and Date of this Order~~ except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the Financial Advisor or Maplebriar, as applicable.

41. ~~39.~~ **THIS COURT ORDERS** that no Proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Financial Advisor or Maplebriar, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or Maplebriar, as applicable, or with leave of this Court on notice to the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor, the Financial Advisor and Maplebriar, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

42. ~~40.~~ **THIS COURT ORDERS** that the obligations of the Applicants to the Financial Advisor and Maplebriar pursuant to the Financial Advisor Engagement Letter and Maplebriar Engagement Letter, as applicable, shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants.

ADMINISTRATION CHARGE

43. ~~41.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor in Canada and the United States (collectively, the “**Monitor Counsel**”), the CRO, the CFO, the Financial Advisor, Maplebriar, and counsel to the Applicants in Canada and the United States (collectively, the “**Applicants Counsel**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of Maplebriar in accordance with the Maplebriar Engagement Letter, whether incurred prior to, on, or after the Initial Filing ~~4~~Date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, the Monitor Counsel, the Financial Advisor and the Applicants Counsel on a weekly basis or pursuant to such other arrangements agreed to between the Applicants and such parties and, in addition, the Applicants are hereby authorized to pay to the Monitor, the Monitor Counsel, and the Applicants Counsel, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

44. ~~42.~~ **THIS COURT ORDERS** that the Monitor and its Canadian legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its Canadian legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

45. ~~43.~~ **THIS COURT ORDERS** that the Monitor, the Monitor Counsel, the CRO (solely for the “Work Fee” as defined and set out in the CRO Engagement Letter), the Financial Advisor, the CFO and the Applicants Counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$~~2~~2.5 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, and in the case of the CFO in accordance with the CFO Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~47~~64 and ~~49~~66 hereof.

DIP FINANCING

46. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the “DIP Facility”) from • (the “DIP Lender”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$• unless permitted by further Order of this Court.

47. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of • (the “DIP Term Sheet”), filed.

48. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “Definitive Documents”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

49. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “DIP Lender’s Charge”) on the Property as security for all of the Applicants’ obligations owing to the DIP Lender under the DIP Term Sheet (including, without limitation, in respect of any principal, interest, fees and similar amounts thereunder), which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 64 and 66 hereof.

50. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge, the DIP Term Sheet or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon two business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including, without limitation, to: (i) terminate the commitments under the DIP Term Sheet; (ii) cease making advances to the Applicants; (iii) set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge; (iv) accelerate, and/or make a demand for immediate payment of, any or all obligations outstanding thereunder; (v) give any other notices that the DIP Lender considers necessary or desirable; and/or (vi) apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

51. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any advances made under the Definitive Documents.

52. THIS COURT ORDERS that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge are subsequently stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "Variation"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Term Sheet or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on

this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Term Sheet and the Definitive Documents.

53. **THIS COURT ORDERS** that the formal valuation and minority approval requirements contained in sections 5.4 and 5.6 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions need not be complied with in connection with the DIP Facility.

TRANSACTION FEE CHARGE

54. **THIS COURT ORDERS** that the CRO (as security for the fees and expenses other than the "Work Fee" as defined and set out in the CRO Engagement Letter) and Maplebriar (as security for the "Restructuring Fees" as defined and set out in the Maplebriar Engagement Letter) shall be entitled to the benefit of and are hereby granted a charge (the "**Transaction Fee Charge**") on the Property, which charge shall not exceed an aggregate amount of USD \$1 million. The Transaction Fee Charge shall have the priority set out in paragraphs 64 and 66 hereof.

KERP APPROVAL AND KERP CHARGE

55. **THIS COURT ORDERS** that the key employee retention plan (the "**KERP**") described in the Aziz Affidavit and attached to the Aziz Affidavit is hereby approved and the Applicants are authorized to enter into the KERP *nunc pro tunc* and the Applicants are authorized to make payments in accordance with the terms thereof, including the amounts of CAD \$869,973.92 and USD \$672,075.46 to paid by the Applicants to the Monitor and held by the Monitor for the benefit of the KERP Employees (as defined in the KERP) pursuant to the KERP (the "**KERP Employee Funds**").

56. **THIS COURT ORDERS** that the Applicants are authorized to pay the amount of USD \$150,000 to the Monitor to be held as security for the "Work Fee" of Maplebriar (as set out in the Maplebriar Engagement Letter) (the "**Maplebriar Work Fee Funds**", and collectively with the KERP Employee Funds, the "**KERP Funds**"). The Applicants are authorized to make payments of the Maplebriar Work Fee Funds in accordance with the Maplebriar Engagement Letter.

57. **THIS COURT ORDERS** that upon receipt by the Monitor of the KERP Funds, the KERP Funds shall be held by the Monitor for the benefit of the beneficiaries of the KERP, being each of the KERP Employees (as defined in the KERP) and Maplebriar (the “**KERP Beneficiaries**”). The Monitor shall be permitted to distribute the KERP Funds to the Applicants for payment to the applicable KERP Beneficiaries as and when required by the KERP, and, when in the hands of the Applicants or any payment processor, such KERP Funds shall be held for and on the behalf of the applicable KERP Beneficiaries.

58. **THIS COURT ORDERS** that payments made by the Applicants pursuant to the KERP and Maplebriar Engagement Letter do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

59. **THIS COURT ORDERS** that Applicants are authorized to deliver such documents as may be necessary to give effect to the KERP, subject to prior approval of the Monitor, or as may be ordered by this Court.

60. **THIS COURT ORDERS** that each of the KERP Beneficiaries shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the KERP Funds as security for the obligations of the Applicants under the KERP and the Maplebriar Engagement Letter (other than for the “Restructuring Fees” as defined and set out in the Maplebriar Engagement Letter). The KERP Charge shall have the priority set out in paragraphs 64 and 66 hereof.

INTERCOMPANY FINANCING

61. ~~44.~~ **THIS COURT ORDERS** that each of the Applicants (each, an “**Intercompany Lender**”) is authorized to loan to each of the other Applicants (each, an “**Intercompany Borrower**”), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the “**Intercompany Advances**”) ~~up to an aggregate of USD \$1 million (subject to increase in accordance with further Order of this Court)~~, on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

62. ~~45.~~ **THIS COURT ORDERS** that each Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Intercompany Charge**”) on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing d~~Date of this Order~~. The Intercompany Charge shall have the priority set out in paragraphs ~~47~~ 64 and ~~49~~66 hereof.

63. ~~46.~~ **THIS COURT ORDERS AND DECLARES** that each Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or in any other proceeding commenced under the CCAA, the BIA or the US Bankruptcy Code in respect of the Applicants, with respect to any Intercompany Advances made on or after the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

64. ~~47.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors’ Charge, the KERP Charge, the DIP Lender’s Charge, the Transaction Fee Charge and the Intercompany Charge (collectively, the “**Charges**”), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of \$~~22~~22.5 million);

Second – Directors’ Charge (to the maximum amount of USD \$450,000); ~~and~~

Third – KERP Charge (solely as against the KERP Funds);

Fourth – DIP Lender’s Charge (to the maximum amount of USD \$●);

~~Third – Interecompany~~Fifth – Transaction Fee Charge (to the maximum amount of USD \$1 million); and

Sixth – Intercompany Charge.

65. ~~48.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

66. ~~49.~~ **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property to which they apply and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, ~~provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of this application.~~

67. ~~50.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property to which the Charges apply that rank in priority to, or *pari passu* with, any of the applicable Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the applicable Charges, or further Order of this Court.

68. ~~51.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder, including, for greater certainty, the DIP Lender (collectively, the “**Chargees**”) ~~thereunder~~ shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant

to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

69. ~~52.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

70. ~~53.~~ **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (collectively, the “**Securities Filings**”) that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of an over the counter market, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, and the rules of OTCQX and the Financial Industry Regulatory Authority and other rules, regulations and policies of OTCQX (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or over the counter market from taking any

action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

71. ~~54.~~ **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the CRO (and its directors, officers, employees and representatives), the CFO or the Monitor (and its directors, officers, employees and representatives), shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator, stock exchange or over the counter market from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the “**Regulators**”) in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

SEALING

72. **THIS COURT ORDERS** that Confidential Exhibit “●” to the Aziz Affidavit shall be sealed, kept confidential and shall not form part of the public record pending further Order of the court.

SERVICE AND NOTICE

73. ~~55.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more

than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claim amounts, names and addresses of any individuals who are creditors publicly available.

74. ~~56.~~ **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

75. ~~57.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~<https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>~~<https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.alvarezandmarsal.com/LiCycle.

76. ~~58.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to

be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

CHAPTER 15 PROCEEDINGS

77. ~~59.~~ **THIS COURT ORDERS** that the CRO is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the “**Foreign Representative**”) in respect of the within proceedings for the purpose of having these proceedings recognized and approved in any jurisdiction outside of Canada.

78. ~~60.~~ **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada, including, without limitation, the United States Bankruptcy Court for the Southern District of New York (the “**Foreign Bankruptcy Court**”) pursuant to Chapter 15 of the US Bankruptcy Code. The Foreign Representative is authorized to apply for recognition and enforcement of this Order and any subsequent Orders of this Court in the United States including, without limitation, paragraphs ~~13,~~ 15, ~~16,~~ 17, 18, 19 and ~~20~~22 with respect to any Proceeding taking place in the United States, any Business or Property of the Applicants located or being conducted within the United States, and any Person located or acting within the United States, as applicable. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and provide such assistance to the Foreign Representative, the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.

GENERAL

~~61. THIS COURT ORDERS that the comeback motion shall be heard on May 22, 2025.~~

79. ~~62.~~ **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder or in the interpretation or application of this Order.

80. ~~63.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

81. ~~64.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Foreign Representative, the Monitor, the DIP Lender and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants, the DIP Lender and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CRO in any foreign proceeding, or to assist the Foreign Representative, the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

82. ~~65.~~ **THIS COURT ORDERS** that each of the Foreign Representative, the Applicants, the DIP Lender and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

83. ~~66.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, and is enforceable without any need for entry and filing.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

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Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 05/12/25 9:25:35 PM	
Style name: MT Style	
Intelligent Table Comparison: Active	
Original DMS: iw://mccarthy.cloudimanage.com/MTDOCS/60864506/12	
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Table Delete	0
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Embedded Excel	0
Format changes	0
Total Changes:	408

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO LI-CYCLE HOLDINGS CORP. ET AL.

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