

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.

PRE-FILING REPORT OF THE PROPOSED MONITOR
ALVAREZ & MARSAL CANADA INC.

MAY 13, 2025

TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	TERMS OF REFERENCE AND DISCLAIMER	3
3.0	A&M’S QUALIFICATIONS TO ACT AS MONITOR	4
4.0	BACKGROUND INFORMATION	5
5.0	CASH MANAGEMENT SYSTEM	17
6.0	CASH FLOW FORECAST	18
7.0	CHAPTER 15 RECOGNITION PROCEEDINGS	21
8.0	CHIEF RESTRUCTURING OFFICER	21
9.0	ENGAGEMENT OF OTHER ADVISORS	23
10.0	SECURITIES OBLIGATIONS	25
11.0	COURT ORDERED CHARGES SOUGHT IN THE INITIAL ORDER	26
12.0	MONITOR’S RECOMMENDATION	29

APPENDICES

Appendix A – Cash Flow Forecast for the 2-Week Period Ending May 23, 2025

Appendix B – Management’s Representation Letter Regarding the Cash Flow Forecast

1.0 INTRODUCTION

- 1.1 Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Proposed Monitor**”) understands that Li-Cycle Holdings Corp. (“**Holdings**”), Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North America Hub, Inc. (“**US HubCo**”) (collectively, the “**Companies**”, or the “**Applicants**”, and together with the non-Applicant affiliates, the “**Li-Cycle Group**”) intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order (the “**Initial Order**”) granting, among other things, an initial stay of proceedings pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointing A&M as Monitor of the Applicants (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
- 1.2 The Li-Cycle Group is a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario. The Applicants are comprised of the Li-Cycle Group’s North American based companies. The European and Asian subsidiaries of Holdings are non-Applicant subsidiaries and are not part of these CCAA Proceedings.
- 1.3 The CCAA Proceedings are being commenced as part of a larger coordinated restructuring of the Li-Cycle Group. The principal purpose of these CCAA Proceedings is to stabilize and maintain the Applicants’ business and to conduct a court-supervised sale and realization process for the business and assets of the Li-Cycle Group. The Applicants are not seeking any relief in the proposed Initial Order in respect of the sale and realization process. Rather the Applicants intend to seek, among other things, an order approving a

sale and realization process (the “**SISP**”) for the business and assets of the Li-Cycle Group at the come-back hearing scheduled for May 22, 2025.

1.4 The purpose of this pre-filing report (“**Report**”) is to provide the Court with information, and, where applicable, the Proposed Monitor’s view on:

- (i) A&M’s qualifications to act as Monitor;
- (ii) background information in respect of the Li-Cycle Group;
- (iii) the Applicants’ centralized cash management system;
- (iv) the Applicants’ cash flow forecast for the 2-week period ending May 23, 2025 (the “**Cash Flow Forecast**”);
- (v) the engagement of certain advisors, including the Financial Advisor, CRO, CFO and Maplebriar (each as defined below);
- (vi) the proposed Court-ordered Charges (as defined below) over the property and assets of the Applicants (collectively, the “**Property**”) sought in the Initial Order;
- (vii) 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;
- (viii) the proposed authorization sought in the Initial Order for the CRO to act as the foreign representative of the Applicants in respect of the within proceedings for the purpose of having these CCAA Proceedings recognized and approved in a jurisdiction outside of Canada and authorizing the CRO to apply for foreign

recognition and approval of these CCAA Proceedings and related relief, as necessary, in the United States Bankruptcy Court for the Southern District of New York under Chapter 15 of the United States Bankruptcy Code; and

- (ix) the Proposed Monitor's conclusions and recommendations in connection with the foregoing, as applicable.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Report, A&M, in its capacity as the Proposed Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Applicants, and has had discussions with management of the Applicants and its legal counsel, the Financial Advisor and the CRO (collectively, the “**Information**”). Except as otherwise described in this Report in respect of the Applicants' cash flow forecast:

- (i) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

(ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Report was prepared based on the Applicants' management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 This Report should be read in conjunction with the affidavit of Ajay Kochhar, President and CEO of the Li-Cycle Group, sworn May 12, 2025 in support of the Initial Order (the "**Kochhar Affidavit**"). Capitalized terms used and not defined in this Report have the meanings given to them in the Kochhar Affidavit.

2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars ("**USD**").

3.0 A&M'S QUALIFICATIONS TO ACT AS MONITOR

3.1 Alvarez & Marsal Canada ULC, an affiliated company of A&M, was engaged to act as consultants to the Applicants on April 14, 2025, to, among other things, assist the Applicants in reviewing and considering their strategic alternatives. As such, the Proposed Monitor is familiar with the business and operations of the Applicants, their personnel and the key issues and stakeholders in the proposed CCAA Proceedings.

- 3.2 A&M is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. The senior A&M professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants (Chartered Accountants), Chartered Insolvency and Restructuring Professionals, and Licensed Trustees in Bankruptcy, and who have acted in CCAA matters of a similar nature.
- 3.3 The Monitor has retained Osler, Hoskin & Harcourt LLP (“**Osler**”) to act as its independent legal counsel in Canada and Skadden, Arps, Slate, Meagher & Flom LLP as its independent legal counsel in the United States.
- 3.4 In addition to the above, Alvarez & Marsal Canada Securities ULC (“**A&M Corporate Finance**”), an affiliated company of A&M, has also been engaged as financial advisor (the “**Financial Advisor**”) to the Li-Cycle Group to, among other things, assist the Li-Cycle Group with respect to the SISP. The proposed Initial Order seeks approval of A&M Corporate Finance’s engagement as the Financial Advisor. Pursuant to its engagement letter, A&M Corporate Finance will charge the Applicants at their standard hourly rates, and not on a success fee or contingent basis.

4.0 BACKGROUND INFORMATION

- 4.1 Extensive background information on the Li-Cycle Group as it relates to, among other things, recent financial performance, operations, facilities, employees, and primary causes

of financial difficulty are set out in the Kochhar Affidavit which readers are recommended to review. Certain key details are summarized below.

Operational Overview

- 4.2 The operating model of the Li-Cycle Group is based on its proprietary “Spoke & Hub” recycling and resource recovery process. Its facilities are comprised of “Spokes”, which are pre-processing facilities where battery manufacturing scrap and end-of-life batteries from customers (predominantly automobile manufacturers) are recycled to produce: (i) “black mass”, a powder-like substance containing valuable metals including lithium, nickel, and cobalt; (ii) a shredded metal foils product comprised largely of aluminum and copper; and (iii) shredded plastics. The Li-Cycle Group has Spokes in Ontario, New York, Alabama, and Arizona, which are all owned by the Applicants, and a Spoke in Germany that is not part of these CCAA Proceedings.
- 4.3 The Li-Cycle Group’s planned “Hubs” were contemplated to be post-processing facilities where black mass would be processed into critical battery-grade materials, including lithium carbonate, which could then be used in the manufacture of new batteries. The Li-Cycle Group’s first commercial Hub (the “**Rochester Hub**”) is partially constructed in Rochester, New York, and includes both a processing facility and a warehouse (the “**Rochester Warehouse**”).

Employees

- 4.4 Following the termination of 32 employees, primarily at its Toronto headquarters, and the furloughing of 85 employees in the United States on May 1, 2025, the Li-Cycle Group currently employs 119 employees, 37 of which are employed by the Applicants, as follows:

Country	Total Employees
Canada	24
United States	13
Total Employees - Applicants	37
Germany	66
Norway	1
Singapore	5
Switzerland	9
United Kingdom	1
Total Employees - Li-Cycle Group	119

- 4.5 The Applicants' payroll is processed by a third-party payroll service provider (ADP Inc. in Canada, and Paychex of New York, LLC in the United States).
- 4.6 During the CCAA Proceedings, the Applicants intend to continue funding their employee related costs and benefits in the normal course. The Monitor understands that all obligations to the employees that were terminated or put on furlough on May 1, 2025 have been paid, and that the Applicants are otherwise current on all of their obligations associated with employee costs.

Secured Credit Facilities

- 4.7 As at the date of this Report, the Li-Cycle Group had approximately USD\$205.6 million in outstanding funded secured debt:

<i>(USD in millions)</i>	Total Outstanding
DOE Loan Facility (DOE)	Nil ¹
Glencore Secured Convertible Note, principal	\$75.0
First A&R Note (Glencore), principal	\$116.6
Payment-in-kind interest (Glencore)	\$14.0
Total Pre-Filing Secured Debt Outstanding	USD\$205.6

4.8 Each of these secured credit facilities is described in detail in the Kochhar Affidavit. Key terms and components of such facilities include the following:

Prepetition Secured Credit Facilities (Capitalized terms have the meaning ascribed thereto in this Report or in the applicable credit document, as applicable)	
DOE Loan Facility (DOE)	
Agreement	<ul style="list-style-type: none"> Loan Arrangement and Reimbursement Agreement dated November 7, 2024 (as amended) and Note Purchase Agreement dated November 7, 2024 (as amended)
Borrower	<ul style="list-style-type: none"> Li-Cycle U.S. Inc. (Delaware)
Guarantors	<ul style="list-style-type: none"> Li-Cycle North America Hub, Inc. (Delaware) Li-Cycle Inc. (Delaware)
Lender Parties	<ul style="list-style-type: none"> Citibank, N.A, as Collateral Agent (the “DOE Collateral Agent”) and Depositary Bank United States Department of Energy (the “DOE”) Federal Financing Bank
Maximum Credit Amount	<ul style="list-style-type: none"> USD\$475,000,000
Conditions Precedent to First Advance Approval	<ul style="list-style-type: none"> The obligation of DOE to deliver the First Advance Request Approval Notice directing FFB to make the First Advance is subject to the following conditions precedent, among others²: <ul style="list-style-type: none"> (i) Li-Cycle Holdings Corp. has contributed to Li-Cycle U.S. Inc. the total amount of the equity contributions set out in Section 2.01 of the Sponsor Support Agreement, and the Borrower has applied all such funds towards Project Costs;

¹ As of the date hereof, no amounts have been advanced under the DOE Loan Facility. However, the Monitor understands that obligations under the DOE Loan Facility are outstanding as a result of the incurrence of certain expenses and professional fees.

² As described in the Kochhar Affidavit, the conditions precedent for the First Advance Approval have not yet occurred.

	<p>(ii) DOE shall have received a certificate from Li-Cycle U.S. Inc. that the operating Covered Spokes' nameplate equivalent input capacity and total Black Mass production capacity range will result in availability of Black Mass in compliance with engineering design specifications and quantities sufficient for continuous operation of the Project at Hub Nominal Throughput Capacity, and satisfying the Core Products recovery projections in the most recently Updated Base Case Financial Model, which shall be no less than the Hub Nominal Throughput Capacity;</p> <p>(iii) The DOE shall have received evidence of Li-Cycle U.S. Inc.'s continued unencumbered leasehold, easement and/or other real estate interest on the Project Site (subject only to Permitted Liens), under the relevant laws of the State of New York, as is necessary for the development of the Project;</p> <p>(iv) DOE shall have received evidence that work on the Project has commenced under each Construction Contract or readiness of all parties to proceed with performance of the work thereunder that is contemplated to be performed during the then current stage of the Project pursuant to the Project Plans; and</p> <p>(v) An executed amendment to the Glencore By-Product Offtake Agreement with respect to the quotation period for the "Materials", the location and time of the sampling of the "Material" and the required product specifications of the "Material", which shall be the same or exceeding the mixed hydroxide precipitate (MHP) product specifications set forth in Schedule 1.01B to the Loan Arrangement and Reimbursement Agreement.</p>
Interest	<ul style="list-style-type: none"> The interest rate applicable to each Advance shall be established by the Federal Financing Bank at the time that the respective Advance is made on the basis of the determination made by the Secretary of the Treasury pursuant to section 136 of the Energy Independence and Security Act of 2007 (Pub. L. No. 110-140, 121 Stat. 1492, 1514), as amended
Maturity Date	<ul style="list-style-type: none"> March 15, 2040
Security & Intercreditor Arrangements	<ul style="list-style-type: none"> In respect of Li-Cycle U.S. Inc., Li-Cycle Inc. and Li-Cycle North America Hub, Inc. (collectively, the "U.S. Entities"), on a first priority basis on substantially all of the tangible and intangible assets of such U.S. Entities (other than Excluded Assets³), including all equity interests of the U.S. Entities In respect of Li-Cycle Corp. (Ontario), by liens on a first priority basis on the Licensed IP upon a "Triggering Event"⁴

³ "Excluded Assets" include (i) any property, if and to the extent that a security interest therein is prohibited by or in violation of any applicable law, (ii) assets subject to purchase money financing; and (iii) property that is held in the nature of a security deposit by or on behalf of any U.S. Entity in the ordinary course of business. Notwithstanding anything to the contrary, in no circumstances shall Excluded Assets include any assets which have been financed or acquired with the proceeds of Advances.

⁴ "Trigger Event" is defined in the Contingent License Agreement dated as of November 7, 2024 between Li-Cycle Corp. and the DOE Collateral Agent as: "(i) the occurrence and continuation of an Event of Default; (ii) an enforcement of any Lien on the Equity Interests in, or in all or substantially all the property of, or any transfer of any Equity Interest in any [of the U.S. Entities]; (iii) any Insolvency Proceeding related to any [of the U.S. Entities]; or (iv) if any [of the U.S. Entities] is deprived of access to the Project IP through the termination of the Tier One IP License or otherwise."

Glencore Secured Convertible Note (Glencore)	
Note	<ul style="list-style-type: none"> Senior Secured Convertible Note dated March 25, 2024 (as amended and restated) and issued pursuant to a Note Purchase Agreement dated March 11, 2024 between Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation, as Collateral Agent (as amended and restated)
Issuer	<ul style="list-style-type: none"> Li-Cycle Holdings Corp. (Ontario)
Guarantors	<ul style="list-style-type: none"> Li-Cycle Corp. (Ontario), Li-Cycle Americas Corp. (Ontario), Li-Cycle U.S. Inc. (Delaware), Li-Cycle Inc. (Delaware) and Li-Cycle North America Hub, Inc. (Delaware)
Investor	<ul style="list-style-type: none"> Glencore Canada Corporation, as Collateral Agent (the “Glencore Collateral Agent”) Glencore Canada Corporation, as noteholder
Committed Securities	<ul style="list-style-type: none"> USD\$75,000,000 Convertible Senior Secured Note
Interest	<ul style="list-style-type: none"> SOFR + 5% if interest is cash paid SOFR + 6% if interest is paid in kind
Maturity Date	<ul style="list-style-type: none"> March 25, 2029
Conversion Rights	<ul style="list-style-type: none"> Convertible at the Noteholder’s option at any time from time to time Conversion price of \$0.53 per common share, subject to certain adjustments
Security & Intercreditor Arrangements	<ul style="list-style-type: none"> In respect of Li-Cycle Holdings Corp., Li-Cycle Corp. and Li-Cycle Americas Corp. (collectively, the “Canadian Note Parties”), by liens on a first priority basis on substantially all of the tangible and intangible assets of such Canadian Note Party, including all equity interests of Li-Cycle Corp., Li-Cycle Americas Corp., and Li-Cycle Europe AG (other than Excluded Assets⁵); provided, that upon the initial closing of any Project Loan Financing, any security interest in the Project Loan Collateral which secures the Glencore Secured Convertible Note shall automatically be subordinated to any security interest which is granted by any Canadian Note Party to the relevant Project Lender In respect of the U.S. Entities, by liens on a first priority basis on substantially all of the tangible and intangible assets of such U.S. Entities, including all equity interests of the U.S. Entities (other than Excluded Assets⁶); provided, that upon the initial closing of any Project Loan Financing, any security interest in the Project Loan Collateral which secures the Glencore Secured Convertible Note shall automatically be subordinated to any security interest which is granted by any U.S. Entity to the relevant Project Lender.

⁵ “Excluded Assets” include (i) any asset, the grant or perfection of a security interest in which would be prohibited under applicable law, (ii) any Real Estate Asset, (iii) assets subject to a purchase money security interest, and (iv) Project Loan Collateral, in accordance with the terms of an applicable Project Financing Intercreditor Agreement.

⁶ “Excluded Assets” include (i) any asset, the grant or perfection of a security interest in which would be prohibited under applicable law, (ii) any Real Estate Asset, (iii) assets subject to a purchase money security interest, and (iv) from and after the closing of any Project Financing, the applicable Project Loan Collateral (unless and to the extent a Project Financing Intercreditor Agreement shall have been entered into by and among the applicable Project Lender, the Glencore Collateral Agent and the Li-Cycle Holdings Corp.).

	<ul style="list-style-type: none"> Pursuant to that certain intercreditor agreement dated as of December 9, 2024 (the “Pari Passu Interc Creditor Agreement”), the liens securing the obligations owing under the Glencore Secured Convertible Note shall rank <i>pari passu</i> with the liens securing the obligations owing under the First A&R Note
First A&R Note (Glencore)	
Note	<ul style="list-style-type: none"> Amended and Restated Convertible Note issued March 25, 2024 (as amended and restated) and amended and restated pursuant to a Note Purchase Agreement dated March 11, 2024 between Li-Cycle Holdings Corp., Glencore Ltd., Glencore Canada Corporation and Glencore Canada Corporation, as Collateral Agent (as amended and restated)
Issuer	<ul style="list-style-type: none"> Li-Cycle Holdings Corp. (Ontario)
Guarantors	<ul style="list-style-type: none"> Li-Cycle Corp. (Ontario); Li-Cycle Americas Corp. (Ontario); Li-Cycle Europe AG (Switzerland); Li-Cycle Germany GmbH (Germany); Li-Cycle U.S. Inc. (Delaware); Li-Cycle Inc. (Delaware); and Li-Cycle North America Hub, Inc. (Delaware)
Investor	<ul style="list-style-type: none"> Glencore Canada Corporation, as noteholder
Committed Securities	<ul style="list-style-type: none"> USD\$116,551,170.40 Amended and Restated Convertible Note
Interest	<ul style="list-style-type: none"> SOFR + 5% if interest is cash paid SOFR + 6% if interest is paid in kind
Maturity Date	<ul style="list-style-type: none"> December 9, 2029
Conversion Rights	<ul style="list-style-type: none"> Convertible at the Noteholder’s option at any time from time to time Conversion price is the lesser of (i) the amount determined on the basis of a volume weighted average per share price of the common shares for thirty (30) trading days ending immediately prior to December 9, 2024, plus a 25% premium, and (ii) \$9.95 per common share, subject to certain adjustments
Security & Interc Creditor Arrangements	<ul style="list-style-type: none"> In respect of each Canadian Note Party, by liens on a first priority basis on substantially all of the tangible and intangible assets of such Canadian Note Party, including all equity interests of Li-Cycle Corp., Li-Cycle Americas Corp., and Li-Cycle Europe AG (other than Excluded Assets); provided, that upon the initial closing of any Project Loan Financing, any security interest in the Project Loan Collateral which secures the Glencore Secured Convertible Note shall automatically be subordinated to any security interest which is granted by any Canadian Note Party to the relevant Project Lender In respect of the U.S. Entities, by liens on a first priority basis on substantially all of the tangible and intangible assets of such U.S. Entities, including all equity interests of the U.S. Entities (other than Excluded Assets); provided, that upon the initial closing of any Project Loan Financing, any security interest in the Project Loan Collateral which secures the Glencore Secured Convertible Note shall automatically be subordinated to any security interest which is granted by any U.S. Entity to the relevant Project Lender Pursuant to the Pari Passu Interc Creditor Agreement, the liens securing the obligations owing under the First A&R Note shall rank <i>pari passu</i> with the liens securing the obligations owing under the Glencore Secured Convertible Note

Construction Liens and Claims, and Mechanics' Liens

- 4.9 During 2023, US HubCo suspended construction activity at the Rochester Hub following significant cost overruns and terminated its contract with MasTec, the general contractor for the Rochester Hub project. As a result, on April 9, 2024, MasTec commenced: (i) arbitration proceedings against US HubCo under the terms of its construction agreement, bringing an arbitration claim for at least \$48,674,848, plus interest, fees, costs and expenses; and (ii) a lien foreclosure action in the Supreme Court, County of Monroe, New York, and on July 22, 2024, MasTec North America Inc. (“**MasTec NA**”), an affiliate of MasTec filed a lien foreclosure action as assignee of several MasTec subcontractors.
- 4.10 On January 7, 2025, US HubCo filed a motion: (i) to stay the MasTec foreclosure action pending determination of the arbitration, and (ii) 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.
- 4.11 US HubCo’s responding statement in the arbitration, delivered on April 29, 2024 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.
- 4.12 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.

- 4.13 US HubCo is also subject to mechanics' liens filed by contractors and subcontractors against the Rochester Hub totaling approximately \$60.6 million and \$38.7 million, respectively. US HubCo is also subject to mechanics' liens filed by contractors against the Rochester Warehouse totaling approximately \$5.1 million.

Second A&R Note

- 4.14 In addition to the Glencore Secured Convertible Note and the First A&R Note summarized above, Holdings is indebted to Glencore Canada Corporation pursuant to an Amended and Restated Convertible Note issued March 25, 2024 in the principal amount of \$114,615,632 (as amended and restated, the “**Second A&R Note**”). The Second A&R Note is on substantially the same terms as the First A&R Note, except that it is currently unsecured.
- 4.15 The Second A&R Note contemplates that it will become secured upon the earliest to occur of: (i) the last day of the fiscal quarter in which the Project was substantially completed; (ii) the last day of any fiscal quarter during which Capital Expenditures of the U.S. Entities during such fiscal quarter exceed the amount budgeted therefore in any Construction Budget then in effect by more than 110%; and (iii) June 1, 2026.
- 4.16 As of December 31, 2024, the aggregate principal amount outstanding on the Second A&R Note, together with payment-in-kind (“**PIK**”) interest was approximately \$121.8 million.

Koch Convertible Notes

- 4.17 In addition to the unsecured Second A&R Note, on September 29, 2021, Holdings issued an unsecured convertible note (the “**Initial Koch Note**”) in the principal amount of \$100 million to Spring Creek Capital, LLC (“**Spring Creek**”), an affiliate of Koch Strategic

Platforms, LLC, and has issued additional unsecured convertible notes in satisfaction of accrued interest on the Initial Koch Note (collectively, the “**Koch PIK Notes**”).

- 4.18 On May 1, 2022, the Initial Koch Note and the Koch PIK Notes were assigned by Spring Creek to Wood River Capital, LLC (“**Wood River**”), and the PIK notes issued since that time (collectively, the “**Wood River PIK Notes**”) have been issued to Wood River.
- 4.19 As of December 31, 2024, the aggregate principal amount outstanding on the Initial Koch Note, the Koch PIK Notes and the Wood River PIK Notes (collectively, the “**Koch Convertible Notes**”) was approximately \$133.7 million.
- 4.20 The Koch Convertible Notes mature on September 29, 2026 and accrue interest at the Secured Overnight Financing Rate plus 0.58%, payable on a semi-annual basis, either in cash or by PIK, at Holdings’ option, beginning on December 31, 2021.
- 4.21 The principal and accrued interest owing under the Koch Convertible Notes may be converted at any time by the holder into common shares of Holdings at a per share price of \$101.59 (as of December 31, 2024), subject to anti-dilution adjustments.
- 4.22 Holdings is in default under the Glencore Secured Convertible Note, the First A&R Note, the Second A&R Note, and the Koch Convertible Notes and has negotiated waivers in respect of same with Glencore and Wood River which expire on May 13, 2025.

Other Unsecured Creditors

- 4.23 Based on the Applicants’ books and records, as at April 30, 2025, amounts payable to general unsecured creditors were approximately \$104.4 million comprised of the

following: (i) approximately \$90.0 million owing by US HubCo to contractors, trades and suppliers to the Rochester Hub project; (ii) approximately \$6.1 million owing to battery material suppliers; and (iii) approximately \$8.2 million owing to various other trades, suppliers, service providers and professionals.

- 4.24 The following table sets out a summary of the amounts payable to unsecured creditors at April 30, 2025, by Applicant:

Unsecured Creditor Obligations by Applicant At April 30, 2025 (in \$'000s)	
Canada SpokeCo	27
Global HQ	2,101
Holdings	4,379
US SpokeCo	1,100
US HubCo	90,046
US OpCo	6,738
Total	104,391

- 4.25 In addition to the amounts above, the Applicants have approximately \$15.0 million in of other general accrued liabilities.
- 4.26 Amounts payable to unsecured trade creditors do not include the contingent litigation liabilities that the Li-Cycle Group is subject to in the New York Securities Action, the Ontario Securities Action and the New York Derivative Action, nor do they include indemnification liabilities that the Li-Cycle Group is subject to under certain of its off-take agreements, which are not yet quantifiable.

Litigation Against the Applicants

- 4.27 The sharp drop in the share price of Holdings on the day that Holdings announced it was pausing construction of the Rochester Hub resulted in the commencement of several putative class and derivative actions against Holdings and its directors and officers in Canada and the United States, including: (i) a putative federal securities class action lawsuit 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 January 27, 2022 through November 13, 2023 (the "**New York Securities Action**"); (ii) a putative Ontario securities class action claim 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 to November 10, 2023 (the "**Ontario Securities Action**"); and (iii) a putative shareholder derivative action 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 (the "**New York Derivative Action**", and together with the New York Securities Action, and the Ontario Securities Action, the "**Securities Actions**").
- 4.28 Holdings has contested the allegations in the Securities Actions, further details in respect of which are provided in the Kochhar Affidavit.

5.0 CASH MANAGEMENT SYSTEM

- 5.1 As described in the Kochhar Affidavit, the Applicants' cash management system is operated through various accounts with the Canadian Imperial Bank of Commerce ("**CIBC**"), the Bank of Montreal ("**BMO**"), Royal Bank of Canada ("**RBC**") and the Bank of Nova Scotia ("**BNS**") (the "**Cash Management System**"). The Cash Management System is administered by the Applicants' finance department in Toronto.
- 5.2 The Applicants utilize 21 bank accounts, of which, 14 are held at CIBC, three are held at BMO, two are held at RBC and two are held at BNS (collectively, the "**Bank Accounts**"). The Bank Accounts are in denominated in either CAD or USD. Of the Bank Accounts, 15 are used by the Canadian Applicants, and 6 are used by the U.S. Applicants.
- 5.3 The Applicants maintain nine Bank Accounts that process all outgoing wires, Automatic Clearing House, cheque payments for disbursements to vendors and tax authorities and payroll related disbursements, and one Bank Account for all payroll related disbursements for North America OpCo. Eight Bank Accounts are maintained to hold and invest excess funds.
- 5.4 The Applicants intend to continue using their existing Cash Management System in substantially the same manner as before the commencement of the CCAA Proceedings and are seeking approval of the Court to do so. Given the scale and nature of the Applicants' operations and the volume of transactions that are processed daily within the Cash Management System, the Proposed Monitor is of the view that the continued use of the

existing Cash Management System is required and appropriate during these CCAA Proceedings.

5.5 As part of its monitoring procedures, the Proposed Monitor will:

- (i) review receipts and disbursements processed through the Bank Accounts;
- (ii) review weekly receipts and disbursements summaries, compare the summaries to the corresponding cash flow forecasts and review variances with management;
- (iii) review disbursements, as reasonably appropriate, for compliance with provisions of the proposed Initial Order; and
- (iv) review and track ordinary intercompany cash transfers that occur among the Bank Accounts.

6.0 CASH FLOW FORECAST

6.1 The Applicants have prepared the Cash Flow Forecast for the 2-week period ending May 23, 2025 (the “**Initial Period**”). A copy of the Cash Flow Forecast, together with a summary of assumptions (the “**Cash Flow Assumptions**”) and management’s report on the cash-flow statement required by section 10(2)(b) of the CCAA are attached hereto as **Appendices “A” and “B”**, respectively.

6.2 The following table provides a summary of the Cash Flow Forecast:

Cash Flow Forecast		<i>(\$000's USD)</i>
Receipts		670
Disbursements		
Operating and Holding Costs		1,219
Occupancy Costs		1,130
Salaries and Benefits		652
Professional Fees		3,288
D&O Insurance		1,917
KERP Pre-Funding		1,300
Total Disbursements		9,506
Net Cash Flow		(8,836)
Cash Balance, Opening		10,601
Net Cash Flow		(8,836)
Ending Cash Balance		1,765

6.3 The Proposed Monitor notes the following:

- (i) receipts are limited to the collection of existing accounts receivable that are anticipated to be collected during the Initial Period;
- (ii) occupancy costs include security, maintenance and other disbursements required to maintain and secure the Applicants' facilities, which for the most part are not currently operating;
- (iii) salaries and benefits include payroll, benefits and taxes for remaining employees and certain payments for accrued vacation for U.S. employees that were furloughed prior to the CCAA Proceedings;

- (iv) professional fees include the fees of the Applicants' Canadian and U.S. legal counsel, the Monitor, the Monitor's Canadian and U.S. counsel, the CRO, the CFO, and other professionals;
 - (v) the D&O insurance disbursement relates to an extension of the Applicants' existing directors' and officer's insurance program; and
 - (vi) the Applicants intend to transfer funds to a trust account held by the Monitor following its appointment (should the Court grant the Initial Order as sought) for the KERP participants. The Monitor understands that the Applicants will seek approval of the KERP at the Comeback Hearing.
- 6.4 During the Initial Period, net cash flows are forecast to be negative \$8.8 million, projected to be sufficiently funded by cash-on-hand of approximately \$10.6 million.
- 6.5 The Proposed Monitor understands that the Applicants are in discussions with respect to a DIP facility and a stalking horse bid, and if they are obtained, the Applicants intend to seek approval of same at the comeback hearing at which time the Monitor will comment further in respect of any DIP facility and stalking horse bid.
- 6.6 Based on the Proposed Monitor's review,⁷ nothing has come to its attention that causes it to believe, in all material respects, that:

⁷ The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. Pursuant to this standard, the Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by the Applicants and key members of the Applicants' management. The Proposed Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast.

- (i) the Cash Flow Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- (ii) as at the date of this Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the Cash Flow Assumptions; or
- (iii) the Cash Flow Forecast does not reflect the Cash Flow Assumptions.

6.7 The Cash Flow Forecast has been prepared solely for the purpose described above and readers are cautioned that it may not be appropriate for other purposes.

7.0 CHAPTER 15 RECOGNITION PROCEEDINGS

7.1 As discussed in the Kochhar Affidavit, the Applicants intend to seek recognition of these CCAA Proceedings from the United States Bankruptcy Court for the Southern District of New York under Chapter 15 of the United States Bankruptcy Code and for the recognition of these proposed CCAA Proceedings as “Foreign Main Proceedings”. The Proposed Monitor is also advised that the Applicants intend to seek the appointment of the proposed CRO as the foreign representative under such recognition proceedings.

8.0 CHIEF RESTRUCTURING OFFICER

8.1 The proposed Initial Order seeks approval of the CRO Engagement Letter and the appointment of BlueTree Advisors Inc. (“**BlueTree**”) as Chief Restructuring Officer (the “**CRO**”). William Aziz who is the President of BlueTree and will have carriage of this mandate is an experienced restructuring professional having served in many similar roles

in prior restructurings, including those with cross border elements, and is well known to the Court.

8.2 The CRO Engagement Letter was entered into among the Companies and BlueTree on April 28, 2025, a copy of which is attached as **Exhibit “N”** to the Kochhar Affidavit. Without limiting the rights and authorizations granted to the CRO pursuant to the proposed Initial Order, the CRO Engagement Letter contemplates that the CRO will be responsible for, among other things: (i) assisting with any plan of arrangement, restructuring, refinancing, recapitalization, and/or orderly liquidation in respect of the business and assets of the Companies, 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 Company (the “**Restructuring**”); (ii) consulting on matters related to the business and operations of the Companies, and in the implementation of a Restructuring; (iii) signing for or on behalf of the Companies, 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 Companies, including acting as foreign representative in a Chapter 15 proceeding; (iv) providing direction in relation to issues in the insolvency proceedings; and (v) providing recapitalization, restructuring, financial and operational assistance as may be required.

8.3 In relation to the CRO Engagement Letter, the Proposed Monitor notes that:

(i) BlueTree shall earn a monthly work fee in the amount of \$75,000, plus HST;

- (ii) BlueTree shall be entitled to reimbursement of reasonable out-of-pocket expenses incurred in connection with services provided;
- (iii) BlueTree shall earn a transaction fee, equal to the greater of: (a) 5% of the gross proceeds to the Applicants of a Restructuring completed during the term of the CRO Engagement Letter or within six (6) months thereafter; or (b) \$500,000 (the “**CRO Restructuring Fee**”);
- (iv) to the extent that the Restructuring includes a credit bid, the Restructuring Fee attributable to such credit bid transaction shall not exceed \$500,000; and
- (v) the Restructuring Fee will not be payable if the Companies terminate the CRO Engagement Letter as a result of a material breach of same by BlueTree, or if BlueTree terminates the CRO Engagement Letter for a reason other than the Companies’ material breach.

8.4 The Proposed Monitor is of the view that the scope of the services and the fees contemplated under the CRO Engagement Letter are appropriate in the circumstances, and that the terms of the CRO Engagement Letter are otherwise reasonable and consistent with comparable engagements.

9.0 ENGAGEMENT OF OTHER ADVISORS

Chief Financial Officer

9.1 Following the resignation of the former chief financial officer, the Li-Cycle Group retained Michelle Faysal to act as Chief Financial Officer (the “**CFO**”), pursuant to an engagement

letter dated April 28, 2025 (the “**CFO Engagement Letter**”) which provides for a monthly work fee of \$50,000.

- 9.2 The proposed Initial Order provides that the Applicants will pay the CFO in accordance with the provisions of the CFO Engagement Letter, and such fees are to be included in the Administration Charge.

Maplebriar Holdings Inc.

- 9.3 Following the resignation of Ajay Kochhar (effective May 15, 2025), the Li-Cycle Group’s CEO, the Special Committee to the Board requested that he be retained by the Li-Cycle Group as a consultant to support the management team during the CCAA Proceedings, and in particular, to assist with the SISF. Accordingly, the Applicants’ engaged Maplebriar Holdings Inc. (“**Maplebriar**”), the CEO’s holding company pursuant to an engagement letter dated May 1, 2025 (the “**Maplebriar Engagement Letter**”).

- 9.4 The Proposed Monitor notes that the Maplebriar Engagement Letter contemplates: (i) a monthly work fee of \$50,000; and (ii) a restructuring fee (the “**Maplebriar 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 Applicants of at least \$10 million and is not primarily a liquidation of assets.

- 9.5 The proposed Initial Order seeks approval of the Maplebriar Engagement Letter and the execution of the Maplebriar Engagement Letter, *nunc pro tunc*, including the payment of the fees and expenses contemplated thereby, including the Maplebriar Restructuring Fee.

9.6 The Proposed Monitor understands that, at the comeback hearing, the Applicants intend to seek: (i) authorization to pay the amount of USD\$150,000 to the Monitor to be held as security for the Maplebriar work fee, representing three months of the work fee, to be held by the Monitor and granting a charge over such funds to secure the Maplebriar work fee, similar to the KERP funds; and (ii) approval of a charge over the Property securing, among other things, the Maplebriar Restructuring Fee and the CRO Restructuring Fee.

10.0 SECURITIES OBLIGATIONS

10.1 Pursuant to the Initial Order, the Applicants are seeking:

- (i) authorization to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core and 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 the OTCQX (collectively, the “**Securities Provisions**”); and

- (ii) to protect the directors, officers, employees and other representatives of the Applicants, the CRO, the CFO and the Monitor from any persona liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

10.2 Given the CCAA Proceedings, it is anticipated that the Applicants' executive management will be focused primarily on the Applicants' restructuring efforts. The Securities Filings required by the Securities Provisions would require significant time, cost and resources, and attention from management, which would detract from these efforts. The Monitor is also of the view that it would be reasonable for the Applicants to not incur the costs associated with the Securities Filings, as contemplated by the Initial Order, given that Holdings may not continue as a reporting issuer following the conclusion of these CCAA Proceedings. In addition, the CCAA is a public process which will provide shareholders and other stakeholders with information regarding Holdings.

10.3 As a result, the Proposed Monitor views this request as reasonable and supports such relief in the circumstances.

11.0 COURT ORDERED CHARGES SOUGHT IN THE INITIAL ORDER

11.1 The Proposed Initial Order provides for Charges on the Property, each as described below, in the following priorities:

Proposed Charges	USD \$000's
1. Administration Charge	\$2,000
2. Directors' Charge	\$450
3. Intercompany Charge	<i>as described below</i>

- 11.2 The Initial Order provides that the Charges are to 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 parties that have not been served with notice of the Applicants’ application under the CCAA.

Administration Charge

- 11.3 The proposed Initial Order provides for an initial, first ranking charge in an amount not to exceed \$2.0 million on the Property to secure the fees of the Monitor, counsel to the Monitor in Canada and the United States, counsel to the Applicants in Canada and the United States, the Financial Advisor, the CRO for its monthly work fee, and the CFO (the “**Administration Charge**”). The proposed Monitor understands that the Applicants intend to seek an increase in the amount of the Administration Charge to \$2.5 million at the comeback hearing.
- 11.4 The proposed Monitor assisted the Applicants in the calculation of the Administration Charge and is of the view that the amount of the charge for the initial 10-day period is reasonable and appropriate in the circumstances, having regard to the nature of the proceedings, potential work involved at peak times and the size of charges approved in similar sized proceedings.

Directors' Charge

- 11.5 The proposed Initial Order provides that the Companies will indemnify their former, current and future directors and officers of the Applicants, the proposed CRO, and the CFO against obligations and liabilities that they may incur in their capacity as directors and officers of the Applicants from the commencement of the CCAA Proceedings, except to the extent that any obligation or liability was incurred as a result of gross negligence or wilful misconduct, and provides for a second ranking charge on the Property in the amount of \$450,000 as security for any such obligations or liabilities arising after the commencement of these CCAA Proceedings (the “**Directors’ Charge**”). As described in the Kochhar Affidavit, the Li-Cycle Group maintains directors’ and officers’ liability insurance (the “**D&O Insurance**”). However, it is uncertain whether all claims for which the directors and officers, the CRO and the CFO may be personally liable will be covered by the D&O Insurance. It is also uncertain whether the coverage provided by the D&O Insurance will be sufficient to adequately protect the directors, officers, the CRO and the CFO from liability and to incentivize the directors and officers to continue their service to the Li-Cycle Group.
- 11.6 The proposed Monitor understands that the directors and officers, the CRO and the CFO indicated to the Applicants that their continued service to the Applicants and involvement in the CCAA Proceedings was conditional on the granting of an order in the CCAA Proceedings granting the D&O Charge. The Proposed Monitor assisted the Applicants in the calculation of the Directors’ Charge, taking into consideration the amount of the Applicants’ payroll, vacation pay and federal and provincial sales tax liabilities. The

proposed Monitor is of the view that the Directors' Charge is required and reasonable in the circumstances.

Intercompany Charge

- 11.7 The proposed Initial Order authorizes the Applicants (each, an “**Intercompany Lender**”) to loan, and the other Applicants (each an “**Intercompany Borrower**”) to borrow, such amounts from time-to-time, with the approval of the Monitor, as considered necessary or desirable, on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the Initial Order (the “**Intercompany Advances**”) up to an aggregate of \$1.0 million (subject to increase in accordance with further order of the Court).
- 11.8 The proposed Initial Order provides for a charge (the “**Intercompany Charge**”) for the benefit of the Intercompany Lender on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower during these CCAA Proceedings which shall rank behind the Administration Charge and the Directors' Charge.
- 11.9 In the Monitor's view, the Intercompany Charge is required and reasonable in the circumstances as it will serve to protect the Applicants for any payments, obligations or transfers made to or incurred on behalf of, one or more of the other Applicants during the pendency of the CCAA Proceedings.

12.0 MONITOR'S RECOMMENDATION


- 12.1 For the reasons set out in this Report, the Proposed Monitor is of the view that the relief sought by the Applicants in the proposed Initial Order is reasonable, appropriate and

necessary, having regard to the current circumstances of the Applicants. As such, the Proposed Monitor supports the Applicants' application for CCAA protection and respectfully recommends that the Court grant the Initial Order containing the relief requested by the Applicants.

All of which is respectfully submitted to this Court this 13th day of May, 2025.

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Proposed Monitor 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. and in no
other capacity**

Per:



Josh Nevsky
Senior Vice President

APPENDIX A

Note to Reader: In preparing this cash flow forecast (the "**Forecast**"), the Applicants have relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast reflects assumptions including those discussed below with respect to the requirements and impact of a filing in Canada under the Companies' Creditors Arrangement Act (the "CCAA"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved will vary from the Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Forecast encompasses the Receipts and Disbursements of the Applicant entities only, encompassing the Li-Cycle Group's Canadian and U.S. operations. The Li-Cycle Group's European and Asian subsidiaries are non-Applicant subsidiaries, are not part of these CCAA Proceedings and are not included in the Forecast.

Li-Cycle Holdings Corp			
Cash Flow Forecast	Week 1	Week 2	Initial Period
(USD \$000's)	16-May-25	23-May-25	Total
Receipts	203	467	670
Disbursements			
Operating and Holding Costs	1,189	30	1,219
Occupancy Costs	1,123	7	1,130
Salaries and Benefits	394	257	652
D&O Insurance Run-Off Policy	3,288	-	3,288
Professional Fees	1,068	849	1,917
KERP Pre-Funding	1,300	-	1,300
Total Disbursements	8,363	1,143	9,506
Net Cash Flow	(8,160)	(676)	(8,836)
Opening Cash Balance	10,601	2,441	10,601
Net Cash Flow	(8,160)	(676)	(8,836)
Closing Cash Balance	2,441	1,765	1,765

Cash Flow Assumptions:

1. Receipts are limited to collection of existing accounts receivable and sales anticipated to be collected during the Initial Period.
2. Occupancy and Holdings costs include rents, property taxes, security, maintenance and other disbursements required to maintain and secure the Applicant's facilities, which for the most part are currently dormant.
3. Salaries and Benefits for Canadian and U.S. based employees are forecast to be paid in the normal course. Disbursements include the payment of accrued vacation for certain US-based employees that were furloughed prior to the CCAA Proceedings.
4. Professional fees include payments to the Applicants' Canadian and U.S. legal counsel, the Monitor, the Monitor's Canadian and U.S. legal counsel, A&M Corporate Finance, the CRO, the Interim Chief Financial Officer, senior advisors and other professionals.
5. D&O Insurance relates to an extension of the existing directors' and officers' insurance program.
6. The Applicants intend to transfer funds to a trust account to be held by the Monitor following its appointment (should the Court grant the Initial Order as sought), to be held in trust for the benefit of the employees' KERP.
7. Disbursements during the Initial Period are forecast to be funded by cash on hand. Approximately \$1 million of cash is forecast to be funded from Li-Cycle U.S. Inc. (a U.S. legal entity) to Li-Cycle Corp. (a Canadian legal entity) during the initial 10-day stay period.
8. At the Comeback Hearing (scheduled for May 22, 2025), the Applicants intend to seek approval of a DIP credit agreement to fund the remainder of the CCAA Proceedings.

APPENDIX B

Alvarez & Marsal Canada Inc.
200 Bay Street, Suite 3501
Toronto ON M5J 2J1

Attention: Mr. Josh B. Nevsky

May 13, 2025

Dear Sirs:

Re: Li-Cycle Holdings Corp., Li-Cycle Corp., Li-Cycle Americas Corp., Li-Cycle U.S. Inc., Li-Cycle Inc., and Li-Cycle North American Hub, Inc. (together, “Li-Cycle” or the “Applicants”) – CCAA section 10(2) Prescribed Representations with Respect to Cash Flow Forecast

In connection with the application by Li-Cycle for the commencement of proceedings under the *Companies’ Creditors Arrangement Act*, management of Li-Cycle has prepared the cash flow forecast for the period May 10, 2025 to May 23, 2025 (the “**Cash Flow Forecast**”) and the list of assumptions on which the Cash Flow Forecast is based. The purpose of the Cash Flow Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

Li-Cycle confirms that the hypothetical assumptions on which the Cash Flow Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the Cash Flow Forecast (the “**Notes**”).

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Yours truly,

Michelle T. Faysal

Per: Name: Michelle T. Faysal
Title: Interim Chief Financial Officer

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

**PRE-FILING REPORT OF THE
PROPOSED MONITOR**

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place, Suite 6200
Toronto, ON M5X 1B8

Michael De Lellis LSO#: 48038U
Tel: 416.862.5997
Email: mdelellis@osler.com

Martino Calvaruso LSO#: 57359Q
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Ben Muller LSO#: 80842N
Tel: 416.862.5923
Email: bmuller@osler.com

Counsel for Alvarez & Marsal Canada Inc.,
solely in its capacity as Proposed Monitor of Li-
Cycle Holdings Corp. et al. and in no other
capacity